

The Hon Mal Brough MP
Committee Chair
Parliamentary Joint Standing Committee on
National Disability Insurance Scheme
PO BOX 6100
Parliament House
CANBERRA ACT 2600

By email: ndis.sen@aph.gov.au

23 June 2014

Dear Mr Brough

Insurance factors relating to carers for persons with a disability

The Insurance Council of Australia (ICA) is pleased to respond to the Australian Parliamentary Joint Standing Committee on the National Disability Insurance Scheme (the committee). We understand that certain insurance related questions were raised during your recent examination of the roll out of the National Disability Insurance Scheme (NDIS) trial sites across Australia. We represent general insurers who operate in a variety of personal injury schemes across Australia.

You have asked for our feedback on the following:

1. Are people who provide attendant care or personal support (carers) for a person with a disability covered by the public liability component of the person with a disability's home contents insurance policy?
2. Is there any insurance available for a carer who is employed to care for someone in the same house?

Please find attached some general information in relation to different types of insurance which may be applicable. We also include for ease of reference a table indicating the types of insurance which may be available in particular circumstances.

Question 1

A household public liability policy held by the person with a disability may not respond to injuries suffered by family members whether or not they are providing care services. Family members and people employed or contracted by the householder are often excluded from the policy as other insurance may apply.

Carers who provide care commercially as sole traders can take out public liability insurance to deal with any injury to the person with a disability caused by their negligence. They can also take out personal accident insurance to compensate them in the case that they suffer an injury. In these circumstances, it may be prudent for the carer to seek the advice of a specialist broker as to the types of insurance they may need.

Question 2

Please see the table below in relation to the types of insurance which may be available to a carer:

Insurance Available for	Employed Carer	Self – employed/contractor Carer	Family Member Carer
Injury to the Carer	Workers Compensation taken out by the employer to cover employees.	Personal Accident insurance taken out by the carer, Various Life insurance policies taken out by the carer such as income protection, total permanent disability, Health insurance.	Personal Accident insurance taken out by the carer, Various Life insurance policies taken out by the carer such as income protection, total permanent disability, Health insurance.

Conclusion

Though the provision of individual products is a commercial matter for each insurer, public liability and other commercial products are available in the marketplace. We suggest that in home family carers seek advice as to the potential insurance for their own risk of injury and risk of injury to others.

The ICA and our members are happy to work with the committee and provide their assistance on the range of issues raised during your inquiry.

Yours sincerely

Robert Whelan
Executive Director & CEO

Types of Insurance Policy

- **Public Liability Insurance** This insurance covers an individual or company policy holder in respect of their responsibility to other people who may be injured or their property damaged as a result of a negligent act by that policy holder. The term “other people” does not normally extend to the policy holder, members of their family or their employees. It also does not apply unless the policy holder has breached their duty of care to the individual injured or the other’s property damaged.
- **Personal Accident Insurance** This usually covers the individual directly if they suffer an accident or sickness which results in partial or total disablement in clearly defined circumstances or as a result of a number of listed events. If this occurs, they receive a benefit. These events are usually clearly set out in a table with the benefit amount and include death, broken bones and loss of sight.
- **Workers Compensation insurance** – this is a compulsory form of insurance which must be taken out by employers which covers the employer for the injuries suffered by their employees during the course of their employment. Depending on the provisions in each state and territory, the person with a disability may need to take out a domestic workers insurance policy in case of injury to the carer.¹
- **Professional Indemnity insurance** – this insurance is usually taken out by people or businesses that provide advice to others. It covers the responsibility of the policy holder if, through their negligent advice someone else is injured or another’s property is damaged.
- **Community and volunteering insurance products** - there are also various insurance schemes available to the not for profit sector. Two of these are provided by the NSW Council of Social Services (NCOSS) and Volunteering Australia.
 - NCOSS has an insurance product called “**NCOSS Community Cover**” which is underwritten by AON Risk Services. In addition, NCOSS provides a referral service to other providers of community sector insurance. NCOSS also runs an insurance program through which it provides education about insurance for community service providers.²
 - Volunteering Australia also has a special arrangement with AON Insurance and has developed the ‘**Volunteers Vital Pack**’, with no specified age limit, although there is a risk management requirement in relation to capacity to take direction.³

¹ Specific provisions can be obtained from the relevant WorkCover Authority in each state and territory.

² Information is available at the NCOSS website: <http://www.ncoss.org.au/content/category/9/156/172/>

³ Information is available at the Volunteering Australia website: <http://www.volunteeringaustralia.org/policy-and-best-practise/insurance/>