

2.2 Insurance Policy

1. Purpose

This policy provides guidelines to the board of Aldinga Community Centre in order to ensure that as part of risk management practices, adequate insurance is held that transfers the financial risk associated with Centre activities, and protects the organisation and the community from loss as the result of an occurrence at the Centre.

2. Responsibilities

It is the responsibility of the Centre's Board to ensure that this policy is implemented.

It is the responsibility of the Centre's Board to ensure that the procedures are implemented for Board members.

It is the responsibility of the Centre's Community Development Officer (CDO) to ensure that procedures are implemented for staff or volunteers.

3. Principles

The Board of Management is committed to a high standard of risk management and protection and therefore places great importance on ensuring the Centre is protected against risk through the acquisition of appropriate insurances.

4. Definitions and Explanations

Insurance policies generally fall into three categories:

- **Assets and revenue** – what the organisation owes and earns.
- **Liability** – Legal obligations arising from damage, or personal or financial injury to a third party or their property by the organisation or its representatives.
- **People** – loss arising from accidents occurring to staff/directors and/or volunteers.

Assets and Revenue

General Property – Covers specified property that is lost destroyed, damaged or stolen while in transit, or theft from a securely locked motor vehicle or from specified locations.

Theft and Burglary; Contents; Glass; Goods in Transit; Money – Loss or damage to contents within insured premises through theft involving violent or forcible entry only. A basic policy will **not** normally cover the following situations: theft by employees or volunteers entitled to be on the premises, theft of contents in open air or on outside of building, goods in transit, glass and loss of money. The limit insured should represent the maximum limit you believe could be stolen by a burglar in one instance. Important to check policy for conditions.

Liability

Professional Indemnity – *Note: Associations can purchase an Association Liability insurance which includes a combination of Professional Indemnity, Directors and Officers, Employment Practices and/or Fidelity Guarantee Insurances.* Professional Indemnity insurance can cover the organisation for a breach of professional duty, where a breach for example, giving wrong advice or information, breaching 'duty of care' to service users, and/or breaching professionally recognised standards of conduct.

Public liability Insurance - provides coverage where a third party e.g. a member of the public or service user, is killed, physically injured or their property damaged due to the **negligence** of the insured. In worst case scenarios a claim can be made on current policy in up to 15 years' time for an adult and for injury to a child, until the child reaches the age of 37. Contractors are not covered under public liability insurance and need to show they have their own cover. Public liability insurance for community events such as markets and garage sales will not generally cover individual stall holders unless it so specifies in the policy. As a rule all stallholders should have their own public liability insurance. Accepting stallholders without public liability insurance exposes them and an organisation to an unacceptable level of risk.

Products Liability - Generally included in the Public Liability policy and provides coverage where the third party is injured by the insured's products, for example, food sold at a fund raising event causes food poisoning.

People

Volunteers Workers Personal Accident – Provides volunteers with limited cover for expenses incurred as a result of accidents, injuries and death that occur during the course of their unpaid work. Usually provides medical and other health costs not covered under Medicare, lump sum in case of death or specified permanent disabilities, loss of income if employed and/or home help and personal assistance. It is important to check if age limits apply to policy.

Worker's Compensation - In South Australia, Work Cover Insurance is a statutory insurance that covers employees for death, accident, injury or illness at work and is compulsory if your organisation engages staff under a contract of employment. It covers defined benefits under the SA Worker's Rehabilitation and Compensation Act 1986, including lost wages and medical expenses incurred as a result of an injury in the workplace. Some contractors are classified as workers – the Return to WorkSA website www.workcover.sa.gov.au discusses the difference between employees and contractors.

- **Duty of Disclosure** – Before entering into a general insurance contract, the law requires you to tell the insurer anything you know which might add to their risk when providing insurance to you. You also need to tell the insurer about those risks before you renew or alter your insurance contract. If you do not, the insurer can refuse to pay any claims, or cancel or invalidate your policy.
- **Duty of Care** - The law says that if it is foreseeable that a person might suffer some sort of harm or loss because of something someone else does, or fails to do, then they owe that person a duty of care.
- **Standard of Care** - The standard of care is the way a reasonable person would act in the same circumstances. This will vary according to circumstances and the relationship between the people involved. The more reliant someone is on someone else, the higher the standard of care.
- **Negligence** - Negligence is when someone or an organisation who owes a person a duty of care, has failed to act according to a reasonable standard of care and this has caused injury.
- **Insurance Policy and Schedule** - The insurance policy gives general information about the policy, what is and isn't covered and what your responsibilities are. The schedule contains information specific to your organisation. Both are legal documents.
- **Indemnity clauses** – Most proposals will ask whether you indemnify (or 'hold harmless') a third party through a contract. This can also be called assuming contractual or legal liability.

Many funding, lease, hire, maintenance, repair, finance or contractor agreements require you to indemnify (or waiver) the primary party from liability. This means you have signed away the primary party's potential liability to be responsible for an injury. You must get the indemnity clause approved by your insurer before entering into any contract.

- **Exclusions** – An exclusion is an activity that the insurance company has decided is too risky or they do not want to provide cover for. You must read your insurance schedule which specifies exclusions for an activity that they are aware of and do not want to cover – if an exclusion isn't listed it does not mean that you are automatically covered for certain activities. If in doubt, check with your broker. Common exclusions are any type of excursion, play groups, crèche.
- **Civil Liability Reform** - Various amendments to state civil liabilities acts have been introduced recently to curb the public liability claims being made and to reinforce the notion that individuals should take some form of responsibility for their own actions. In South Australia the amendments relate to a cap on general damages and gratuitous services and no liability for damages if a court is satisfied that the accident occurred while the injured person was engaged in conduct constituting an indictable offence and that the injured persons conduct contributed materially to the risk of injury. Where a person is injured while intoxicated, contributory negligence is presumed. Good Samaritans are protected from liability where they have rendered assistance in good faith and without recklessness.
- **Unauthorised Foreign Insurers** – UFI's are insurers, incorporated in an overseas country, who have either not applied for or not passed Australian Prudential Regulatory Authority (APRA's) authorisation process and therefore do not have to comply with the regulatory standards required of Australian authorised insurers. They are legally allowed to operate in Australia but are only subject to the laws of the country they are licensed in, not Australian law.

5. Policy

Aldinga Community Centre holds public and product liability, volunteer personal accident, associations' liability (combination of Professional Indemnity and Directors' & Officers' liability insurance), and contents (fire and peril, theft, burglary, general property) insurance through Local Government Insurance. Building cover is not required as the premises are the property of the City of Onkaparinga. Workers compensation insurance, as required by law, is paid through Return to WorkSA.

All people who volunteer at the Centre will be a registered volunteer to ensure they are covered by the insurance of the Centre.

9. Approvals

	Policy	Procedure
Approving Authority	Board of Management	Board of Management
Approval Date	21 st September 2017	21 st September 2017
Next Review Due	September 2018	September 2018