

# Insurance & Indemnity for Councillors Policy



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# 1. Purpose

## 1.1. Overview

This policy outlines Logan City Council's approach to providing insurance and indemnity for Councillors in a manner that supports governance integrity, risk management, operational transparency, and compliance with Section 107 of the *Local Government Act 2009* (Qld). It ensures that Councillors are protected against liabilities incurred as a result of activities undertaken in their official capacity. Through this policy, Council aims to deliver fair, consistent, and legally compliant support to Councillors, enabling them to serve the community with confidence and accountability. This policy applies to all Logan City Council Councillors.

## 1.2. Legislative context

This policy is governed by the *Local Government Act 2009* and the *Local Government Regulation 2012*. The framework provided by this legislation requires Council to provide insurance coverage and indemnity for Councillors in accordance with legal, financial, and ethical standards.

# 2. Principles

Councils' approach to insurance and indemnity for Councillors is guided by the following principles:

## 2.1 Governance and Integrity

Council is committed to upholding strong governance and ethical standards by ensuring that Councillors are adequately protected against risks arising from the bona fide performance of their role as a Councillor. Insurance and indemnity provisions are designed to safeguard Councillors from personal liability while reinforcing the importance of lawful conduct, accountability, and compliance with the Local Government Principles.

## 2.2 Risk-based approach

Council adopts a proactive and risk-informed approach to managing legal and financial exposure. Council maintains a suite of insurance-related arrangements including liability, travel and personal

accident. This ensures that Councillors can perform their duties with confidence, knowing that appropriate protections are in place.

## 2.3 Equity

Council ensures that insurance and indemnity support is applied fairly and consistently across all Councillors. Access to coverage and reimbursement is based on stated eligibility criteria, including the requirement that the conduct in question aligns with Councillor responsibilities and is performed in good faith.

# 3. Our Approach to Councillor Insurance and Indemnity

## 3.1 Insurance Coverage

Council will ensure that insurance-related arrangements are in place to protect Councillors from certain risks arising from the bona fide performance of their responsibilities. These arrangements include:

- *Public Liability* – Covers claims for compensatory damages resulting from alleged negligent acts or omissions that cause harm to persons or property.
- *Professional Indemnity* – Covers claims for financial loss arising from alleged negligent acts, errors, omissions, or breaches of duty in connection with the performance of professional services.
- *Personal Accident* – Covers insured events such as death or temporary/permanent disablement caused by injury while performing Councillor responsibilities, including travel to and from relevant locations.
- *Domestic and International Travel* – Covers approved and insurer declared business travel undertaken in the course of performing councillor responsibilities.

### 3.2 Indemnification for Insured Matters

Where a claim is accepted by the relevant insurer or Claims Manager, Council will pay any applicable deductible. Where insurance applies, all matters will be governed by the terms of the relevant insurance cover, including any repayment obligations, such as those specified in section 3.4.

All actual or potential claims must be notified immediately upon identification and in any event must be reported to Council's insurer before 30 June of the relevant insurance year to avoid prejudice of cover.

### 3.3 Indemnification for Non-Insured Matters

Councillors may be eligible for reimbursement of legal defence costs, investigation expenses and liability to pay compensatory damages or penalties arising from the bona fide performance of their Councillor responsibilities, subject to the following conditions, provided no insurance coverage is available, and indemnification and reimbursement is not otherwise prohibited by law:

- The Claims Manager confirms that this policy applies.
- The conduct in question is undertaken in good faith and within the scope of Councillor responsibilities.
- The reimbursement is limited to actual, evidenced loss or expense incurred with the prior written consent of the Claims Manager. This may include an amount paid in settlement of a legal proceeding for a claim.
- The costs being reasonable and necessary.
- Legal costs must be reasonable and aligned with the hourly rates of Council's nominated legal service panel solicitors. Any portion exceeding these hourly rates will not be reimbursed.
- Reimbursement is reduced by:
  - i. any amount recovered by the Councillor.

ii. the extent of any non-compliance with this policy, by the Councillor, which causes loss or prejudice to Council.

- No reimbursement is available for defamation (or threatened defamation) claims initiated by Councillors or where the Councillor is the plaintiff in any action.
- The Councillor not admitting liability, negotiating, settling or issuing an apology without prior approval from both Council and the Claims Manager.
- The Councillor against whom a claim, complaint, or investigation is made shall agree to take all reasonable steps to defend such claim, complaint, or investigation. The Councillor must fully cooperate with the Claims Manager and any other authorised representatives of the Council throughout the process. This includes providing timely and truthful information, attending meetings or hearings as required, and refraining from any actions or communications that could prejudice or adversely affect the Council's position as the indemnifying body.

However, Council reserves the right to recover all or part of any deductible paid to the relevant insurer or any other payment made under this policy from the Councillor if deemed reasonable or as provided in section 3.4.

### 3.4 Cost Recovery and Repayment Obligations

Council may, by resolution, cease indemnifying or reimbursing a Councillor or require repayment of amounts previously covered under this policy where:

- A Councillor is found by a court or tribunal (after all appeals) or admits to having obtained an illegal profit, advantage, or engaged in criminal, fraudulent, or dishonest conduct.
- The Councillor makes an unauthorised admission, offer, settlement or apology without the prior approval of the Executive

General Manager - Organisational Services which is to have regard to the advice of:

- i. The relevant Claims Manager
  - ii. or if the relevant Claims Manager is Council, Council's legal representative.
- The costs incurred are deemed unreasonable by the Claims Manager based on legal advice.

Any repayment required under this policy must be made within 90 days of the Councillor receiving a reimbursement invoice, unless otherwise resolved by Council. However, Council will not seek contribution or reimbursement for settlement payments or an award of damages arising from the bona fide performance of Councillor duties.

### 3.5 Roles and responsibilities

#### **Councillors**

Councillors seeking to access insurance-related cover, indemnification, or reimbursement under this policy must:

- Notify the Executive General Manager - Organisational Services in writing as soon as reasonably practicable of any matter to which this policy may apply, including relevant facts and circumstances.
- Avoid admitting liability, negotiating, settling any matter, or issuing an apology without prior approval from the Executive General Manager - Organisational Services, who will consider advice from the relevant Claims Manager.
- Cooperate with the Claims Manager, including allowing the Claims Manager to take over and instruct in the name of the Councillor the defence of any proceeding, and to appoint a legal representative.
- Relinquish subrogation rights to the party covering the matter, where reasonably necessary to enable recovery.
- When lodging a claim, Councillors acknowledge they are deemed to have read and understood this policy and agree to

repay any indemnified or reimbursed amounts in accordance with this policy.

Where the Claims Manager is Council, Councillors must also:

- Consult with and keep advised the Executive General Manager - Organisational Services and Council's legal representative (as required) regarding matter relating to the claim, including where applicable the defence of proceedings and appointment of legal representatives.

#### **Executive General Manager - Organisational Services**

The Executive General Manager - Organisational Services is responsible for:

- Determining the relevant Claims Manager for non-insured matters. For insured matters, this will be Council's third-party insurance provider.
- Notifying the Claims Manager of any matter to which this policy may apply ensuring any claims advice received near the end of the financial year is notified to the insurer by 30 June of that year to preserve coverage.
- Overseeing compliance with the policy's procedural requirements and ensuring appropriate legal and financial governance is maintained.
- Determine in writing or by conduct whether a matter should be managed by the Claims Manager to mitigate risk involved.
- Determine any other matter stated in this policy.

## 4. Continuous Improvement

Council is committed to the ongoing review and refinement of its insurance and indemnity arrangements for Councillors to ensure they remain effective, transparent, and aligned with legislative requirements and community expectations. This includes monitoring the performance of the policy, assessing emerging risks, and evaluating the outcomes of claims and indemnification processes.

Through regular evaluation and stakeholder engagement, Council aims to strengthen the integrity of its indemnity framework, improve operational clarity, and ensure that Councillors are supported in the responsible performance of their duties.

## 5. Definitions

**Claims Manger** – means the entity or person insuring or managing a circumstance giving rise to a potential claim or a claim in order to mitigate the risk involved, which may be the following:

- a) the Council;
- b) the Council’s insurer;
- c) a person appointed by the Council or the Council’s insurer.

**Councillor** – means all current Logan City Council elected representatives including the Mayor.

**Councillor responsibility** – means a responsibility of a Councillor under the *Local Government Act 2009* which is performed in good faith and in accordance with the Local Government Principles but does not include the conduct of a Councillor stated in section 150T of the Act.

**Local Government Principles** - has the meaning given in the *Local Government Act 2009*.

## 6. Document Control

Version Control	File Number	Document Number	Council Min No.	Description of Change	Effective Date
1.0	867909-1	13347879	188/2019	Creation.	04/12/2019
2.0	867909-1	13347879	172/2025	Updated policy adopted by Council.	10/04/2026