

## Insurance Report 2014

### Accident and Incident Report

The latest version of the Accident and Incident Report is attached.

Here are the summary accident statistics for the 12 months to end October 2014, and for the corresponding period in the previous year.

Severity of incident	Number of incidents	
	12 months to end October 2014	12 months to end October 2013
First aid only	10	7
Doctor	2	2
Hospital	2	7
Total	14	16

It can be seen that both the total number and the severity of incidents have decreased.

### Insurance Claims during the past year

No claims were lodged during the year (in the previous year there were 2 claims).

The reasons that there were no claims this year because:

- there were no deaths or permanent disabilities
- there were no incidents resulting in loss of work income
- there were no incidents resulting in expenditure on items where Medicare pays nothing, e.g. physiotherapy, dental, ambulance (the Club insurance does not cover service items where Medicare pays something).

### Bushwalking NSW collection of statistics on activity types and numbers

The Club completes an annual insurance questionnaire for Bushwalking NSW and the insurer. Starting with the March 2014 insurance questionnaire which was returned in March 2014, Bushwalking NSW started to collect statistics on the types of activities each Club runs and the numbers of members attending each activity. They did not state why they are collecting these statistics. Presumably the insurer wishes to know what risks each club is incurring. At this stage there are no suggestions that future premium rates should depend on the types of activities on each club's programme. That would be an administrative nightmare for Bushwalking NSW, and I doubt that it would happen.

## **Insurance Premium for the year starting 1 July 2014**

Bushwalking insurance is negotiated Australia-wide by Bushwalking Australia. Early this year Bushwalking Australia organised a competitive tender between two brokers. The successful broker was Marsh Advantage, who was also the incumbent. Premium rates per member fell from last year. The decrease in premium rates is not linked with the Bush Club specifically. It is due to the larger total number of members insured in bushwalking clubs across all of Australia.

The premium rates per member per year this year are:

Personal Accident	\$5.15 (previous year \$5.35)
Public Liability	\$4.22 (previous year \$4.36)
Associations Liability	\$0.19 paid directly by Bushwalking Australia (previous year \$0.19 paid by each club)

## **Insured Benefit Changes for the year starting 1 July 2014**

There were the following personal accident benefit increases:

- Weekly lost earnings injury benefits have increased from a maximum of \$500 to \$700 per week. This is for members who lose work income.
- Non-Medicare Medical Expenses limits have increased from \$2,000 to \$3,000 for any one claim, but the excess has also increased from \$100 to \$150.

The public liability sum insured remained at \$20 million.

The associations liability sum insured remained at \$5 million.

## Value for money

It could be argued that we are paying money for nothing because there were no claims this year.

What cover does our \$5.15 per year provide?

- \$50,000 lump sum for death or major permanent disability
- lesser lump sums for other permanent disability
- cost of home and motor vehicle modification for permanent disability
- loss of work income
- physiotherapy, dental, ambulance and any other expenses not covered at all by Medicare.

Even one claim at the \$50,000 level would represent many years of the entire Club's premiums. There is no way that members could buy this cover for themselves privately for \$5.15 per year.

Even one public liability claim of \$20 million would represent many centuries of the entire Club's premiums, and similarly for the Associations Liability sum insured of \$5 million.

Therefore I think that any criticisms that the Club's insurance represents bad value are misguided.

Alan Sauran