



Cycling New Zealand, Affiliated Clubs & Members Liability Insurance

Liability Covers explained for Affiliated Clubs and Riders, including claims scenarios

July 2019

This document is designed to provide information to **Affiliated Clubs and Licenced Riders**, who receive automatic **Public & Statutory Liability** coverage under the Cycling New Zealand national liability program. We encourage Club Secretaries to keep a copy of this document and distribute it to members.

This document will help explain:

- 1. Who is covered?**
- 2. What is covered?**
- 3. FAQ's**
 - a. Are Clubs covered for regular/normal club event activity (i.e. weekly rides for club members)?**
 - b. Club's hosting of a race event**
 - c. As a Rider am I covered when competing in an event?**
 - d. Are non-members entering a Club race event covered?**
 - e. Am I covered during a private practice session?**
 - f. Am I covered for non-riding activities organised by my club?**
 - g. What if I cause damage to our Club property or property in our care, custody or control?**
 - h. Is there a time limit in making a claim?**
 - i. Racing Overseas**
- 4. Claim scenarios**
- 5. How to Make a Claim**

Important Notes

The limits provided in this document are based on the policies renewed for the 31/12/2018 – 31/12/2019 period of insurance, though these can be amended at any time. Always refer to the current Certificates of Insurance loaded on the Cycling New Zealand website or contact Aon to confirm.

The summary of cover provides information about the Cycling New Zealand Insurance Programme. It is a summary and has been prepared for general reference only. Nothing contained herein prevails over the terms, conditions and exclusions of the policy. The policies with full conditions are available by contacting Aon or visiting the Cycling New Zealand website www.cyclingnewzealand.nz/clubs-and-membership/clubs

Cycling New Zealand has arranged this insurance programme to provide benefits to affiliated clubs and licenced riders of affiliated clubs who, through injury or accident at a cycling event in New Zealand, incur financial loss arising from the Club's negligence. The programme seeks to provide benefits to those most exposed and to maintain protection with a policy that is cost effective for both Cycling New Zealand and its affiliated clubs. It therefore cannot provide 100% cover or a benefit for every loss that occurs.

Government legislation prevents insurance companies from paying any insurance benefit for a medical service that is covered by ACC. In addition to these policies all members are encouraged to take out private health and income protection insurance.

The insurer for the Public Liability & Statutory Liability insurance is Chubb New Zealand Ltd, cover is arranged by Aon New Zealand.

Who is covered?

The national insurance program covers Cycling New Zealand and their affiliated clubs/organisations, their members, officials, employees, volunteers, directors, technical personnel and Cycling New Zealand accredited coaches while participating in all affiliated organisation activities and events.

This umbrella cover embraces all national bike and cycling organisations including but not limited to current member organisations: BMX NZ, Cycling New Zealand Road and Track, Mountain Bike NZ and Cycling New Zealand Schools, including but not limited to trail maintenance and construction of tracks on leased third party land.

What is covered?

The national insurance program has several liability policies, though the most relevant to Clubs and Members is the cover for:

Public and Product Liability

This policy provides protection against liability to pay compensation for personal injury, property damage or advertising injury (unintentional libel, slander, defamation, invasion of rights of privacy: arising out of the insured advertising activities) occurring in connection with a Cycling New Zealand or affiliated Club activity or event.

Limit of Liability: cover is provided up to a maximum of **\$5,000,000**.

Excess: each claim attracts a \$500 policy excess (\$10,000 each occurrence in respect of Care, Custody & Control)

Statutory Liability

This policy provides cover for fines or penalties imposed for unintentional breaches of certain New Zealand statute laws, including the associated defence costs. With regard to Health and Safety breaches it is important to note that the Statutory Liability insurance will pay the costs of any investigation and defence costs arising from a prosecution, but it will not pay any fines as they are uninsurable under the Health and Safety at work Act 2015

Limit of Liability: cover is provided up to a maximum of **\$1,000,000**.

Excess: each claim attracts a \$500 policy excess.

Clubs responsibility for Health and Safety

Clubs/organisations/charities that have any paid employees (regardless of number) need to comply with the Health and Safety at Work Act 2015. Those that are run by 100% unpaid volunteers do not fall under the Act, though they are still required to act reasonably, without negligence.

Hosting a race event or any activity requires Clubs to adhere to all health and safety requirements to ensure the safety of all riders, marshals, volunteers, non-riders and the general public (including their property) is in place and observed.

Examples of this might be:

- Safety management plan
- Approved traffic management plan
- Adequate risk assessment and mitigation
- Adequate emergency and contingency planning
- Adequate incident and accident planning
- Adequate communication planning

Frequently Asked Questions

*All claims and policy coverage will depend on the individual circumstance of each event and is always subject to the **acceptance of a claim** as well as the **terms and conditions of the policy**. The information provided below is to provide broad guidance. If in doubt please contact Aon.*

Are Clubs covered for regular/normal club event activity (i.e. weekly rides for club members)?

YES, the policies mentioned previously cover normal club ride activities.

Clubs hosting a race event

For larger one off or irregular events including International, National or Open level events and those that include non-cycling activities, Clubs are required to contact Cycling New Zealand. The event may be covered under the policy, though the insurer will need to be notified and may impose an additional premium or additional terms or restrictions to cover the event.

Hosting a race event requires Clubs to adhere to all health and safety requirements to ensure the safety of all riders, non-riders and the public and their property.

The Public Liability policy responds to an incident which has resulted in property and/or personal injury that has been caused by the negligence of the Club's race organisation, marshal/volunteer/employee/official. Examples of this are in the claims scenario section.

As a Licenced Rider am I covered when competing in an event?

YES, when you are riding in a race and your actions are proven to be negligent causing property and/or personal injury that you become liable for, there is cover under the Public Liability policy.

It is important to note this will not cover intentional or malicious acts you deliberately undertake.

Are Non-licenced riders entering a Club race event covered?

NO, non-members are not covered for their personal liability.

Am I covered during a private practice session?

YES, as a licenced rider your personal liability is covered for property damage or injury you cause (and become liable for) to a third party.

Damage caused by you to your own bike or your property is not covered by the national program, though you may potentially have cover under your own personal Contents policy.

Is my liability covered for non-riding cycling related activities organised by my club?

YES, this includes trail building and maintenance undertaken by Mountain Biking Clubs and members. Another example of this is a fundraising event day. If in doubt please contact Aon.

What if I cause damage to our Club property or borrowed property?

NO, the Public Liability policy does not cover damage to Club property/assets.

The Public Liability policy will cover damage to property which has been borrowed (in your care, custody or control).

Clubs need to arrange the appropriate Property (Material Damage) insurance to cover the Assets owned by the Club.

Is there a time limit in making a claim?

YES, if you believe there is a claim, or even a potential claim you should immediately contact Aon to notify them of the event or allegation.

For Statutory Liability claims or potential claims that you are aware of, they need to be notified in the current period of insurance 1st Jan – 31st December.

Racing Overseas

NO, you are not covered for training or racing in overseas events. You require comprehensive travel insurance that includes cover for racing.

High Performance cyclists and those representing New Zealand may have coverage under the Cycling New Zealand Travel Insurance Policy and should contact Cycling New Zealand to enquire about coverage and cost.

For all other riders Aon New Zealand can provide cover under our comprehensive Aon Cycling Policy. For quotes and information please use the below link or contact Jason Bodmin.

<http://chubbtravelinsurance.co.nz/cyclingnz>

Jason Bodmin – Aon New Zealand

027 237 0490

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Claims Scenarios

Scenario One: Rider v Rider

Two riders are racing in an event, one comes off their bike, crashing into another rider damaging both their bikes, equipment and clothing.

Outcome

- If the rider at fault was a licenced rider (and became liable for) the property damage or bodily injury to the other rider, the resulting settlement made to the other rider would cover for the present value of the damaged items.
- If the rider at fault was an unlicensed rider, there is no cover for property damage or bodily injury to the other rider.

Scenario Two: Rider v Vehicle

A rider is racing in an event and crashes into a parked vehicle on the side of the road. The rider damages the car and their bike and equipment.

Outcome

- If the rider at fault was a licenced rider (and became liable for) the property damage, there would be cover under the liability policy for the vehicle. There is no cover for the rider's bike and equipment under any Cycling New Zealand Policies. Cover for this would need to be under the personal insurance of the rider.
- If the rider at fault was an unlicensed rider, there is no cover for the damage to the vehicle under any Cycling New Zealand Policy.

Scenario Three: Marshalling Error

At an event a marshal sends a rider down the wrong track, leading the rider onto a dangerous section of track. The rider loses control and there is damage to the rider, their bike and equipment.

- The clubs liability is covered under the policy if it was an unintentional error.

Scenario Four: Track Maintenance

The Club has organised a track maintenance day and riders and volunteers are working on the track. Whilst digging into the hillside the ground becomes unstable and a landslip occurs. Damage is caused to the track, a house further down the hill and a third party's vehicle parked at the house.

Outcome

The item being worked upon is not covered (costs to repair the track) however if found liable the resulting damage (to the house and vehicle) is covered.

- Note: Commercial Contractors engaged to build/maintain tracks are not covered under the Cycling New Zealand Policy.

Scenario Five: Fire in the forest

The Club have organised a track building day in the forest. There are club members and volunteers helping for the day. One of the people building the track has put down a hot chainsaw at lunchtime, over time the leaf litter smoulders and starts a fire, causing an acre of trees to be lost.

Outcome

- Anyone doing work on behalf of the club, whether they are a licenced member or not, is covered under the policy. Though it is important to note below:

Note:

If a member were to undertake building a new track outside of club authority (i.e. took it upon themselves to do track building without having that work authorised by the Club) it is not the intention of the policy for them to be covered as a licenced member.

Scenario Six: Health & Safety for cycleway/trail building

ACC generally prevents ASSIGNMENT OF liability for personal injury. It is a no-fault system.

Voluntary organisations and their officers can be liable for Third Party property damage that arises from their negligence.

For example, if a Club constructs a cycleway and a cyclist using that cycleway has an accident and breaks both their bike and their arm, the cyclist could sue the club for the damage to their bike, but not for their personal injury. The Club may have to pay compensation to the cyclist if they can prove that the accident occurred because of the Club's negligence when building the cycleway. If the cyclist can prove that the Club's work was grossly negligent, they may also be able to sue for additional compensation for their personal injury ('exemplary damages') to provide some punishment for the Club.

The cyclist will have these rights regardless of whether the club involved is a PCBU (Person Conducting a Business or Undertaking). If the club is incorporated, the club's officers should not be personally liable, unless they were particularly negligent in carrying out their duties.

This example is sourced from:

www.lawlink.co.nz/article/health-safety-obligations-clubs-societies-charitable-trusts/

The Statutory Liability insurance will pay the costs of any investigation and defence costs arising from a prosecution by WorkSafe but not for any fine payable as these are uninsuredable.



How to make a Claim

- Under no circumstances admit liability.
- Take detailed notes and information on the event and all parties involved.
- Where practical gather contact information from a marshal/official or witness for future contact.
- Contact Aon as soon as possible.

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About Aon

Aon is the leading provider of insurance broking, risk management and associated services both in New Zealand and globally. We are proud to be the insurance broker for Cycling New Zealand.

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