

## Professional Legal Expense Insurance for Small to Medium sized businesses

### **Don't I already have this coverage?**

No. Commercial Legal Expense Insurance (CLEI) is a brand new product that was introduced in Canada in 2005. It is already widely sold in Europe and is specifically designed for small to medium sized businesses that do not typically have legal services on staff. Given the high cost of retaining a lawyer, your company may be put in a position where you have to choose between jeopardizing your financial bottom line by incurring heavy legal expenses, or risking financial difficulty, even bankruptcy and closure, by failing to have proper legal representation.

### **How is Commercial Legal Expense Insurance different from commercial liability insurance?**

Commercial liability insurance pays damages for civil issues, including negligence. It does not cover the following five crucial areas:

- Contract disputes - Pursuit or defence of contractual disputes relating to the sale, purchase, lease or rental of goods or the provision of services (e.g. disputes with customers/suppliers, defence against claims of poor workmanship)
- Employment disputes - Defence of any dispute with an employee (e.g. defence against wrongful dismissal charges, discrimination)
- Criminal Prosecution - Defence of criminal or statutory proceedings (e.g. Criminal Code (Canada), Occupational Health and Safety Act)
- Property Disputes - Pursuit or defence of disputes relating to freehold/leasehold property including damage by a third party to that property (e.g. landlord and tenant disputes, nuisance and trespass)
- Personal Injury - Pursuit of claims for compensation relating to death or bodily injury sustained away from the workplace but while engaged in business activities

### **Can I really afford more insurance?**

The question you should be asking yourself is, "Can I really afford not to?" CLEI provides you with peace of mind and a premium that is easily affordable, even for the smallest business. That's because LEI premiums are tailored to your company's gross revenues. More than just an insurance policy, CLEI provides your company with a complete service and immediate access to a lawyer when you need it.

### **What if I'm not sure if I need a lawyer?**

The best person to answer that question is a lawyer! This is why CLEI provides policyholders with a toll-free Telephone Legal Advisory service. This service gives you unlimited access to a lawyer for immediate advice on any business matter, Monday to Friday, 9:00 a.m. to 5:00 p.m., EST.

### **Doesn't getting a lawyer involved just make things more complicated and more expensive to settle?**

If the right steps are taken at the very start, problems can often be resolved quickly or a suitable compromise reached between the parties involved without costly settlements or long, drawn-out court cases that can take you away from the business of running your business.

**What are the policy limits?**

Commercial Legal Expense Insurance pays up to \$50,000 per claim, to an annual total expense of \$250,000, for reasonable legal fees (at a maximum rate of \$ 275/hour). Legal proceedings must commence in Canada. There is no deductible. A 10% co-insurance applies to all legal fees in excess of \$ 10,000. For more information about policy coverage and limitations, please click [here](#).

If you need more information, please email us at [info\(at\)sterlon.com](mailto:info@sterlon.com)



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