



# Insurance Information Sheet – Coaches

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## Background

In New Zealand, insurance does not normally cover contractors, so any person who is not an employee of a club / facility but is offering services, or any coach who is self-employed, is exposed to many of the same risks of any other business. Specifically, an independent contractor or self-employed person can be prosecuted and fined by a government enforcement agency (such as OSH or the Commerce Commission).

There is a common misconception that insurance is not needed in New Zealand, as ACC covers all such incidents. However, there are many risks that ACC does not cover and in some cases an individual can seek exemplary damages over and above any compensation received from ACC.

This document is designed to give an overview of the insurance options available.

## Types of Insurance

### PROFESSIONAL INDEMNITY

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Professional indemnity insurance provides protection for professional persons in respect of legal liability arising from the conduct of their practice or business. Specifically, coverage is provided for:

- Settlements by or judgements against the professional person arising out of negligent services or advice.
- Legal costs and expenses associated with the defense of legal action.

**Example:** A player of a coach alleges that the programme developed for them was not suitable, resulted in permanent injury and as a result that have had to sell their business, which they can no longer operate. They are seeking damages for the financial loss suffered.

### PUBLIC LIABILITY

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Public liability insurance provides protection for individuals against claims for compensation in respect of unexpected or unintended personal injury or property damage for which they become legally liable, arising out of their business activities. The policy also extends to cover the costs of defending these claims in court, as well as any necessary investigations or negotiations.

**Example:** An allegation that a tap was left on by the coach resulting in damage to the facility, failing to turn a heater off which resulted in fire damage to the building, or accidentally causing injury to a player or other member of the club.

## **STATUTORY LIABILITY**

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Statutory liability insurance covers protection to businesses for:

- Defense costs associated with alleged unintentional breaches of the Health and Safety at Work Act 2015, the Building Act, Consumer Guarantees Act, Fair Trading Act, Privacy Act and most other statutes affecting commercial activity.
- The costs of representation at an investigation or inquiry.
- Any fine or cash penalty payable by the insured following conviction for an offence under the insured statutes (except H&S).

**Example:** Breaching the Privacy Act by accidentally leaving a player's personal information in the club and another member views this file. The player complains to the Privacy Commissioner resulting in a fine and substantial defense costs. This policy also covers claims of misleading conduct from advertising under the Fair Trading Act.

## **PERSONAL ACCIDENT INSURANCE**

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Personal accident insurance provides compensation for the following:

- Permanent total disablement
- Permanent and incurable paralysis of all limbs
- Permanent loss of sight of both eyes
- Permanent loss of sight in one eye
- Permanent total loss of use or loss of two limbs
- Permanent total loss of one limb
- Accidental death

## **MEDICAL EXPENSES AND INCOME PROTECTION INSURANCE**

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Medical expenses and income protection insurance includes pre-season training and matches, either while coaching or travelling to and from matches / trainings.

## **TRAVEL INSURANCE**

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Travel insurance normally covers medical expenses, baggage, loss of deposits, personal accident and cancellation cover for trips to compete and / or train.