



LAUW Association Liability Professional Indemnity Policy

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Why buy Professional Association Liability Insurance?

Association Liability Insurance provides essential financial protection for a wide range of non-profit and charitable associations. It is no longer the case that just because an Association is non-profit it is unlikely to be the subject of legal proceedings arising out of a failure to meet its obligations when providing services to its members or the general public.

Any Association, Director, Office Bearer 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. The need for Association Liability Insurance has never been greater.

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

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

How much cover do you require?

Only the Association 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 in effect damage a member's ability to trade?
- 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 ASSOCIATION LIABILITY policy

The 2008 LAU Association Liability wording is a broad based combined professional liability insurance policy, covering Directors & Officers Liability, Professional Indemnity and Employment Practices Liability (upon request). Coverage is on a full civil liability basis, and whereas other Insurers offer both Professional Indemnity and D&O or Trustee Liability coverage, the LAU version protects both the Association and the Directors, Officers & 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" Association policies. Key coverage features include:

- Civil Liability insuring clause
- 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
- Bodily Injury and Property Damage coverage on a negligence basis
- Libel and Slander
- Infringement 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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