



# Community Service Organisations

Insurance program



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Disclaimer: The information provided in this document is intended to be general advice only. All claims will be assessed on a case-by-case basis and subject to the terms, conditions and exclusion of the VMIA policies applicable to your organisation.

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**VMIA is the Victorian Government’s insurer and risk adviser**

Level 10 South  
161 Collins Street  
Melbourne VIC 3000

P (03) 9270 6900  
E [contact@vmia.vic.gov.au](mailto:contact@vmia.vic.gov.au)  
ABN 39 682 497 841

[vmia.vic.gov.au](http://vmia.vic.gov.au)  
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Victorian Managed Insurance Authority (VMIA) acknowledges the Traditional Custodians of the land on which we do business, and we pay our respects to Elders past and present. We acknowledge the important contribution that Aboriginal and Torres Strait Islander peoples make in creating a thriving Victoria.

Community service organisations deliver essential services to members of the public that need it most. Supporting the Victorian community and delivering these vital services can carry significant financial and reputational risk. VMIA's Community Service Organisations' (CSO) insurance program provides insurance coverage for eligible community service organisations funded by Victorian Government departments.

## About the CSO insurance program

The Program provides a suite of insurance policies to a wide range of organisations such as aged care, disability services and neighbourhood houses, as well as community housing and advocacy services. Insurance policies provided are:

- Public and Products Liability
- Professional Indemnity
- Directors and Officers Liability
- Entity Fidelity
- Personal Accident
- Medical Indemnity
- Volunteer Care Givers Property.

## Why it's needed

Due to the breadth of services provided to members of the community, organisations are exposed to claims from several sources.

These include:

- Clients: alleging a loss, damage or injury arising from your organisation's negligence
- Employees: allegations may include wrongful dismissal, discrimination or sexual harassment
- Regulators: investigations carried out by ACCC, WorkSafe, the Privacy Commission or a Royal Commission
- Business partners: those who transact business with your organisation may allege a financial loss arising from a breach of professional duty
- Volunteers: for injuries sustained while volunteering on behalf of your organisation
- Children: allegations of institutional child sexual abuse or molestation, arising from your organisation's negligence.

## Policy cover

The Program provides a suite of liability coverage for the organisation, its management, committee members, directors, officers, employees and volunteers.

Policy cover	Summary	Policy limit
<a href="#">Public and Products Liability</a>	Cover for your organisation to pay compensation for personal injury and/or property damage to third parties arising from your business activities.	Public Liability \$20,000,000 any one Occurrence per organisation.  Products Liability \$20,000,000 any one Occurrence and in the aggregate.
<a href="#">Professional Indemnity</a>	Cover for your organisation for an alleged breach of professional duty.	\$20,000,000 any one claim and in the aggregate subject to non- accumulation.
<a href="#">Directors and Officers Liability (including entity cover)</a>	Cover for claims made against your organisation's directors and officers while acting in that capacity representing your organisation; and including employment-related matters.	\$20,000,000 any one claim and in the aggregate, subject to non- accumulation and sub-limits, inclusive of legal costs and expenses.
<a href="#">Entity Fidelity</a>	Cover for loss of your organisation's money or other property arising from any dishonest or fraudulent act committed by an employee or volunteer of your organisation.	\$100,000 any one claim and in the aggregate subject to non- accumulation.
<a href="#">Personal Accident</a>	Cover for volunteers and eligible people within your organisation whilst performing their duty, for accidental bodily injury that results in loss of life, permanent or temporary disablement.	Lump sum benefits up to \$250,000.
<a href="#">Medical Indemnity</a>	Cover for claims alleging negligence in relation to the provision of health care services by your organisation.	\$20,000,000 any one claim and in the aggregate.
<a href="#">Volunteer Care Givers Property</a>	Cover for the property of volunteer care givers if it is damaged by people in their care.	Up to the value of the property damaged, but not exceeding \$1,000,000.

\* The table above is a summary only and for full policy terms and conditions, please refer to VMIA's [website](#).

**Excess:** The only excess applicable is \$25 for non-Medicare medical expenses under the Personal Accident policy.

**Policy period:** The policies renew at 1 July every year.

**Victoria-wide coverage:** These products provide a comprehensive suite of liability coverage for CSOs and their activities originating in and from Victoria, including limited cross-border activities. VMIA can extend the Program to cover business activities that originate outside Victoria under certain criteria at an additional cost. Please contact VMIA if you have any requirements regarding this coverage.

### Other insurances:

The Program does not provide cover for:

- Buildings, Contents or any property owned by your organisation, or for which your organisation is responsible
- Construction works
- Motor vehicles
- WorkSafe/Workers Compensation
- Cyber related risks.

### More information

Visit [www.vmia.vic.gov.au](http://www.vmia.vic.gov.au), phone 03 9270 6900 or email [contact@vmia.vic.gov.au](mailto:contact@vmia.vic.gov.au)

## Frequently asked questions

### How can we receive a certificate of currency?

A certificate of currency is proof of your insurance. Before 1 July each year, we'll email you with instructions on how to access your renewal certificates of currency via the VMIA portal.

You can download copies of your insurance policy documentation including certificates of currency anytime by logging into the VMIA portal. If you require assistance visit the [VMIA portal help centre](#).

### Are our volunteers covered?

Yes, volunteers who work for your organisation are covered while volunteering on your behalf.

Volunteers are covered for claims made against them by third parties alleging property damage, bodily injury or financial loss under your Program. They are also covered if they get injured while volunteering on your behalf.

### Are contractors covered under our Program?

No, contractors are not covered.

You should request a copy of their certificate of currency to ensure they are adequately insured. However, contractors who are receiving payment for providing educational, training services or training-related activities on behalf of your organisation, are covered.

### Do we have to notify VMIA of every activity or event?

It is not necessary to notify VMIA of every activity or event your organisation engages in. The Program provides insurance coverage for your involvement in events such as sausage sizzles, market stalls, functions or excursions; however, your organisation must authorise and have control of the activity or event.

Your organisation's board or committee of management must be satisfied that the organisation has enough capability to engage in the activity. This would require the application of risk management to identify, assess and treat potential risks before approving the proposed activity.

### Are our organisation's buildings and contents covered? What about construction activities?

No, there is no cover for your building or contents. In addition, motor vehicles, goods in transit or workers compensation, are not covered by the Program. Construction activities are not covered. If you are using a builder, make sure they hold contract works and construction liability insurance.

### Can this Program be extended to cover contents or any other liability?

No, your Program is arranged and premium funded by the Department of Families, Fairness and Housing (DFFH). If you need any insurance cover outside the Program, please contact your insurance broker.

### We have people and groups outside our organisation offering to raise funds for us. Are their activities covered under our Program?

If the fundraising event is not run or controlled by your organisation, then your insurance does not cover these people or groups.

### Are people who attend our event covered under our Program?

No, people who participate in your events are not covered. Your organisation, its employees and volunteers are covered for any legal liability arising out of their negligence to a third-party including participants.

### **Are stall holders covered under our Program at a community event we organise?**

No, stall holders are not covered, and you should request a copy of their certificate of currency to ensure they have adequate insurance cover.

### **Are goods sold and/or products manufactured by our organisation covered?**

Yes, your Program covers you for personal injury or property damage claims arising from any goods sold and/or products manufactured for which you are legally liable.

### **Can you assist us with our risk management obligations?**

VMIA has several useful risk management resources available on our website, including guides, tools and templates, to help you implement and improve your organisation's risk management practices.

### **Are we covered while transporting clients to functions or events?**

If an injury occurs while you are transporting someone to a function or event, this would typically be covered by statutory third-party insurance (TAC in Victoria), not VMIA. Third-party insurance is only valid if a vehicle's registration is current, so ensure any vehicle you use is registered and all fees are paid.

### **We will be hiring a venue or leasing temporary premises for our event. Are we covered?**

Yes, you are covered for your negligence at any premises in Victoria, or any temporary premises or venue you may lease or hire. However, it will not cover any negligent acts of the landlord, guests, customers or participants.

### **We will be leasing a room at our premises to a third-party group. Will our Program cover this?**

You are covered for your negligence to third parties as a property owner, but your Program will not cover any negligent acts of the hirer, guests, customers or participants.

### **An unincorporated community group has asked for cover under our Program. Are we able to provide this? Can we auspice them?**

Your Program, in certain circumstances, accommodates cover for auspice arrangements. This has the benefit of enabling unincorporated community groups with limited economic resources to access your insurance cover as the auspice body. It aims to support the unincorporated group carrying out activities that align to your own purpose and objectives, and this arrangement does not extend to incorporated groups.

**Please note: Your organisation needs to provide the following information before VMIA can extend cover to the Auspice Group under the CSO program.**

## **Responsibility**

Auspice arrangements broaden the scope of activities that are undertaken by an organisation and this in turn results in an increased level of risk that needs to be managed by your board or committee of management. Accordingly, you need to be mindful of the additional responsibility that arises from an auspice arrangement before you commit to auspice a group.

Your board or committee of management which is considering entering into an auspice arrangement needs to properly consider:

- The merits, benefits, and risks to the agency which arise from the additional activities of the unincorporated group.
- The board or committee of management must approve and pass by resolution that your organisation has agreed to auspice the group and its activities.
- If this procedure has not been followed, the auspice is invalid.

## **Control**

For an auspice arrangement to be eligible you must be able to demonstrate that your organisation exercises sufficient control over the unincorporated group.

The term 'control' implies financial, legal and administrative processes. If you have no (or will have no) control over the group, or if the group challenges that control, then you are not in a position to auspice the group.

In conclusion, if an incident originates from an unincorporated group and is reported to VMIA, VMIA can exercise its rights to make enquiries of the administrative arrangements relating to the auspice arrangement. This can include the application of control that your organisation exercises over the unincorporated group.

### **What do we do in the event our organisation ceases to exist or is merged with another organisation?**

You must contact VMIA and notify the relevant funding department when you become aware of this. You must also advise VMIA of any claims, outstanding matters or incidents that could give rise to a claim.

Once your organisation ceases or is merged with another organisation, your Directors and Officers Liability Policy will provide automatic run-off cover for up to seven years.

### **Are we covered for activities for which we receive funding?**

Subject to the terms, conditions and exclusions of your organisation's policies you are covered for all activities undertaken by your organisation within your insured business as defined in your policy schedules, irrespective of how the activities are funded. Unless you have applied for Australia-wide cover, your cover is restricted to activities originating in Victoria.

### **What if we lose our departmental funding?**

If you lose your funding, the relevant department will inform VMIA that your organisation is no longer eligible and advise if cover under the Program will continue or cease. You should also confirm the validity of your insurance period with your department. If cover is to cease, we will advise you in writing and allow you 30 days from your end date of funding to arrange alternative insurance.

### **Is the organisation insured against employment practices violations such as unfair dismissal and discrimination claims?**

Yes, your organisation and its directors, officers and employees are covered for claims (including reasonable legal, accounting and other professional fees) alleging an employment practices violation.

### **If we appoint additional or alternate directors during the year, are they covered?**

Any new or additional directors who are appointed during the year are automatically covered.

### **If a director resigns, are they still covered?**

Yes, directors who resign are covered while this insurance remains current. The cover provides protection for these directors while they acted on behalf of your organisation, for as long as this insurance remains in force.

### **Is my organisation covered for Formal Investigations?**

Yes, all Professional Indemnity products now cover your organisation for legal representation costs to respond to a formal administrative or formal regulatory inquiry by a governmental, regulatory, self-regulatory, professional, statutory or official body or institution body.

### **Is my organisation covered for coronavirus?**

We aim to address every client's individual circumstance and assist them in understanding their coverage. For more information and general guidance on how VMIA insurance policies may respond for first and third-party exposures arising from coronavirus, please refer to our [website](#).

### **In regard to institutional child sexual abuse, does this Program meet the appropriate requirements for insurance cover under the Victorian Funding Guideline for Services to Children?**

Yes, your Program meets the requirements for insurance cover under the Victorian Funding Guideline for Services to Children. However, some historical incidents may not be covered. You should notify VMIA immediately of any claims of institutional child sexual abuse against your organisation.

### **Does the CSO program provide cover for Child Abuse exposures?**

Child Abuse claims can be covered under VMIA's Professional Indemnity and/or Public & Products Liability policies, subject to the policy terms and conditions of each policy.

## How does the CSO program respond to current and historical liabilities?

To determine which policy may respond to either a 'current or historical liability', it is important to note that VMIA's CSO programme first commenced in 1996, following direction from the Department of Treasury via the Department of Health (now DFFH) to establish a CSO Program with a range of insurance with the Retroactive date 1 January 1987 for historical liabilities. As a result, from 1996 VMIA commenced issuing the CSO program of insurances, including providing Public Liability policies and Professional Indemnity policies, to approved CSO's from this time.

Professional Indemnity policies provide cover on a claims-made basis, which means this policy will respond to a claim as it is notified during the current insurance policy period and it will cover a claim subject to the retroactive date of 1 January 1987 and that such a loss fall to the terms and condition of the policy.

In contrast, the Public Liability policies provide cover on an occurrence basis, which means this policy will provide cover subject to a PL policy was issued to the CSO when the date and time of the incident occurred, regardless of when the claim is notified in the future.

As an example:

- If you have had historically held a Public Liability (PL) policy since 1996, and if the incident date and time for a claim occurred after 1996/97, the claim could potentially covered under either your Professional Indemnity (PI) or Public Liability (PL) policy. Generally, VMIA would lodge any injury claim to your PL policy.
- If the loss/injury incident historical before VMIA issues PL policies, meaning it occurred between 1 January 1987 to 1996, and the claim was notified now, we would use our PI policy to indemnify a historical loss.
- However, if the incident date and time for a claim occurred for a claim before the retroactive date of 1 January 1987, there is no cover under the Professional Indemnity policy, and such claims would be declined.

The table below provides another example on the application of claims-made and occurrence-based policies:

Incident date/time for a claim	When you notified VMIA of the claim Notification	Outcome (Claim covered under)	Reason
1989	2025	Indemnity would be considered under you PI Policy	The injury date/time occurred after the retroactive date but before the CSO program was started, meaning a PL policy is not available.
1999	2025	PL or PI (either), however injury claims would be lodged under an PL policy.	The injury date/time occurred after the retroactive date and during the time VMIA may issue a PL policy .
1975	2025	Decline, as claim falls prior to the retroactive date.	The injury date/time occurred it happened prior the retroactive date.

## **With the introduction of the National Disability Insurance Scheme, is my organisation still eligible for cover with the Program?**

The eligibility criteria for inclusion in the Program requires that:

- you have a current ongoing funding service level agreement with the Department of Families, Fairness and Housing (DFFH)
- your head office is based in Victoria
- you are a registered incorporated association (not-for-profit).

The eligibility criteria are set by DFFH, and you should confirm your eligibility for inclusion in the Program with DFFH.

## **Do we need to notify incidents to VMIA?**

Yes, you are required to notify VMIA immediately if your organisation becomes aware of any incident which may give rise to a future claim. All incident notifications must be lodged through the portal.

This must be done in addition to reporting the incident to your funding department. If you fail to promptly notify VMIA of an incident you may not be protected in respect of any subsequent claim. If in doubt, report it or contact VMIA for advice.

## **How do I lodge a claim?**

All claims must be lodged by logging into the [VMIA portal](#). For support on lodging a claim visit [VMIA portal help centre](#).

If you require support, you can contact us on 03 9270 6900.

To avoid prejudice to your organisation's rights under the Program you should not settle a claim or admit liability without first obtaining VMIA's written approval to do so.