

Insurance for Sporting Organisations

Insurance is an arrangement by which a company undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium.

There are many insurance policy options available to sport that cover different amounts, inclusions and exclusions.

Most policies have an annual or monthly premium as well as an excess. An excess is the part of an insurance claim to be paid by the insured.

Premiums depend on factors such as the likelihood of the insured event occurring, the monetary amount of damage covered, as well as risk mitigation strategies in place. Generally, policies with a higher excess will have a lower premium.

What are the main policies to consider?

Sporting organisations should consider the following insurance products. It is important to regularly review your insurance with your insurer to ensure it is appropriate and adequate for your organisation and members.

Public Liability

This protects an organisation from liability for accidents, deaths and injuries suffered by a third party where the damage arises from the operation or conduct of the organisation. This may cover claims such as harm to an individual or damage to a third party's property.

Professional Indemnity

This protects people providing professional services, such as giving advice and acting on behalf of others from legal liability. It covers individuals for legal liability when there has been error, omission or neglect by the individual, in the carrying out of those professional duties. In a sporting organisation this insurance protects people such as coaches, trainers and officials.

Directors and Officers Liability

This often overlaps with professional indemnity insurance. It protects board and committee members for management decisions, protecting their personal assets should they be sued while acting in their capacity as director or officer. This insurance generally covers past, present and future directors and officers as well as employees involved in managing the organisation.

Current as at November 2019



Management Liability

This provides comprehensive organisational insurance, protecting both the financial wellbeing of a company as well as the personal wealth of its directors, officers and employees. It often incorporates director and officer liability but also covers things such as employment practices liability and employee theft coverage.

Personal Accident Insurance

This protects an individual from the costs associated with illness or accidental injury arising from a sporting activity. It is important to ensure this policy covers participants, players, officials, coaches, volunteers, club officers, trainers, support staff and club members. This cover may include loss of income where an individual is unable to attend their employment as a result. It is important sporting organisations have a clear understanding of what is covered under this policy and whether it is a sufficient level of cover to protect it against claims.

Work Health & Safety (WH&S) Cover

Organisations that have both paid employees and volunteers have obligations under the *Work, Health and Safety Act 2012*. Organisations can insure themselves for liability regarding damage incurred by employees and volunteers (see Communities, Sport and Recreation's *Work Health and Safety Act Information Sheet*).

Workers Compensation

This protects an organisation from covering costs where an individual suffers direct or indirect financial damage as a result of a workplace injury.

Other types of Insurance

A number of other insurance policies exist which may also be appropriate for sporting organisations, including:

Building Insurance

Protects a structure and any associated fixtures from damage, such as in the event of an extreme weather event.

Contents Insurance

Protects physical assets and fixtures within a building or property belonging to the insured organisation.

Contingency Insurance

This sort of insurance is particularly important to consider where the sporting organisation holds events. Insurance types include:

- Prize indemnity
- Player bonuses
- Adverse weather
- Death and disgrace
- Cancellation/abandonment
- Non-appearance/performance

Does my State or National Sporting Organisation provide insurance?

Most larger sports provide members and affiliated organisations with some insurance coverage.

This coverage usually includes a level of Personal Accident insurance (non-Medicare items only), Public Liability and Club Management Liability. Most policies have optional upgrades such as loss of income coverage.

If an organisation is unsure what it is covered for, it should speak to the relevant state or national sporting organisation to determine which policies are included with membership and/or affiliation.