

# PROFESSIONAL INDEMNITY MASTER POLICY

FOR MEMBERS



## Who does the Australian Marketing Institute Professional Indemnity Master Policy cover?

The AMI Professional Indemnity insurance Policy is provided by Association Insurance Australia (AIA). The Policy covers all qualifying Financial Members of the Australian Marketing Institute (AMI) based within Australia. The policy will provide cover to:

1. AMI members who are consultants and generate gross fees of up to \$300,000 annually from marketing advice services.
2. AMI members engaging in part-time or pro-bono consultancy work, even if their regular income comes from an employment role

If you are an AMI member operating a consultancy business which generates over \$300,000 in gross income there is no cover under the Master Policy. You need to contact Association Insurance Australia for a separate quotation. Preferential rating will be provided to all AMI Members



## What does the policy cover?

The AMI Professional Indemnity Master Policy covers all AMI qualifying Financial Members against claims from third parties alleging a breach of professional duty arising from the provision of marketing services advice where the third party alleges they have suffered a financial loss.

Policy cover includes:

- The principal item of the coverage is a **Professional Indemnity** limit of \$5,000,000 with an aggregate limit of \$10,000,000.
- **Compensatory Penalties Cover** (providing cover for fines and penalties which result from a breach of legislation) up to a limit of \$250,000. A claim may arise from breaches of Workplace Health & Safety legislation, Environmental Laws, Employment Practices Legislation and Companies Law (e.g. the Corporations Act). The policy covers the penalty plus any legal costs incurred with the investigation, defence and settlement.
- **Defence Costs** means reasonable legal and other professional fees, costs and expenses incurred by and with the prior written consent of Chubb, not to be unreasonably withheld or delayed, that are necessary to defend or appeal a covered Claim.
- **Public Relations Cover** (costs and expenses of a public relations consultant) for \$250,000 in the aggregate for all Publicity Campaigns.

The Master Policy provides cover to AMI members in a wide range of industry situations:

- **One-off Consultancy Risks**  
Employees who pick up consultancy work to supplement their employment. For example, it can be prohibitively expensive to pay expensive insurance premiums on an insurance policy for a single contract which may generate moderate or low fees.
- **Pro-Bono Consultancy Risks**  
Members who may engage in pro-bono work such as for a local sporting club or charity organisation, for which they are not remunerated, but may still be held responsible for in the event of a claim scenario
- **Start-Up Consultancies**  
AMI members who are just starting in their consultancy or transitioning from employment to consulting may not have the initial cash-flow resources available for expenses like insurance.
- **Individual Consultancies and Small Businesses**  
The policy covers active consultants who generate gross consultancy fees of up to \$300,000 per annum from marketing advice services. The generous fee cap of \$300,000 will suit a large number of marketing consultants and small businesses.



## What professional activities does the Professional Indemnity policy cover?

The policy will cover liability of Financial Members arising out of Marketing Consultancy, including but not limited to:

- Marketing advice
- Advice about sales strategy and promotion
- Conduct of and advice about market research
- Advice about online marketing
- Advice about brand and/or product management
- Advice about public relations issues
- Web design, social media and E-marketing management (but not IT or Software Coding)
- Strategic management consultancy services in relation to Marketing activities

The policy will not cover non-marketing advice activities. Examples are management consulting, human resource consulting, recruitment services and product procurement and management.

These and any other advice activities unrelated to marketing need to be referred to Association Insurance Australia for assessment.

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## Frequently Asked Questions

### **I am a consultant Australian Marketing Institute member, can I cancel my current Professional Indemnity policy?**

If you have an existing Professional Indemnity Insurance policy with another provider, contact Association Insurance Australia so they can check that the AMI Master Policy offers all of the protection provided by your existing policy and, if so, arrange transition into the AMI Master Policy at no cost.

If you have no current insurance policy and are a financial AMI member, you are automatically covered subject to the terms and conditions of the policy. A full copy can be found on the AMI website.

### **How can I get proof that I am covered by the Australian Marketing Institute Professional Indemnity policy?**

If you are a current financial member of AMI, you can download and print a Certificate of Currency direct from the AMI website.

### **Does this policy cover my Pty Ltd consultancy business as well as me personally?**

Yes, as long as the annual gross fees generated by your business do not exceed \$300,000, then the individual and the company are covered by the AMI Professional Indemnity policy.

### **What does this insurance cover cost? Do I pay more via my membership fees?**

The cover is an automatic benefit of your AMI membership and you do not have to pay additional membership fees for the benefit of insurance coverage. AMI's size and scale let it use its buying power to secure a great deal for its members, and the AMI continually seeks to offer additional products and services exclusive to its members.

### **What happens if I do not renew my Australian Marketing Institute membership?**

You will no longer have cover under the Master Policy. The AMI Professional Indemnity policy only covers Financial Members of the AMI. If you allow your membership to lapse or cease then the cover stops as soon as you have ceased to be a member of the AMI. You need to keep in mind that if you require a Professional Indemnity policy to continue to cover past marketing work, then you need to keep renewing your membership to ensure the cover remains in place.

Keep in mind that an AMI membership is far less expensive than the cost of an individual Professional Indemnity Insurance policy.

Remember, once the AMI membership ceases, the policy no longer operates to cover past activities.

### **Who is the Insurer?**

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

**More information including Chubb's Privacy Policy can be found at [www.chubb.com/au](http://www.chubb.com/au)**

### **What is excluded by the policy?**

The policy does not cover:

- Consultancy businesses earning over 300,000 in gross professional fees.
- Claims brought against employee or student members of the AMI acting in that capacity – the policy is designed to cover consulting risks only.
- A known circumstance – if you are already aware of a potential claim against you or your business this will be deemed to be a known circumstance and will not be covered by the policy. Existing or known complaints or litigation should be notified to your current Insurer.
- Activities which are outside the scope of a marketing consultancy business. The policy is not established to cover financial advice or accountancy functions for example.
- Intentional damage – deliberate acts with the intention of causing a third party loss, criminal or willful breaches of any statute.
- Legal actions originating from foreign (overseas) courts.
- Claims arising from workmanship or faulty products (what would normally be Public and Products Liability insurance).
- Claims which are purely for refund of professional fees (there is the absence of any financial loss allegations).

### **I run a business earning over \$300,000 in gross fee income. Can I obtain any benefits under this facility?**

Yes you can!

The AMI Professional Indemnity Master policy does not cover your business, however, Association Insurance Australia can assist you and your business needs. Preferential rating will be provided to AMI current financial members. Contact AIA for an obligation free quotation.

## ASSOCIATION INSURANCE

AUSTRALIA.COM.AU

Association Insurance Australia's contact details:

Email: [info@associationia.com.au](mailto:info@associationia.com.au) Phone: 1800 277 624

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AFSL No. 240549 Corporate Authorised Representative No. 1239086