

# Insurance

## Organisations Involving Volunteers

It is an organisation's responsibility to ensure that appropriate insurance cover is provided to protect volunteer staff and volunteer members of community management committees.

The insurance broker is the agent of the organisation and arranges insurance for individuals or organisations having negotiated the best possible policy terms and premium from the insurance market. The insurance broker may renegotiate with different underwriters from time to time in order to get the best deal.

The Queensland State Government passed a *Civil Liability Act 2003* which has a volunteer protection clause included. Volunteers working in registered nonprofit organisations engaged in voluntary activities defined by the organisation are protected from legal action provided they are not acting outside the law. Details of this legislation can be found at <http://www.legislation.qld.gov.au/Bills/50PDF/2003/CivilLiabB03.pdf>

Volunteering Queensland recommends that organisations involving volunteers seek professional advice in determining what cover is available and most appropriate for their needs. The first requirement in considering insurance is to understand the various types of cover available to protect volunteers. The following is a list of the types of insurance to be considered.

### **Volunteer Workers Personal Accident Insurance**

Personal Accident Cover for volunteers (which is similar to the State Government's compulsory work cover for paid employees) covers volunteers for out-of-pocket expenses following accidental injury, disability or death while carrying out their work on behalf of the organisation. Depending on the policy, this type of insurance should normally cover loss of income. It is important to remember that this cover is rarely included in *Public Liability Insurance*, and therefore a separate policy needs to be taken out with the insurance broker or underwriter. *Personal Accident Insurance* is not excessively expensive and usually not difficult to obtain. It is important to be aware of any age limit or any activities that might be excluded from this insurance cover. There is usually a \$50-\$100 excess for non-Medicare medical expenses. These details are spelt out in the policy wording. Students or work-placements may not be included in this insurance policy. It is therefore important to check the policy before engaging students or work-placements.

### **Public Liability Insurance**

This insurance covers the organisation's legal liability to pay damages to a third party (e.g. member of the public or clients of the organisation) for personal injury or property damage accidentally caused by a member of the organisation including its volunteers. A separate or extended cover can be taken out to include legal costs in relation to a claim being made against the organisation. Some insurance brokers will include *Product Liability* as an extension of their *Public Liability Policy*.

### **Directors & Officers Liability Insurance**

This insurance is specifically designed to indemnify committee members and office bearers for loss, including legal costs where they have been proven to be negligent in the course of performing their role in the organisation. It is important to be familiar and understand the wording of this policy particularly the extent of cover and specific exclusions under the policy.

## Professional Indemnity Insurance

Brokers and insurance companies can combine *Professional Indemnity* and *Directors & Officers Liability Insurance* into one policy. *Professional Indemnity Insurance* is expensive and may not be necessary for all organisations. It is therefore important to seek professional advice before taking out this insurance cover. This cover can be designed to compensate organisations for loss incurred through a claim made against the organisation for breach of professional duty or advice arising from negligence, error, omission, defamation, loss of records or documents, dishonest acts, etc. by volunteers (including management committee members) and paid staff. It is important to be familiar with and understand the wording of this policy as it often has a number of inclusions and exclusions.

## Motor Vehicle Comprehensive Insurance

This insurance covers vehicles owned and driven by volunteers or paid staff for loss or damage to the vehicle or third party property. It is important to have a motor vehicle policy if volunteers or paid staff are using their own motor vehicle or the organisation's vehicle in the course of their work requirements. It is advisable for volunteers to inform their motor vehicle insurer, if they are using their own vehicle in the course of their voluntary work.

## Property & Contents Insurance

This insurance includes damage or theft to the organisation's property or contents. It is similar to *Household Contents Insurance*. Other types of insurance for organisations to consider are *Product Liability & Event Insurance*.

## Risk Management

Risk Management is a process used to identify the extent and nature of the risks involved in the activities carried out by an organisation. This process is designed to prevent or reduce the level of risk to an organisation. It is also the best way to identify the most appropriate insurance cover or covers for an organisation.

For more information about risk management and insurance covers and their content, visit [www.volqld.org.au](http://www.volqld.org.au) or contact our Manager Training & Quality Systems, Perry Hembury on 3002 7600 Extension 205.

For more detailed information or quotes for any of the above insurance covers, please contact:

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