

# PROFESSIONAL INDEMNITY MASTER POLICY

FOR MEMBERS



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

All Financial Members of the Australian Marketing Institute (AMI) based within Australia. The policy will provide cover to:

1. AMI members who are employees in the event that they do not have other insurance cover which protects them against an unmeritorious allegation of professional negligence.
2. AMI members who are consultants and generate gross fees of up to \$275,000 annually from marketing advice services. The cover is extended to both your legal entity (company) and all employees and Directors working for and on behalf of that company.

If you are an AMI member operating a consultancy business which generates over \$275,000 in gross income there is no cover under the Master Policy. You need to contact Austbrokers Countrywide for a separate quotation under the AMI Professional Indemnity facility where exclusive discounted rates are available to all 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 \$10,000,000 for a Certified Practising Marketer (CPM) and \$5,000,000 for non Certified Practising Marketers with an aggregate limit (total claims payable in one policy period) of \$30,000,000.
- **Compensatory Penalties Cover** (providing cover for fines and penalties which result from a breach of legislation) up to a limit of \$275,000. A claim may arise from breaches of OH&S legislation, Environmental Laws, Employment Practices Legislation and Companies Law (e.g. Corporations Act). The policy covers the penalty plus any legal costs incurred with the investigation, defence and settlement.
- **Defence Costs-Contract/Statute Cover** (covers legal costs for alleged statutory breach or contractual breach) for \$100,000 any one claim and \$1,000,000 in the aggregate. This additional benefit would assist members involved in such actions as a Fair Work Act breach.
- **Tax Investigation Cover** (cover for an ATO investigation up to \$10,000 any one claim and \$50,000 in the aggregate for the policy period).
- **Free Legal Consultation Cover** – free legal advice hotline – up to one hour per member per policy period.

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

- **Employee Risks**  
Individual employees can be found liable for professional negligence losses and are not always indemnified against that liability by their employer.
- **One-off Consultancy Risks**  
Employees who pick up consultancy work to supplement their employment. For example, it can be prohibitively expensive to spend \$1,000 on an insurance policy for a single contract which may generate less than \$10,000 of fees.
- **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. Therefore, the provision of a Master Policy allows for a buffer of “start up” cover until their business is up and running and fee generation reaches a level which necessitates cover specific to that business.
- **Individual Consultancies and Small Businesses**  
The policy covers active consultants who generate gross consultancy fees of up to \$275,000 per annum from marketing advice services. The generous fee cap of \$275,000 will capture 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
- Strategic Marketing and Planning
- Advice about and the conduct of Market Research
- Advice about Advertising
- Advice about Brand and Product Management
- Advice about Public Relations
- Web Development, Social Media and E-marketing Management
- Strategic Management Consultancy (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 Austbrokers Countrywide for assessment of your broader coverage requirements.

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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, contact Austbrokers Countrywide 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. Once again feel free to contact Austbrokers Countrywide for an explanation of the cover.

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

Contact Austbrokers Countrywide and by supplying your name and AMI membership number they can provide you with a Certificate of Insurance as proof of insurance cover.

### 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 \$275,000, 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 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 a Professional Indemnity Insurance policy.

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

### Who is the Insurer?

CGU Insurance Limited, one of Australia's largest insurance companies.

### What is excluded by the policy?

The policy does not cover:

- Consultancy businesses earning over \$275,000 in gross professional fees.
- 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 well outside the scope of a marketing consultancy business. The policy is not established to cover financial advice or accountancy functions for example. All outside activities can be referred to Austbrokers Countrywide for advice on how the policy will operate.
- Intentional damage – deliberate acts with the intention of causing a third party loss, criminal or wilful 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 \$275,000 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, Austbrokers Countrywide has negotiated significant discounts for these larger Marketing Consultancy businesses. These policies are available well below market prices. Contact Austbrokers Countrywide for an obligation free quotation.



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