



LAUW Charity

Liability Policy

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Why purchase Charity Liability Insurance?

Charity Liability Insurance provides essential financial protection for a wide range of Charities. It is no longer the case that just because an entity is a registered charity it is unlikely to be the subject of legal proceedings arising out of a failure to meet its obligations and carry out its duties in a satisfactory manner.

Any Charity, Director, Trustee, Officer or employee who gives advice or offers services in a professional, specialist or regulatory capacity could be exposed to actions where an individual or entity suffers loss. In these times of high consumer awareness, such parties will not hesitate to pursue a claim if they feel that they have received sub-standard service. Just as important is the need for the Charity to cover itself from actions arising out the activities of its Trustees. Regulation of Australian charities by state governments is a hot topic and will only get more onerous as time goes on. The need for Charity Liability Insurance has never been greater.

Coverage does not just extend to the Charity itself. Just as exposed are the individual Directors and Officers of the Charity as well as any employees who might find themselves acting in a managerial or supervisory capacity. It is important that when buying Charity Liability insurance the definition of Insured meets all of your requirements.

It is a fact that most Charities in Australia have limited resources and any lengthy litigation could quite easily leave the Charity financially crippled. Charity Liability insurance is designed to fund the defence of any litigation with a view to leaving the Charities reputation intact and in a position to exist long into the future.

How much cover do you require?

Only the Charity can assess the appropriate level of cover they require. In determining how much cover to effect, it is important that a realistic view is taken of the potential damages and legal costs for which the Association and its Directors/Office Bearers could become liable. Being under-insured can be almost as financially disastrous as being without insurance at all.

Other factors to consider:

- Your activities. Do you provide a regulatory or licensing function that could have a detrimental impact on a third party?
- The size of charitable funds you are responsible for
- Do you provide professional advice that others rely upon?
- Ensure that you buy enough cover to protect you for past work. A large contract completed three or four years ago can quite easily be the cause of an action this year requiring policy protection.
- If you are unsure as to the level of coverage you should carry consult your insurance broker or intermediary.

LAUW CHARITY LIABILITY POLICY

The new 2008 LAU Charity Professional Liability wording is tailor-made to protect both the Charity and its Trustees in respect of civil liability issues which can arise out of the Charity's operation. Coverage is on a full civil liability basis, and whereas other Insurers offer both Professional Indemnity and Trustee Liability coverage, the LAU version protects both the Charity and the Trustees as joint Insured's in both areas of exposure. This removes doubt as to which section of the policy should apply, particularly when comparing to "traditional" Charity policies where the Trustee cover is only on a wrongful act basis and where such section does not protect the Charity itself. Key coverage features include:

- Civil Liability insuring clause
- Entity coverage for both PI and Trustee Liability Sections
- Cover for legal costs incurred in attending Coronial Enquiries, Disciplinary Hearings, and Occupational Health and Safety proceedings
- Dishonesty of Employees
- Joint Venture Liability
- Loss of Documents
- Cover for newly created or acquired subsidiaries
- Prior Entity cover
- Trade Practices
- Defence costs and expenses incurred in relation to any Judicial review
- Bodily Injury and Property Damage coverage on a negligence basis
- Unintentional Libel and Slander
- Unintentional Breach of Copyright
- Employment Practices Liability

This policy summary should only be considered as a guide to the benefits of the policy, and should not in any way be construed as forming part of the contract of insurance between the Insured and London Australia Underwriting. It is not in any way intended to communicate the full terms and conditions of the policy to an existing or potential policyholder. For full details of the policy coverage, please refer to the policy wording and any additional endorsements that apply.

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