

Understanding your insurance covers – P & C Association

Insurance is a crucial aspect of any organisation that is often overlooked or misunderstood. For many P & C Associations, the significance of insuring fundraising activities, events or other functions may not be fully appreciated. However, the consequences of an uninsured volunteer or individual sustaining an injury can be financially burdensome and detrimental to your association's reputation.

This brochure aims to shed light on the importance of each insurance product available to you and how it can safeguard your association and its members.

Key Points:

1. Risk Awareness: Understanding the potential risks associated with your association's activities is the first step towards effective risk management. Whether it's organizing events, conducting fundraisers, or engaging in community service, every activity carries inherent risks. Identifying these risks allows you to take proactive measures to mitigate them.

2. Types of Insurance Cover Available:

Despite the fact that you may be a not for profit entity with a focus on your local school community, each organization and the people who manage it, face a broad range of potential risks.

The following provides some details of the potential risks and claims that face every association and its individual members, regardless of its size, student numbers, apparent stability or community support.

Third Party Personal Injury or Damage (Public & Products Liability)

Both your association and the people who run it, could be held legally responsible for specific activities of the P&C and/or other activities that you are involved in.

What could happen:

- Accident or injuries that occur due to the negligence of the P&C Association, it's staff or volunteers. This could be as simple as helping out with a class activity, running a canteen or after hours care facility/service, involvement in a weekend working bee, right through to a major fundraising event;
- Product liability that arises from something sold in the canteen, a uniform shop, a stall or school fete.

An action could be taken by a member of the general public, a parent, teacher, contractor, volunteer or even a student. As an incorporated entity you and your officers take on responsibility for this exposure.

You could also be held to have a vicarious liability arising out of the use of school facilities, helping with school excursions or sports activities, arranging events or managing external parties (fetes, BBQ's, tutors, dance teachers, community fairs etc.).

Although a third party may have primary responsibility, P&C Associations may also be joined in a legal action and incur costs to defend a claim even when the incident was primarily the responsibility of a third party:

- Faulty maintenance of infrastructure owned by the School;
- Poor supervision, security or risk management planning of an out sourced canteen or care facility, third party entertainer, amusement ride operator or venue operator.

Even the legal costs to prove that there is no fault to the association can be significant cost and drain on resources.

Loss of Assets (Property Damage, Theft/Burglary, Money Cover and Machinery Breakdown)

Every P&C no matter how large or small has assets that they own or become responsible for as a result of loans, donations or fund raising activities. This can include stock in a canteen or the uniform shop, trestle tables and stalls for fetes etc.

Whilst most assets will be secured indoors for a large part of the time, there are still a wide range of potential exposures to these assets including:

- Fire, explosion, earthquake;
- Weather events including storms and wind;
- Escape of liquids from pipes and tanks;
- Burglary or theft, vandalism, malicious damage;
- Impact by vehicles or other apparatus.
- Machinery Breakdown and associated deterioration of stock.

There can be immediate damage to the assets including these of volunteers. Subsequent expenses could include:

- Temporary repairs and protection;
- Costs to clean-up and remove debris;
- Changing or replacing locks and keys.

Depending on when an incident occurs there may be substantially more assets at risk than would normally be the case. This could include:

- Stocks of uniforms at the beginning of summer and winter terms;
- Assets donated in the lead up to a school fete;
- Funds collected from a major fund raising activity and retained outside of banking hours.

Voluntary Workers Personal Accident

Volunteers are the life blood of any P&C, performing in a wide range of official and ad-hoc support activities.

This cover provides financial protection for volunteers who sustain injuries during their voluntary services to the association. It includes coverage for expenses such as loss of earnings, rehabilitation, and home modifications.

Workers Compensation Insurance (Can be taken out separately if required)

An association who engages employees/paid workers have a legal obligation under the Workers' Compensation and Injury Management Act 1981 to hold a valid Workers' Compensation Insurance Policy.

The definition of a 'worker' is broad and extends to any 'contract of service' or 'contract for service' between a worker and employer. If an association is unsure whether its staff are classified as 'workers' or 'volunteers,' it should contact GSK Insurance Brokers to confirm the organisation has the right coverage.

Should you have any issues or queries regarding your insurance covers, please contact Rachael Smeed at GSK Insurance Brokers:

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