

REPS ✓

Contractor Insurance



Background and Risk

An exercise facilities insurance coverage doesn't normally cover contractors. Any contractor who is not an employee of a facility is exposed to the same risks of any other business. Specifically, an independent contractor can have legal action taken against them directly by a client, or be prosecuted and fined by a government enforcement agency (such as WorkSafe NZ, Privacy Commission, or the Commerce Commission).

There is a common misconception that insurance is not needed, as ACC covers all such incidents.

This is incorrect. ACC covers the medical costs of a personal injury accident. But if Work Safe NZ decide to prosecute where an accident has occurred due to negligence, or a failure to follow industry best practice standards, then a self employed exercise professional can be exposed to significant defence and legal costs. There are also many risks that ACC does not cover including breaches of the Privacy Act, Fair Trading Act, and the many other responsibilities imposed on contractors running their own businesses.

Which Registration Levels Include Insurance?

All registration levels where the word contractor is included in the registration level name:

Personal Trainer Contractor Exercise Specialist Contractor

Group Exercise Contractor Yoga Teacher Contractor

Frequently Asked Questions (FAQs)

Why do I need insurance?

Operating your own business as a contractor exposes you to many risks. Alleged breaches of the Health and Safety at Work Act (HSWA) for example can involve significant legal defence costs before the value of damages is even reached.

Many organisations will require you to have insurance to hire space, or to operate on their premises.

Insurance is one of those things that hopefully you will never have to make a claim on in your career, but when things do go wrong, it will be the most critical protection to have in place. The Canterbury earthquakes were a sobering reminder of the importance of insurance, to a risk that no one anticipated.

What activities are covered?

All activities related to your REPs registration level are covered, and as long as you list them on the "Activities" question of the insurance declaration.

Personal trainers may also include activities like sports massage and sports coaching if you undertake these roles and have the relevant knowledge and competency, subject to the insurers approval of the items in your declaration (note: we do not register you to do these activities, but the insurance will cover you for them).

Am I covered when I work outside of a facility?

Yes. You are covered for all exercise professional activities wherever you may be in New Zealand – in an exercise facility, on private property (i.e. in homes), or at a public place such as a park or church hall.

Who offers the insurance?

Chubb Insurance NZ Limited



Insurance Cover Provided

All policies cover is for New Zealand only.

Professional Indemnity

Provides protection in respect of legal liability arising from the conduct of your practice.

Specifically coverage is provided for:

Settlements by or judgments against the business or professional person arising out of negligent advice or services.

Legal costs and expenses associated with the defence of legal action.

Cover Level: \$2,000,000 in the aggregate Excess: \$2,000

Claim Example: A client of a personal trainer alleges that the programme developed for them was not suitable, resulted in permanent injury and as a result they have had to sell their business, which they could no longer operate. They are seeking damages for the financial loss suffered.

Public/General Liability

Provides protection for contractors against claims for compensation in respect of unexpected or unintended personal injury or property damage for which they become legally liable, arising out of their business activities. The policy also extends to cover the costs of defending these claims in court, as well as any necessary investigations or negotiations.

Cover Level: \$5,000,000 any one occurrence. \$250,000 for Care, Custody and Control Excess: \$1,000

Claim Example: An allegation that a trainer failed to turn a heater off which resulted in fire damage to a gym, or accidentally dropping a weight causing injury to another member of the gym.

Statutory Liability

Provides protection to contractors for:

- Defence Costs associated with alleged unintentional breaches of the Health & Safety in Employment Act, the Building Act, Consumer Guarantees Act, Fair Trading Act, Privacy Act and most other statutes affecting commercial activity
- The costs of representation at an investigation or inquiry.
- Any fine or cash penalty payable by the insured following conviction for an offence under the insured statutes (except the health & safety act).

Cover Level: \$1,000,000 in the aggregate. Excess: \$2,000

Claim Example: Breaching the Privacy Act by leaving a client file open and another customer viewing this file. The client complains to the Privacy Commissioner resulting in a fine and defence costs. This policy also covers claims of “misleading conduct” from advertising under the Fair Trading Act.

This document is designed to give an overview of the insurance cover on offer. For full details please see the Policy Document (available from REPS). The policy document takes precedence in all cases.

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