

DIRECTORS AND OFFICERS LIABILITY

This insurance indemnifies the Directors, Committee members, Trustees, Executive Officers and other Officers of the organisation against "wrongful acts" committed in their respective capacities within the organisation, but excluding any claim made in any way involving injury, sickness, disease or death of any person, or damage to property.

"Wrongful Acts" includes breach of trust, breach of duty, neglect, error and omission.

The insurance cover is comprised of two separate clauses:

- **Insuring Clause 1 - Office Bearers** - indemnifies the Office Bearers of the Organisation against loss arising from any claim(s) by reason of any wrongful act committed in their capacity of Office Bearer.
- **Insuring Clause 2 - Organisation** - pays on behalf of the Organisation loss for which the Organisation grants indemnification to an insured Office Bearer, as permitted or required by law or the Memorandum of Articles of Association, arising from a claim made against such Office Bearer by reason of any wrongful act committed in their capacity of Office Bearer.

Loss does not include fines or penalties imposed by law.

It is important to note a Directors & Officers policy responds to claims made personally against the Directors and Officers of an organisation for "wrongful acts". As with Professional Indemnity insurance, Directors and Officers insurance is a "claims made" policy.

To assist in understanding the protection provided by insurances take a look at an event to which each policy would respond:

1. A football game commences without the goalpost padding in place. A player runs into the goalpost and is seriously injured. A negligence claim would likely result as a duty of care exists to provide safe facilities to play the game; by not applying padding this duty of care has been breached, and someone has been injured as a result of this breach. A Public Liability policy would respond to this incident.
2. A sporting organisation's Board of Management, desperately keen to grow their sport, decide they need improved facilities and embark on a \$100,000 facility refurbishment. Inappropriate planning and research was done prior to refurbishment, and when the creditors are not able to be paid they decide to hold the Directors and Officers personally liable. As this was neglect, error and omission by the Board members whilst acting in their capacity, a Directors and Officers Liability policy and an Association Liability policy would respond to this incident.

PREMIUM: State Associations \$350 inclusive of all Government Charges, Fees & GST
Clubs \$250 inclusive of all Government Charges, Fees & GST

Period of Insurance From: 24th June 2007
To: 24th June 2008

In order to place/renew coverage please complete the attached declaration on your Club or Associations Letterhead. We require notification and receipt of declaration to our office by Friday 1st June. Should you have any questions, please do not hesitate to contact us.

Kind regards,



Trent Franklin

Tel: 1300 650 341
Fax: 1300 650 342

Level 3, 275 Alfred St
North Sydney, NSW

PO Box 1550
North Sydney, NSW 2059

enquiries@enrizen.com.au
www.enrizen.com.au

ABN 64 107 643 809

An Authorised Representative of Finn Foster & Associates AFSL 225022

