

Preparing for a disaster – insurance checklist



Checklist for not-for-profit organisations

Before a disaster, like a flood or a bushfire, an organisation can take steps to make sure its insurance policies are adequate.

Each year, some insurance claims are denied, or organisations get less than expected. Many organisations discover too late that they are underinsured. Often organisations only find out they have a problem with a policy when their insurance claim is denied.

If you are preparing for a disaster, complete an insurance check-up to get started.



For more information, see our webpage [‘Insurance challenges that that not-for-profit organisations face due to disasters’](#).

Insurance check-up checklist

For property insurance:

- ensure the coverage limits of your organisation’s property insurance are adequate to cover the replacement cost of the organisation’s assets, including buildings, equipment, and inventory
- if your organisation is in a flood-prone area do you have adequate flood insurance coverage?

For business interruption insurance:

- does your organisation need business interruption insurance? (this coverage can help compensate for lost income if your operations are disrupted due to a disaster)

For general liability insurance:

- ensure that your organisation’s general liability coverage is sufficient to protect your organisation from court action arising from accidents, injuries, or property damage

For directors and officers liability insurance:



Insurance check-up checklist

- does your organisation need D&O liability insurance? (this coverage protects your organisations directors, committee members and office holders from personal liability in case of wrongful acts or omissions)

For cyber liability insurance

- does your organisation need cyber liability insurance? (this coverage can protect your organisation from financial losses and legal liabilities arising from data breaches or cyber-attacks)

For workers' compensation insurance

- ensure the coverage limits of your organisation's workers' compensation coverage are sufficient to cover medical expenses, lost wages, and rehabilitation costs for injured employees
- ensure that all employees are properly classified for workers' compensation purposes

For professional liability Insurance

- if your organisation provides professional services, ensure that your organisation's professional liability coverage is adequate to protect you from claims of negligence or malpractice

For fundraising event insurance

- this coverage can protect your organisation from liability if injuries or property damage occur at fundraising events

For volunteer liability insurance

- this coverage can protect your organisation from liability for the actions of volunteers

For all your insurance needs:

- review your organisation's insurance coverage regularly (at least annually) to ensure it remains adequate to meet your organisation's needs
- review the excess payments on all the organisation's insurance policies to ensure that the organisation can afford to pay them in the event of a claim (an excess payment is an amount the policy holder must pay if they proceed with making an insurance claim on their insurance policy)
- be aware of any exclusions in the insurance policies that may limit coverage in certain situations
- have a disaster preparedness plan that includes information about your organisation's insurance policies and claims



Insurance check-up checklist

- before taking out insurance, consider various insurance providers and plans to maximise the coverage your organisation needs versus the cost you are willing to pay
- explore alternative risk management strategies (for example, self-insurance or government assistance)
- build relationships with insurers (establishing positive relationships with insurance agents can help facilitate the claims process and improve communication)



Caution

Property insurance policies will commonly cover damage caused by storm and rainwater but may not cover flood damage. Check your insurance policy to see what damage you can claim for.



Tip – an insurance broker can help your organisation assess the risks it faces and the types of insurance it will need

An insurance broker is a specialist, licensed provider of financial advice on insurance products. An insurance broker will recommend different types of insurance based on your organisation's needs and circumstances and explain what the terms of your policies mean.

An insurance broker can also advise whether your organisation needs to take out additional insurance from time to time, depending on specific risks (for example, event-specific insurance).