



# association liability

insurance information

## Liability package for associations and not-for-profit organisations

CGU Professional Risks, one of Australia's leading PI and D&O insurers for over 20 years, has designed a product, Association Liability Insurance Policy for associations and not-for-profit organisations and their directors and officers.

This product is intended to provide protection not only for the assets of the individual directors and officers but cover is also extended to the association/not-for-profit organisation for defined exposures.

This is done by firstly broadening CGU Professional Risks traditional Directors & Officers ('D&O') coverage, combining it with Professional Indemnity ('PI') coverage and then incorporating it with several wide ranging management liability extensions, all under the one policy.

In summary, this policy offers in the one convenient cover the following:

- Professional Indemnity Cover (including bodily injury and property damage cover).
- Directors and Officers Cover.
- Association Reimbursement Cover.
- Association Entity Cover.
- Employment Practices Liability (Association and Insured Persons) Cover.
- Fidelity Cover.
- Tax Investigation Cover.

## Automatic Extensions

- Automatic reinstatement of policy limit.
- Advancement of Defence Costs.
- Automatic continuous cover.
- Statutory Liability (Fines and Penalties for Insured Persons and/or the Association).
- Automatic tax investigation costs cover up to \$10,000 to assist the Insured in meeting their accountants or tax agents costs in the event of receiving an Australian Taxation Office Notice regarding their liability to pay income tax, GST, Sales tax etc. (See our policy wording for specific taxes).
- Two hours of free legal advice with every policy... Insureds have the opportunity of up to two hours free legal advice provided by our panel lawyers on matters pertaining to the running of their business.



## Why associations and not-for-profit organisations should take out this cover

Over the years there has been an increase in the number of associations and not-for-profit organisations created to meet a wide variety of community needs.<sup>1</sup> But despite their good intentions, many of these organisations and their officers have found themselves at risk of expensive litigation arising from the provision of services to their members or to the public.

With not only the increased risk of litigation but also increased litigation costs and corporate governance requirements, associations, not-for-profit organisations and their officers cannot take the risk of operating without the security of proper cover.

## CGU Professional Risks Insurance – Who are we?

- **Security** – CGU Professional Risks:
  - Has over the past 20 years underwritten over \$1.2b in premium.
  - Has in this time managed over 32,000 claims for our policy holders.
  - Insures each year over 35,000 Australian business' or individuals.
- **Service** – CGU Professional Risks prides itself on its excellent service and claims reputation and proudly supports the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry.

- **Expertise** – Over 20 years of experience in providing professional risks to the Australian market.
- **Product range** – In addition CGU Professional Risks offers the following products;
  - Professional Indemnity Insurance.
  - Directors' & Officers' Insurance.
  - Corporate Advantage Management Liability Insurance.
  - Employment Practices Liability (stand-alone wording).
  - InfoTech Liability Package.
  - Superannuation Trustees Liability.
  - Defamation Insurance.
  - Office Bearers Liability.
  - Medical Malpractice Insurance.
  - Professional Indemnity + Broadform Liability Insurance.

<sup>1</sup>The not-for-profit (NFP) sector plays a vital role in our society. In economic terms alone:

- The sector is large and diverse, with around 600 000 organisations.
- The Australian Bureau of Statistics has identified 59,000 economically significant NFPs, contributing \$43 billion to Australia's GDP, and 8 per cent of employment in 2006-07.
- The NFP sector has grown strongly with average annual growth of 7.7 per cent from 1999-2000 to 2006-07.
- 4.6 million volunteers work with NFPs with a wage equivalent value of \$15 billion.

(Productivity Commission Research Report "Contribution of the Not-for-Profit Sector" January 2010).

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