17. Insurance

What is insurance?

Insurance is something you buy to protect against financial loss. By paying an ongoing fee ("premium") to another party ("Insurer") you agree that should a particular risk happen, the Insurer will cover the costs of that risk. If nothing happens, the Insurer keeps the fee.

Insurance policies are usually quite specific and the type of insurance you get will depend on the type of risk you need protection from. For example, if you go on a driving holiday you should have comprehensive car insurance, but if you’re taking a plane, you would need travel insurance.

What protection does my Club have?

Arc does not provide any personal accident, property or indemnity insurance cover for Club members. However, in certain circumstances individual, injured students (and members of the general public) may be covered under Arc’s Public Liability Insurance where there has been a breach of a duty of care.

Most Clubs are unincorporated. This means that the Club has no separate legal identity; it’s just a group of people with similar interests working together. So Executive members of Clubs that aren’t incorporated can be personally sued in the case of an accident occurring at a Club event. Liability is fault-based so a person would need to establish that the Club was at fault (negligent) and is responsible for the injury.

The risk of liability increases with the level of negligence involved (was the risk foreseeable and was enough done to prevent the risk being realised?) so it is important that a risk assessment is done for every Club event and potential hazards are minimised.

A “risk” is more than just someone falling over. Clubs may be exposed to claims for negligence, theft of property, fraud, bad professional decisions, discrimination and harassment and copyright infringement.
Should my Club have external insurance?

If your Club decides to incorporate, you should be aware that incorporation doesn’t come with automatic insurance protection so you’ll need to decide if it is worth purchasing insurance. Clubs don’t have to have insurance to be incorporated but it may be a good idea to investigate what policies may be appropriate to your Clubs activities:

- Public liability insurance (to protect members of the public from negligent acts of the Club)
- Directors and officer’s liability insurance (to protect against wrongful acts of the Executives e.g. a breach of a professional/statutory duty or fraud)
- Personal accident insurance (to protect Club members against the financial costs of accidents and injuries)
- Property insurance (to protect against theft or loss of Club property)

The main risk to Club Executives is that someone will sue them for an injury or loss (but your Club’s risk assessment process will identify the specific risks the Club is exposed to). Clubs who organise regular events off campus where the likelihood of someone getting hurt is high, should give it serious thought.

However, if your events are well planned and you take all necessary precautions (like completing a detailed risk assessment so that facilities, equipment and environment are safe) to make sure that risks are minimised, it might not be an expense that your Club needs to spend.

If your Club is unincorporated, insurance can only be purchased individually (rather than on behalf of the Club) and the same types of policies aren’t available.

UNSW Personal Accident Policy

Clubs may also have access to UNSW’s Personal Accident Policy. This policy applies to full and part-time students, on or off campus, while acting in the interests of UNSW or involved in UNSW business. The nature of the event will ultimately determine whether the coverage applies to Club-related accidents. For example, a harbour cruise is not likely to be considered “UNSW business” whereas Club members participating in a recognised overseas competition would probably have cover.
It is also a question of whether UNSW was aware of and approved the event or activity. Events that have Faculty backing would likely be covered.

The Personal Accident Policy only applies to physical injury or death and not sickness, illness or disease. It does not apply to students under the influence of drugs or alcohol at the time of the accident, claims indirectly arising because of drugs or alcohol, or illegal or criminal acts.

FAQs

Are Arc affiliated Clubs covered under Arc's insurance policies?
Arc affiliated Clubs are covered by Arc’s public liability insurance. If you require the certificate of currency for an event (i.e. if a venue requires this before agreeing to let your Club hire a space), contact the Arc Clubs team. If your Club is running an activity and you want to find out whether it would be covered by Arc’s insurance, contact Arc Legal & Advocacy.

Can members of Arc Clubs be personally sued for negligence?
Members of the Club can be personally sued if they are negligent (e.g. in providing a particular Club event) and that negligence results in injury to another person. Negligence isn’t the same as an accident – some accidents just can’t be avoided. Negligence involves acting without reasonable care and skill.

The best way to avoid this is to make sure that Club members are diligent in assessing and minimising obvious risks so that there is no negligence. Clubs can also take extra steps to limit the legal exposure of Executives by becoming incorporated.
Where can I find out more information?

General Insurance Information

UNSW Insurance
https://www.fin.unsw.edu.au/services/insurance/personal-accident

Not-for-profit Law: Risk and Insurance

Help!

Arc Legal and Advocacy: advice@arc.unsw.edu.au