

14/01 Diocesan Insurances

Introduction

1. By resolution 14/01, the Synod resolved as follows –

“Synod requests that Anglican Church Property Trust Diocese of Sydney review the extent and levels of insurance cover arranged by the Diocese for the liabilities that –

 - (a) members of the Standing Committee,
 - (b) members of the Property Trust,
 - (c) members or executives of other bodies established by the Synod,
 - (d) parish clergy,
 - (e) members of parish councils and church committees, and
 - (f) members of the Councils or Boards of schools established under individual ordinance or the Sydney Anglican Schools Corporation

may incur on account of allegations of –

 - (i) negligence,
 - (ii) breach of trust,
 - (iii) breach of statutory duty (such as under taxation, child protection or heritage legislation),
 - (iv) breach of other duties or responsibilities,

on account of their undertaking those responsibilities on behalf of the church, and asks that the Property Trust report to the session of the Synod in 2002 about –

 - (i) the extent of any (residual) personal liability that such people may currently incur, and
 - (ii) any recommendations as to changes to insurance or to risk management procedures that should be implemented to minimise the likelihood of such claims.”

Information about insurances

2. Under the Church Insurances Ordinance 1981, the Property Trust is required to effect legal liability and property insurance for loss or damage arising from the ownership, management, control or use of church trust property, subject to the availability of funds under its control to meet premiums, and to the Property Trust declaring that it will not effect insurance for a particular board or committee. The Property Trust also has power to effect other types of insurance.
3. A full summary of the insurances effected by the Property Trust is set out on the Diocesan website and a copy of the relevant pages is attached for those who cannot access the internet. As well as providing information about the types of insurances effected, those pages given information about who is insured under the policies and the scope of cover.
4. The scope of the insured includes members of Synod, members of the Property Trust, members of parish councils, churchwardens and parish clergy. However, the Property Trust does not effect insurances for several diocesan organisations, including the Sydney Anglican Schools Corporation and other councils and boards which operate schools. Those organisations are aware that the Property Trust does not effect insurances on their behalf, and that they are required to effect their own insurances.
5. The Property Trust reviews the extent and levels of insurance cover each year when policies are renewed. Information about the extent and levels of insurance is provided on the website. Of necessity, the information on the website is general in scope. Any specific questions about the extent and levels of insurance cover should be directed to the Property Trust’s Insurance Officer, Ms Cindy Wong.
6. The material on the website pages reveals that there are many risks that are not covered by insurances effected by the Property Trust, or for which insurance is limited. For example, churchwardens are required to effect workers compensation insurance for parish employees and take out third party insurance for parish owned vehicles. In some cases, even where insurance is available for a risk, the cover is limited because insurance beyond those limits is either not available or is prohibitively expensive.
7. There is no scheme of insurance which can ensure a total elimination of personal liability in any eventuality for the insured persons.
8. To minimise risk, the Property Trust continues to develop and refine risk management procedures and guidelines. However, it is most important that clergy, churchwardens and parish councillors, among others, understand and accept their own responsibility to –
 - (a) develop and maintain risk management procedures to minimise loss or damage, and

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- (b) promptly notify claims and potential claims to the Insurance Officer, and
 - (c) advise the Insurance Officer of all circumstances, events, etc. that may give rise to risks, and
 - (d) minimise the loss once discovered by appropriate action, and
 - (e) effect insurance cover for risks not insured by the Property Trust, as appropriate to the activities of their parish or organisation.
9. The view should be taken that insurance is the last resort in risk management.

MARK PAYNE
Diocesan Secretary
24 September 2002