

City of Hobart

Policy

Title: Insurance Policy

Category: Corporate Governance

Date Last Adopted: 24 August 2020

1. Objectives

This policy was developed to provide guidance on the selection and placement of insurance to ensure the City of Hobart is appropriately insured.

2. Background

The City of Hobart engages an insurance broker to ensure sufficient and appropriate insurance cover is maintained by the City. The broker markets and negotiates insurance on behalf of the City based on the information provided by officers during the pre-renewal period.

3. Policy

General

Due to the nature of services provided, City of Hobart require a number of insurance policies to both mitigate risk and provide assurance.

Appendix A provides a high level summary of the policies held by the City and the scope of cover. Additional information is provided in the Insurance Procedure.

Enquiries regarding insurance policies, inclusions, exclusions, insurer contact details or the claims process should be directed to the General Manager (elected members) or Principal Advisor Risk and Audit.

4. Exclusions

There are certain categories of assets which are not insured by the City of Hobart. **Appendix B** provides a general breakdown of insured and non-insured assets.

In addition, City of Hobart will not cover:

- Claims made against contractors engaged by City of Hobart. All independent contractors are required to hold and maintain appropriate insurance policies for the work being conducted.
- Damage to or loss of elected member, employee or other worker's property or personal effects, including loss or damage to private motor vehicles, except as detailed in specific policies.

The City of Hobart should at all times maintain a denial of liability with regards to incidents or events. Accepting liability is an exclusion under a number of insurance policies, meaning that a claim could not be made where liability has been accepted.

5. Responsibilities

Council has a duty of disclosure under the Insurance Contracts Act 1984 to disclose any changes to Council's circumstances or details that are known or could be reasonably be expected to be known, that may affect the insurer's decision to insure the City and on what terms. This duty also applies to all persons, companies and parties named within Council's policies.

Many of the City's insurance policies are on a "claims made" basis and notification must be received by the insurer within the period of cover, irrespective of the date when the cause of action occurred.

All elected members are responsible for notifying the General Manager as soon as practicable in the event a claim is made or they become aware of circumstances that may give rise to a claim.

Employees and other workers are responsible for notifying their Unit Manager and/or Principal Advisor Risk and Audit as soon as practicable in the event a claim is made or they become aware of circumstances that may give rise to a claim.

It is the responsibility of the Principal Advisor Risk and Audit Systems to advise the broker of any potential or actual claims.

It is the responsibility of the elected members, employees and other workers to mitigate risk and follow insurer instructions. The insurer must be advised prior to taking any action, including engaging legal representation. Failure to advise of an claim or incident that may give rise to a claim, to follow insurer advice or to mitigate risk may result in liability or a claim not being accepted.

Directors are responsible for ensuring assets are appropriately insured.

6. Related Documents

- Insurance Procedure
- Insurance Policies and Certificates of Currency

7. Legislation, Terminology and References

Not applicable.

Responsible Officer:	Principal Advisor Risk and Audit
Policy first adopted by the Council:	20/05/2019
History	
Amended by Council	23/09/2019
Amended by Council	24/08/2020
Next Review Date:	July 2021
File Reference:	F19/79648

APPENDIX A: Insurance Policies

Insurance Class	Scope (summary)
Public Liability and Professional Indemnity (mutual)	Protects the City against third party claims for damages, injury or loss related to negligence or where a claim for compensation results from Council's activities or incorrect professional advice.
Public/Products Liability – Salamanca Market	Covers stallholders in the event that the stallholder becomes legally liable to pay compensation for personal injury and/or property damage arising from products sold or supplied through their Salamanca Market site or as a result of the business activities at the site.
Community Liability	Provides liability cover to declared uninsured third parties operating on City of Hobart premises.
Motor Vehicle	Insures all motor vehicles, trailers and registered plant (mortgaged, under Hire Purchase Agreement, hired or leased by the City) as declared within the Schedule of Vehicles.
Marine Hull Commercial	Insures the marine vessel Matilda.
Hangarkeepers Liability	Provides liability cover for declared aircraft sites.
Crime and Cyber Liability	Insures against incidents such as theft, fraud, privacy liability, cyber extortion, data loss and other similar events, as well as business interruption resulting from the same.
Personal Accident and Sickness	Provides accident and sickness insurance, when engaged on Council business, to: <ul style="list-style-type: none"> - Elected Members - Volunteers - Independent board members of the Risk and Audit Panel.
Travel	Travel insurance for personnel engaged on authorised business travel. The insurer must be advised of all international travel. An itinerary is to be provided with sufficient time prior to travel to allow the policy to be placed.
Workers Compensation	Provides Legal Liability to employees in accordance with the Workers Rehabilitation and Compensation Act for Tasmania.
Councillors and Officers Liability	Provides General Liability cover to officers and Council members against various internal or external claims not covered under the Public Liability or Professional Indemnity policy.
Building, Contents and Property Insurance (Discretionary Trust)	Insures City of Hobart buildings, contents, artwork and other assets and property as detailed in the insured asset register. Business interruption is also covered when declared assets are damaged.
Environmental Impairment Liability	Provides cover for breaching environmental laws, causing harm to surroundings, in relation to gradual pollution conditions. Includes clean-up costs and injury or property damage from pollution conditions.

Note: All policies are reviewed on an annual basis prior to renewal. The mutual funds are periodically tested against standard market products to ensure these are providing value.

APPENDIX B: Insured Asset Categories

Asset category	Insured	Not insured*
Roads & Bridges	<ul style="list-style-type: none"> Bridges - minimal coverage under property policy <p>Bridges need to be declared.</p>	<ul style="list-style-type: none"> Roads Roads & Bridge – Leased Car parking areas Traffic management Fire trails Kerbs and Channels
Pathways and Cycleways		<ul style="list-style-type: none"> Pathways and Cycleways Pathways and Cycleways - Leased
Stormwater		<ul style="list-style-type: none"> Infrastructure, leased or otherwise
Buildings	<ul style="list-style-type: none"> Buildings and contents <p>Note – for leased buildings the lease agreement details responsibilities for insuring both property and contents. At the time of lease preparation it should be considered as to whether Council or the lessee should be responsible for building and contents insurance and the appropriate changes to the insurance arrangements made in the asset system.</p>	<ul style="list-style-type: none"> Lessee contents
Land		<ul style="list-style-type: none"> Council owned land Council owned land – leased Leased land
Plant & Equipment	<ul style="list-style-type: none"> Fleet (as per Schedule of Vehicles) Solid waste equipment General plant and equipment Sporting equipment ICT equipment Leased plant and equipment (Dry Hire) 	<ul style="list-style-type: none"> Leased plant and equipment (Wet Hire)

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Valuables	<ul style="list-style-type: none"> Valuables, public art valued above \$5,000. (Must be placed on the insurance asset list to be insured). 	<ul style="list-style-type: none"> Valuables, public art valued below \$5,000 Valuables - Leased (unless insurance is delegated according to an agreement and has been included in the policy).
Intangibles		<ul style="list-style-type: none"> Intellectual Property Software Valuation roll
Land Improvements	<ul style="list-style-type: none"> Playground infrastructure Sports infrastructure Lighting and power Outdoor infrastructure Landfill infrastructure Parking infrastructure Natural (green) assets Hydraulic infrastructure <p>Insurance of these assets is dependant on risk and value. It is the responsibility of the Director to determine if an asset should be insured and the insured value.</p>	

Note:

Assets are only insured if included in the asset register as an insured item and to the value specified.

*If an asset requires insurance (e.g. due to the value, an agreement, risk profile, etc.) contact Principal Advisor Risk and Audit to organise inclusion under the policy.