



Community Underwriting

OUR PRODUCTS

At Community Underwriting we specialise in insurance solutions for a broad range of Not for Profit Organisation across Australia.

This overview of our products is intended to provide a guide to some of the insurable exposures which face organisations in the community sector. It should always be considered against your own individual risk profile and circumstances. Contact your broker or Community Underwriting for more specific information.

ASSOCIATION LIABILITY

Community Underwriting's Association Liability Insurance is designed to protect a community organisation and its Directors, Officers and voluntary workers for liabilities that arise out of the work of the organisation.

Some of the features of Community Underwriting's Association Liability Insurance include:

- Employment practices cover
- Directors & Officers Liability
- Professional indemnity cover
- Libel and slander cover
- Tax audit cover and fidelity cover
- Fines and penalties cover
- Loss Of Documents
- Outside Directorship Trusteeships and Committees
- Severability
- Occupational health and safety defense costs
- Extended cover for retired Directors and Officers

Why does your organisation need Association Liability Insurance?

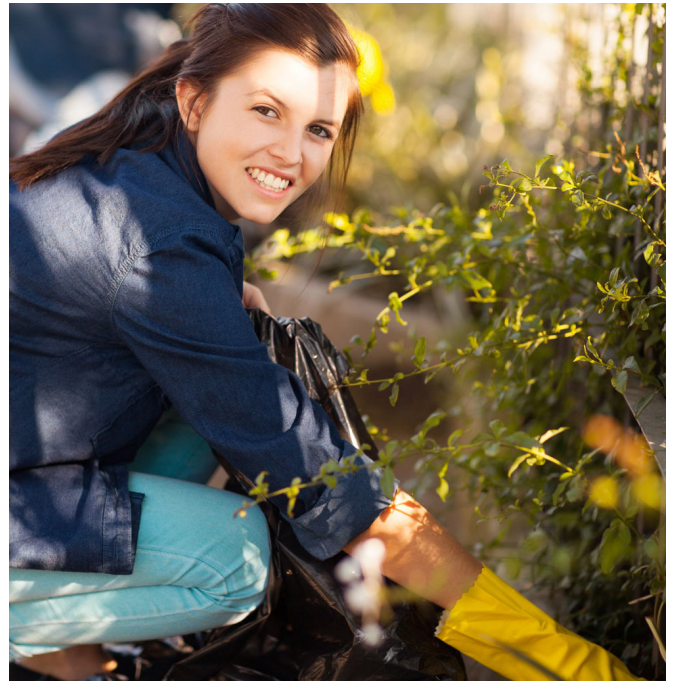
It's the key responsibility of a Not For Profit Board of Directors or Management Team to steer the organisation to accomplish its mission, while fulfilling a legal duty to utilise the organisation's assets prudently.

These assets could include:

- People (eg. Board members, volunteers, employees, clients and the general public)
- Property (eg. buildings, equipment, materials and facilities)
- Income (eg. grants and contributions)
- Goodwill (eg. the organisation's reputation and its ability to appeal to prospective volunteers and raise funds)

Of course, it is also the Management Team or Board's tremendous responsibility to ensure these assets are protected. Yet community organisations run the risk of being sued for alleged transgressions such as:

- Incompetent supervision
- Ineffective administration
- Misuse of assets
- Discrimination and / or harassment



- Employee wrongful termination
- Employee theft
- Plus many more

Minimising risk through carefully defined organisational and Board processes can assist greatly, but it's still important to ensure your organisation is protected with appropriate insurance, in the unfortunate event of a legal action.

Association Liability Insurance is the solution.

It offers financial peace of mind and helps to ensure your organisation will be able to continue to operate long into the future, doing what it does best: helping the community.

COMMERCIAL MOTOR VEHICLE INSURANCE

It's a fact of life that vehicle accidents can and do happen. A community organisation can be held vicariously liable for any damage or injury caused by its drivers - whether the driver is a paid staff member or a volunteer. It does not matter who owns the vehicle: the community organisation or the driver.

To guarantee protection, a community organisation should purchase its own vehicle coverage.

Commercial Motor Vehicle Insurance covers loss or damage to motor vehicles insured by your organisation and your legal liability to third parties for property damage.

Features of Community Underwriting's Commercial Motor Vehicle Insurance also include:

- Cover for loss of no claim bonus and / or reimbursement of excess, plus hire car cost, for insured vehicles owned by employees and volunteers, if their vehicle is lost or damaged while being used in the course of their employment or authorised volunteer work
- No additional excess for young or inexperienced drivers

Why does your organisation need Commercial Motor Vehicle Insurance?

One of the leading causes of injuries to staff and volunteers - and of law suits filed against community organisations - is vehicular accidents.

This type of risk exists whenever a car, bus or other vehicle is used on behalf of a community organisation.

There are three main types of risks relating to transportation:

- Drivers - operators of vehicles used need to be properly licensed, follow safety precautions and be adequately trained to drive the kind of vehicle used on behalf of the organisation
- Vehicles - vehicle selection, condition and safety equipment, etc

- Passengers - behaviour of passengers and their willingness to adhere to safety precautions such as use of seat belts

Many community organisations believe it's acceptable to rely on their drivers' assurances of maintaining adequate insurance coverage and assume that such coverage will adequately protect the organisation from liability. However, the driver's policy limits may be inadequate, or the coverage may be cancelled or provided by an insolvent insurance company. Additionally, general liability policies held by community organisations often exclude vehicular risks.

VOLUNTARY WORKERS PERSONAL ACCIDENT INSURANCE

Voluntary Workers Personal Accident Insurance provides financial compensation and cover for defined out-of-pocket expenses if an accident results in the injury or death of a volunteer.

This is provided that the accident occurred while the volunteer was performing authorised voluntary work on your behalf, or while they were travelling to or from that work.

Features of Community Underwriting's Personal Accident Insurance include:

- Lump sum compensation for injury to volunteers resulting in broken bones
- Weekly benefits for volunteers who are injured and unable to work in their usual occupation
- Cover for non-Medicare medical expenses up to a set limit
- Home help
- Rehabilitation

A benefit unique to the Community Underwriting policy is that our Voluntary Workers Personal Accident Insurance has no upper age limits for voluntary workers.



Why does your organisation need Voluntary Workers Personal Accident Insurance?

If you're like many community organisations, it's likely that your volunteers are the life-blood of your operation, working tirelessly to ensure your success.

In a typical community organisation, there are multiple categories of volunteers. Some are members of the Board of Directors, some work in the office, some work with clients and some work on special projects or perform other short-term assignments. Each volunteer category brings with it risk management issues and challenges.

What would happen if a volunteer has an accident while working for you? Who will compensate them for injuries sustained?

Volunteers may not be eligible for cover under Workers' Compensation, so it's vital that you ensure they are otherwise protected, both for medical expenses and other financial loss that may occur as a result of injury (for example due to an inability to perform their paid job).

It's a fact of life that accidents can and do happen. With Voluntary Workers Personal Accident Insurance, you can rest assured that your volunteers will be protected if the unexpected occurs. Everyone wants to volunteer in a safe environment, so the cover you hold for your volunteers will become a point of pride for your program and can be a good "selling point" when recruiting new volunteers.

Consider these scenarios....

Let's consider two scenarios, both involving a volunteer who trips over while carrying boxes at your organisation's office. The volunteer breaks their leg and cracks several ribs, requiring a trip to hospital.

In scenario one, your organisation does not hold Voluntary Workers Personal Accident Insurance. The volunteer does not have their own personal health insurance either. You are left in the difficult position of deciding if your organisation can afford to offer to pay his out-of-pocket medical expenses. With a broken leg, the volunteer is unable to work at his paid job as a restaurant waiter. He has no savings or alternative source of income and is left in a highly troubling financial situation.

In scenario two, your organisation does hold Voluntary Workers Personal Accident Insurance. Under your insurance plan, he receives a lump sum compensation for his broken leg as well as weekly benefits for two months until he is able to return to work at his paid restaurant job. He also has the majority of his medical expenses covered. While the volunteer's accident is extremely inconvenient for him, both your organisation and the volunteer are left in a much better position financially. Once healed, he also returns to volunteer work at your organisation, where he has always been a valued member of the volunteering team.

It's easy to see the beneficial difference that Voluntary Workers Personal Accident Insurance can make.

BUSINESS PACKAGE INSURANCE

An insurance Business Package provides cover for your buildings and contents if they are accidentally damaged by a defined event, such as fire, storm, impact damage, accidental damage, vandalism or malicious damage.

Community Underwriting's Business Package Insurance also provides the following cover:

- Business Interruption - cover for interruption or interference to your business caused by damage to property insured, under certain circumstances.
- Theft - cover for your buildings and contents if they are lost or damaged as a result of theft.
- Money - cover for money if it is lost or damaged by a defined event.
- Glass - cover for breakage of fixed glass or advertising signs at your premises.
- Machinery Breakdown - cover for the breakdown of machines, boilers or pressure vessels at your premises.
- Electronic Equipment - cover for the breakdown of your electronic equipment.
- Deterioration of stock
- General Property - cover for general property (e.g. laptops and projectors) if lost or damaged while away from your premises.

Why does your organisation need Business Package Insurance?

Imagine this. Thieves break in to your organisation's premises on the weekend and steal laptops and your new printer. On the way out, they leave a tap running, causing flooding and subsequent electrical issues as your power supply becomes water damaged.

The coming fortnight is your organisation's major fundraising period for the year, but it's impossible for the office to be used for safety reasons and your volunteers cannot undertake their tasks without computer access.

If your organisation holds Business Package insurance, you will be covered for the water and electrical damage to your building as a result of the theft. Your laptops and printer will be replaced and the glass windows broken by the thieves upon entry will be repaired.



The business interruption component means the insurer will effectively take the place of your fundraising “customers”, making up the resulting loss of gross profit caused by your inability to produce or supply “goods” to sell.

For an uninsured not for profit organisation, a “break and enter” such as the one outlined could lead to the demise of the organisation due to lost profits and inability to return the office to a safe operating environment. But for an organisation protected by a Business Insurance Package, such an occurrence will be no more than a short term inconvenience.

GENERAL LIABILITY INSURANCE

General Liability Insurance is designed to protect against legal liability to pay compensation for personal injury to a third party, or damage to property belonging to a third party, if the incident occurs in connection with your organisation.

General Liability Insurance also covers your organisation for any legal liability to pay compensation where a third party is injured (or their property damaged) as the result of negligence, products manufactured, sold, distributed or supplied by your organisation.

Additionally, Community Underwriting’s General Liability Insurance includes cover for:

- Liability to volunteers who suffer injury whilst volunteering
- Legal costs and expenses incurred when defending a claim
- Liability caused by people on work experience

Note – it’s important to ensure that Product Liability is included in your policy if relevant. This is particularly important if you sell food or products, either as part of your day-to-day activities or as part of a fundraising effort.

Why does your organisation need General Liability Insurance?

The operating margin of a community organisation is usually fairly slim. Imagine then having to withstand the financial impact of a sudden liability. This situation could be potentially devastating to a community organisation’s operational future.

A General Liability Insurance policy will protect your organisation, staff, management committee, members and volunteers against any injury or property damage they may be responsible for while they are performing duties for or on behalf of your organisation.

This will ensure you can continue operating long into the future, doing what you do best - helping the community.

A Not For Profit organisation (“the insured”) placed a claim relating to loss of food stock due to the breakdown of their refrigerator unit. Having not read their insurance policy wording, they believed refrigerated stock was covered under the Stock clause of their Property Damage cover, but unfortunately it was not. Instead, the

insured should have specified that they dealt with refrigerated stock under their Machinery Breakdown cover. The insurer was under no obligation to pay the claim.

As with the first case study (see left) this example highlights the importance of understanding the wording of your insurance policy, to ensure you are not left out-of-pocket.

It also highlights the importance of identifying the most likely loss scenarios that your community organisation could experience and checking your policy to determine if those losses would be covered.



The information provided in this Not for Profit Resource is general in nature and needs to be considered against your organisations own risk profile and particular circumstances. For more specific advice you should contact your broker or Community Underwriting.

Community Underwriting are specialists in charity insurance, not for profit insurance and insurance for community organisations. We offer a range of insurance solutions customised to meet the needs of community organisations, including Association Liability. Contact us today!

Call us: 02 80452580 Email us: enquiries@communityunderwriting.com.au

www.communityunderwriting.com.au

AFS No 448274 ABN: 60 166 234 715