Council Insurance

Head of Power

Local Government Act 2009

Related Legislation

Insurance Act 1973

Objective

1. To document the types of insurance to be maintained by the Council; and

2. To specify the insurance policies to be obtained by suppliers of goods or services wishing to undertake business with the Council, or parties wishing to use Council land or assets.

Definitions

“Councillors and Officers Indemnity” - To provide cover for the Council's councillors and officers in relation to their legal defence costs and other related fees they incur to defend themselves, where in their role in Council and acting on its behalf they have claims made against them in a personal capacity.

“Fine Arts” - To provide cover for fine arts and collectables owned by the Council and also for property entrusted to the Council for exhibitions or other such purposes.

“Hall Committees” - To provide cover for communities managing Council owned halls, including in relation to miscellaneous fundraising activities and committee organised minor community events associated with the hall.

“Industrial Special Risks and Engineering” - To provide cover for the Council's real and personal property (excluding floating pontoons and floating pollution traps), or for which the Council has assumed responsibility or acquires an insurable interest, against claims involving industrial special risks or engineering matters.

“Joint Insurance” - A policy of insurance in which more than one party has an identical interest. i.e. as “joint insured” or “co-insured”.

“Marine / Pontoon” - To provide cover for the Council’s floating pontoons and floating pollution traps.

“Motor Vehicle (managed by Fleet Services)” - To provide cover for all registered or unregistered vehicles belonging to or leased by the Council and appearing on the Fleet asset register.

“Principal Controlled Insurance” - An insurance arrangement whereby Council provides the insurance coverage under a blanket insurance policy, for the contractor and associated sub-contractors working for Council on approved projects or activities. Principal Controlled Insurance replaces the need for the contractor to arrange the contract works associated insurance cover and public liability insurance cover.

“Professional Indemnity” - To provide cover in relation to claims by third parties for alleged negligence or breach of duty arising from an act, error or omission by the Council in its performance of professional services.

“Public and Products Liability” - To provide cover in relation to claims by third parties alleging negligent acts or omissions, or nuisances created or allowed to occur by the Council, which result in an injury to the claimant or theft, loss or damage to their property.
“Volunteer Workers Personal Accident” - To provide cover in relation to claims involving death or disability of voluntary workers of the Council as well as weekly payment benefits (no cover is provided for persons under 12 years of age or over 90 years of age).

**Policy Statement**

Insurance Services annually instructs its insurance adviser to obtain the necessary quotes and renew its insurance policies to ensure that appropriate risk exposure is managed and the necessary coverage for the following types of insurance is maintained:

- Public and Products Liability
- Professional Indemnity
- Councillors and Officers Indemnity
- Hall Committees Liability
- Industrial Special Risks and Engineering
- Marine / Pontoon
- Motor Vehicle
- Fine Arts
- Volunteer Workers Personal Accident

Suppliers of goods or services wishing to undertake business with the Council, or parties wishing to use Council land or assets, will be required to hold and maintain (with an insurer listed in the Australian Prudential Regulation Authority’s Register of General Insurers and Authorised Non-Operating Holding Companies (NOHCs), pursuant to section 122 of the **Insurance Act 1973**) for the duration of the term as a minimum:

- Public and Products Liability insurance of at least $20,000,000 for any one claim
- Professional Indemnity insurance of at least $10,000,000 for any one claim
- Motor Vehicle Indemnity insurance of at least $20,000,000 for any one claim
- Workers Compensation insurance as required by law

All suppliers or other such parties mentioned above must obtain insurance that lists the Council as a “joint insured” or “co-insured” party on the insured’s policy. It is not sufficient for the Council to be only listed as an “interested party” or “noted on the policy”, as the level of cover afforded to the Council is inadequate.

The insurance policy must not contain provisions unacceptable to the Council.

Council may at its discretion, alternatively provide its own Principal Controlled Insurance coverage for those projects or activities where it is determined that providing such coverage is more economical and will control the level of risk exposure associated with the activity.

The insurance requirements detailed in this policy may only be amended by the CEO or his/her delegate in their sole discretion having consideration to such factors as the level of risk exposure in the specific circumstances, value of goods or services to be provided and duration of the term.

**Related Documents**

- Procurement Manual
- Public and Products Liability Insurance Corporate Directive 2180-037
- MBRC Insurance Liability Guidelines Directive 2180-035
Review Triggers

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This Policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions when any of the following occurs:

1. The related documents are amended.
2. The related documents are replaced by new documents.
3. Amendments are made to the head of power which affect the scope and effect of this Policy.
4. Other circumstances as determined from time to time by a resolution of Council.

Notwithstanding the above, this Policy is to be reviewed at least once every two years for relevance and to ensure that its effectiveness is maintained.
Responsibility

This Policy is to be:

1. implemented by all Council employees
2. reviewed and amended in accordance with the "Review Triggers" by the Accounting Services Manager.

Version Control

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