



NCOSS Insurance Program



How To Compare Insurance Quotes

Need to make a decision on which insurance you would like to purchase?

Have two quotes and you need to work out which one is the better option?

Many not-for-profit organisations compare quotes by looking at the bottom line price and picking the cheaper one, which doesn't always work when comparing 'apples and pears'. To assist you in making an informed decision between insurance quotes we have developed a series of points to check:

Compare the number of days you have been quoted for: Often insurers run their policies to one point in the year – for example an insurer may commence all policies on 1st July. If you apply for a quote on 1st August you will be quoted for 11 months, whereas if you apply on 1st June you will be quoted for 13 months. Divide the total premium by the number of days quoted, then multiply by 365 to compare annual premiums.

Check how much you have been quoted for: Compare the liability limits or sums insured between policies and decide which option is more appropriate, e.g. one insurer may quote \$30,000 burglary and \$10,000 theft while a second insurer may combine the two into a \$30,000 burglary and theft package, or one insurer will quote \$1 million professional indemnity cover and a second will quote \$5 million.

Compare the excess on each policy: Some policies have large excesses which bring the premium down but can leave the organisation exposed in the event of more than one claim. Check the excess on each quote and calculate which one would be more appropriate for your organisation.

Check the type of cover you are being quoted for: Different insurance providers quote different policies and provide different cover definitions. It is important to be aware of the policy definitions to ensure you obtain appropriate cover. Two common policies that can be confused are:

- **Burglary and Theft** – some quotes cover both policies while others may only cover you for burglary – also read the definitions as one insurer may define 'burglary' as forcible and violent entry and 'theft' as entry without force, while another may provide the exact opposite definition;
- **Professional Indemnity** – some quotes provide cover for professional advice under a public liability policy only, meaning only bodily injury will trigger a claim, while others provide cover for full indemnity, i.e. breach of professional duty of care in all areas (e.g. advice), which also covers a financial injury trigger. As well, professional indemnity is commonly included in an Association Liability package (along with directors & officers) – if purchasing this package check whether you need and can obtain important inclusions such as medical malpractice and/or employment practices liability cover. Read the fine print for exclusions.

- **Exclusions:** Just because you have asked for cover for all activities does not mean you automatically receive it and your quotes may include, or exclude, some of your organisation's primary activities. Check the Schedule's exclusions. If you are considering running an event but have not included it on your proposal form, ensure you will be able to obtain extra cover if needed under your public liability policy, otherwise you may need to buy an additional minimum premium policy if your insurer refuses to cover the event.
- **Australian authorised versus unauthorised foreign insurers:** Several brokers and/or underwriting agencies use unauthorised foreign insurers. These insurers are often cheaper as they do not need to comply with Australian regulatory requirements, however they are not always as secure as Australian authorised insurers nor are you always protected by Australian law (see our **Unauthorised Foreign Insurers** information sheet under 'Resources' at www.ncoss.org.au/insurance). Also check your funding and other contracts as some now require that you only use Australian authorised insurers. Ask which insurer your insurance provider is quoting for and where that insurer is based, then check www.apra.gov.au to find out whether your insurer is Australian authorised.

Finally, remember that while cost is always an important consideration for not-for-profits, quality is vital – there is little point in having cheap insurance if it won't pay out when a claim is made - so always check the quality of your policies.

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Disclaimer: While every effort has been taken to ensure the contents of this information sheet are accurate, NCOSS accepts no liability for any loss or damage which may be incurred by any person acting in reliance upon the information. It is important that you discuss any issues that arise with an authorised insurance provider before making a decision on your insurance purchase.

NCOSS Insurance has established a nation-wide bulk buying insurance scheme (NCOSS Community Cover) and provides information and education on insurance and risk management for the not-for-profit sector. To obtain a quote for NCOSS Community Cover contact Aon Risk Services on 1300 363 764 or email ncoss@aon.com.au.

Checklist

Policy Type (write in column)	Policy 1		Policy 2		Policy 3	
Insurance Provider (write in column)	Insurer X	Insurer Y	Insurer X	Insurer Y	Insurer X	Insurer Y
Number of days quoted						
Annual cost comparison	\$					
Liability Limit / Sum insured for each policy						
Excess						
Type of cover quoted for						
Cover definition						
Exclusions						
Australian authorised or unauthorised insurer						
Other information						