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# ASSOCIATION LIABILITY INSURANCE

## Information brochure

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## **Association Liability Insurance Information brochure**

Associations Liability is designed to cover three parties:-

1. the Association;
2. any Insured Person;
3. any committee, trust (excluding superannuation trusts), foundation or fund raising committee of the Association .

The Insured Person means any past, present, or future director, secretary, officer, trustee or, committee member formally appointed to that position by the Association or any Employee.

Associations Liability Insurance was established to ensure Associations received broad Professional Risks Insurance. A Professional Indemnity policy will only cover the entity for “acts, errors or omissions” leaving no cover for the directors or committee members for claims arising out of their duties as directors or committee members. A Directors & Officers Liability policy does not cover the Association leaving the Association exposed to claims arising out of its professional activities or advice.

Associations Liability Insurance Policy was designed to fill the gaps in the standard Professional Indemnity and Directors & Officers Liability policies.

### **The benefits of Associations Liability Insurance**

#### **Protecting the Association**

Associations Liability is designed to protect the Association from claims arising out the conduct of its activities of the provision of its professional services (eg advice). Associations Liability will pay the compensation, damages, or settlement necessary to clear a claim. Also Associations Liability insurance will cover the legal investigation, defence and if necessary the settlement of a claim.

#### **Protecting the Board of Directors / Committees members**

As noted above the standard Professional Indemnity and Directors & Officers Liability policies do not provide the coverage required by an Association. Therefore the Associations Liability policy will provide directors, officers and committee members with personal protection in the event a claim is made against them arising out of their activities associated with the Association. This protection means people holding positions with an Association will have insurance protection for an event arising out of holding a position with the Association.

## **Extensions under an Associations Liability policy**

Different insurers provide a varying level of cover. This information brochure is intended to give an overview of cover available. Each Association should check its own policy wording to ensure they are provided with the correct protection.

- **Estates and Legal Representatives** - will indemnify the estate, heirs, legal representatives or assigns of any insured in the event that the insured dies or is incapacitated or becomes insolvent.
- **Intellectual Property Infringement** - will indemnify the insured against any civil liability for breach of any intellectual property right (including copyright, trademark, registered design, patent, plagiarism, breach of confidentiality, disclosure of confidential information or otherwise) in connection with the association's business.
- **Insured Versus Insured** - will indemnify any insured for any claim brought or maintained by or on behalf of any other insured except where the claim has been brought with the express or tacit consent, or active or passive cooperation or support of the insured against whom it is brought.
- **Loss of Documents** - will indemnify the insured against the cost of replacing or restoring any document which has been lost (and cannot be found after a diligent search), damaged or destroyed.
- **Occupational Health and Safety** - will indemnify the insured for defence costs incurred in respect of any claim made against an insured where such claim arises from a breach or alleged breach of commonwealth, state or territory occupational health and safety or workplace health and safety legislation.
- **Fraud and Dishonesty** - to indemnify the insured in respect of any claim arising from
  - Any actual or alleged dishonest, fraudulent, criminal, or malicious act or omission;
  - Any act or omission committed or alleged to have been committed with a reckless disregard for the consequences thereof; or
  - Any wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract,

By an insured, where such act, omission, violation or breach is established in fact.

- **Outside Directorship** - outside directorship means the position of director held in an outside organisation by an insured person by reason of an appointment to the position of director or alternate director with the knowledge and consent or at the request of the association.
- **Indemnity to Employees** - employee means each person employed by the association and includes each former employee and each person who becomes an employee during the period of insurance.