



Real Estate Agents Professional Liability

A real estate agent brings buyers and sellers together to effect a transfer of real property (land or buildings or both). The size of such transactions, the broad range of potential legal liability exposures, and the current volatility in the property market are understood by AIG Australia and addressed with a tailored professional liability solution.

Policy Features

- A broad definition of professional services that includes activities conducted as a licensed real estate agent, property manager, strata managing agent, community managing agent, land and livestock auctioneer, or stock and station agent
- A broad definition of insured that extends to include temporary contract labour, self-employed persons and labour-only subcontractors
- Continuity of cover

Key Exposures

- Misrepresentation relating to the features of a property listed for sale by the real estate agent, such as the size of the land, or even the age of the house
- Claims against the agent for non disclosure regarding the sale of third party issues, such as planned council development in the area
- Property damage claims against the property manager due to inadequate checking of references
- Bodily injury claims against the property manager relating to properties under management, for example failing to action authorised maintenance requests
- Failure to disclose all covenants or easements on property
- Errors or delays in lease documentation
- Failure to identify unlawful structures on property being sold
- Misrepresentation regarding zoning of land for sale





Covers

- Civil liability
- Misleading or deceptive conduct (including under the Trade Practices Act 1974, Corporations Act 2001, ASIC Act 2001 or similar provisions in the States' Fair Trading Acts)
- Intellectual property (including breach of copyright)
- Defamation
- Fraud or dishonesty of principals, partners, directors or employees (including theft of third party money or securities)
- Loss of documents cover up to the limit of liability
- Defence costs

Standard Extensions

- Franchisors' indemnity (covering any claim made against a franchisor for a breach of duty by an Insured as if the claim was made against the Insured)
- General insurance distributor (covering distribution of general insurance products by the insured)
- Court attendance costs
- 30 day extended reporting period
- Property cover for lost documents – no breach of duty required (sublimited to \$250,000)
- Previous business name
- Quasi judicial costs (sublimited to \$100,000)
- Joint ventures
- Vicarious liability
- BusinessGuard Advisory Panel (providing limited free advice on matters which are relevant to the cover provided under this policy)

Optional Extensions

- Employment practices liability (covering claims by employees made against the policyholder, or any principal, partner, director or employee)
- Fidelity (covering financial loss of the policyholder as a result of fraudulent or dishonest acts committed by an employee)

Key Exclusions

- Beneficial interest
- Bodily injury and property damage (applies unless arising from the performance of professional services)
- Business broking
- Commingling of funds
- Conflict of interest
- Financial advice
- Occupiers liability
- Valuation services

Limits

- Primary
- Up to \$25 million capacity

Underwriting Information

- AIG Australia professional liability proposal form
- Full claims experience, including full details of all paid and outstanding matters
- Start up operations will require resumes for all principals, partners or directors and details of their past claims experience

Target Market

Any firm that can demonstrate a positive approach to risk management

AIG Australia

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