

NSW Landcare Fact Sheet 2

Insurance



Landcare groups carry out a variety of activities that could inadvertently cause personal injury to, or damage the property of, their members, volunteers or other people.

Adequate public liability and voluntary workers personal accident insurance cover is essential to protect group members from legal liability

Information in this fact sheet comprises:

- *Public liability insurance*
- *Voluntary workers personal accident insurance*
- *When do you need insurance?*
- *Other types of insurance*
- *Reducing insurance costs*
- *Available insurance packages*
- *What is meant by 'unauthorised foreign insurer'?*

Public liability and voluntary workers personal accident insurance for Landcare and other community groups working on natural resource issues has become more complicated in recent years. This fact sheet provides a guide to the insurance needs of such community groups. Because they are independent entities, these groups are responsible for seeking the appropriate insurance coverage for their needs.

Public liability insurance

Public liability insurance covers the group if it is required to pay compensation and legal costs regarding a claim made against the group for personal injury or property damage (or both). This type of insurance provides coverage in circumstances where the group is found to be legally liable.

Insurance policies usually have exclusions. These vary between the policies of different insurance brokers/companies. Find out what the exclusions are before your group buys a particular policy, to ensure that it will meet the group's needs.

Member to member liability (one member causing injury or property damage to another member) is not necessarily included in a policy. You need to check that it is, or have it included (which may increase the premium).

Landcare in NSW is supported by the Department of Natural Resources and the NSW Catchment Management Authorities (CMAs). If you have a question regarding these Fact Sheets please contact your local CMA office (Details on your nearest CMA office may be found at www.cma.nsw.gov.au) or e-mail landcarensw.landcarensw@dnr.nsw.gov.au .

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Voluntary workers personal accident insurance

This type of insurance covers group members for personal injury incurred while engaged in activities officially organised by, and under the control of, the group. It covers death and total or partial disablement, and provides a capital sum or weekly benefit up to certain limits. It provides coverage in circumstances where the group is not legally liable.

There is often an age limit, such that young children and/or retirees may be subject to reduced cover or excluded altogether. Other exclusions, such as self-inflicted injury and being under the influence of alcohol or other drugs, generally apply.

When do you need insurance?

Private land

Many groups work on private land. Groups working on private land should take out their own public liability and voluntary workers personal accident insurance. If a group is uncertain of the tenure of the land or is not absolutely certain that it is covered under an existing policy, it should take out its own insurance.

However, groups should not double insure. You cannot claim against more than one policy regarding the same incident.

Crown Lands

Some groups work only on Crown or State owned land that is administered by the Department of Lands. The Department covers these individuals for public liability and voluntary workers personal accident insurance, provided that the project has been approved by the Department. This should be confirmed in writing before undertaking any activities. For more information, please look under the Crown Lands Division on www.lands.nsw.gov.au.

Other Government owned land

Public liability and voluntary workers personal accident insurance cover varies between government agencies. It is important that you check with the department or agency administering the land and gain confirmation of the group's cover in writing before undertaking any activities.

Council land

Community groups working on local government land may be covered by the council's insurance policy. The type of cover will vary from council to council. Many councils have organised programs for volunteers working on their parks and natural areas. Volunteers may need to be formally registered and comply with other requirements in return for insurance cover and other benefits. You should confirm details with the council in writing before commencing work. If you are not absolutely certain that you are covered under the council's policy you should obtain your own insurance cover.

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Other types of insurance

This fact sheet deals only with public liability and voluntary workers personal accident insurance for Landcare groups in New South Wales. There are other types of insurance (some required by law) that groups may need to consider, particularly those intending to employ staff or enter into a contract.

They include:

- Workers compensation (for paid workers, not voluntary workers)
- Association liability, including professional indemnity and directors and officers liability (and possibly employment practices)
- Motor vehicle (third party personal injury and property damage/comprehensive)
- Buildings and contents.

Reducing insurance costs

In recent years the cost of public liability and voluntary workers personal accident insurance has increased considerably. Along with this, accountability requirements have also increased, requiring additional paperwork and time spent in administration of group activities. Many smaller groups have been looking for ways to reduce the costs of insurance and incorporation, and the administration demands placed on members.

Merging groups

A number of smaller groups in the same area may decide to merge to form one group so that just the one insurance premium is paid. If any of the groups are incorporated you must cancel all

former incorporated bodies and form one group with one incorporation and one name. This name must be the same as that used on funding applications and bank accounts. Advantages are that insurance and incorporation costs are reduced, roles and work within the group are shared between a larger number of people and there is a greater ability to work with neighbours and share ideas. A disadvantage may be that local identity is lost.

Networks

Some unincorporated, uninsured groups have joined a network that is incorporated and insured, believing that their members will be protected from potential legal action by the network's incorporation and insurance. This belief is not always correct.

If you gain insurance as part of a network be certain that the policy states that all member groups and relevant members are included in the policy. Unless this issue is clarified, there is a risk that members may not be covered.

For further information on incorporation of Landcare networks see the fact sheet 'Incorporation'.

Available insurance packages

Four providers of public liability/voluntary workers personal accident insurance are outlined on the following page. However, there may be other insurance brokers or companies

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that have similar or better packages/policies to offer. The inclusion of the following brokers or companies in this fact sheet does not imply their endorsement by the Department of Natural Resources (DNR).

Groups need to make their own enquiries to ensure that they obtain public liability/voluntary workers accident insurance that both meets their needs (for instance, you should ask about the exclusions) and is also affordable. Some or all of the following providers may use an unauthorised foreign insurer (see next column) as the insurance underwriter. You should enquire, if that issue is of concern to your group. Some or all of the following providers may also offer other types of insurance relevant to Landcare groups.

Aon Australia

Aon has worked with the Council of Social Service of New South Wales (NCOSS) to develop insurance for the community. Aon provides a package of public liability and voluntary workers personal accident insurance for community groups. Phone Ms Christina Collins on (02) 9253 7713, or toll free 1800 806 584, or visit www.aon.com.au.

Aradlay Insurance Brokers Pty Ltd

Aradlay has worked with Landcare Australia Limited to develop a package of public liability and voluntary workers personal accident insurance specifically designed and costed for Landcare groups across Australia. Contact Mr Alex Smillie on telephone (02) 9953 7722 or email alex.smillie@aradlay.com.

Community Care Underwriting Agency (CCUA)

Allianz Australia Insurance Limited, NRMA Insurance and QBE Insurance (Australia) Limited have formed a joint venture that operates as CCUA. The CCUA policy provides public liability cover only and excludes injury to volunteers. Phone 1800 023 456 (toll free) or visit www.community-care.com.au.

Community Related Insurance and Superannuation Program (CRISP)

CRISP provides a range of insurance products for the not for profit sector, including public liability insurance and voluntary workers personal accident insurance (purchased separately). These products have been specifically designed and costed for Landcare groups. Phone 1300 652 556 or visit www.crisp-mow.org.au.

What is meant by 'unauthorised foreign insurer'?

An unauthorised foreign insurer, sometimes referred to as a direct offshore foreign insurer, is an insurance company that is domiciled outside of Australia. It is not regulated by the Australian Prudential Regulation Authority in transacting insurance in Australia. As a result, it does not have to comply with the rules with which Australian insurers have to comply. Instead such insurance companies need only comply with the rules of the country within which they are registered.

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