

LUTHERAN EDUCATION INSURANCE HANDBOOK

OF

THE LUTHERAN CHURCH OF AUSTRALIA INC.
INSURANCE FUND

ABN NUMBER 19 099 640 743



Produced by
THE LUTHERAN LAYPEOPLE'S LEAGUE OF AUSTRALIA INC.
175 Archer Street
NORTH ADELAIDE
South Australia 5006

in cooperation and conjunction with



Aon Risk Services Australia Limited

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SCHEDULE OF INSURANCE COVER

<u>Class of Insurance</u>	<u>Maximum Cover</u> \$	<u>Excess</u> \$
Industrial Special Risks (Property Insurance)		
Flood (\$20m any one event and in aggregate)	20,000,000	100
Fire, earthquake	Full Cover	100
Wind, rainwater, hail damage (to property in open air, including shade sails, gates, fences, retaining walls, textile awnings and blinds)	100,000	100
Malicious damage	Full Cover	100
Burglary - forced entry	250,000	100
Theft - no signs of forced entry	250,000	500
Theft of property in the open air	50,000	500
Accidental damage	2,000,000	500
Loss of money (cover doubles for a fair/fete)	40,000	100
Glass	Replacement Value	100
Goods in transit (Cover limited to incidental movement within Lutheran properties)	60,000	100
Fusion of motors (5HP or under)	5,000	100
Loss of land value, Temporary accommodation expenses	250,000	100
Clearance of drains, exploratory costs	250,000	100
Landscaping	500,000	100
Extra costs of reinstatement	2,000,000	-
Business Interruption		
Increased cost of working	10,000,000	-
Claims preparation cost	500,000	-
Loss of gross revenue, including payroll (Aged Care \$40m)	10,000,000	-
Loss of rent	500,000	-
Closure by Public Authority (Infectious disease)	5,000,000	-
Isolation by landslide or flood	10,000,000	-
Liability Insurance		
	<u>Aggregate cover</u>	
Public Liability/Products Liability	100,000,000	5,000
Liability relating to molestation	5,000,000	50,000
Professional Indemnity (\$15,000,000 any one claim)	30,000,000	2,500
Directors and Officers	20,000,000	5,000
Directors and Officers Supplementary Legal Expenses (\$1,000,000 any one claim)	2,000,000	Individual 1,000 Organisation 5,000
Employment Practices Liability	2,000,000	10,000
Statutory Liability (\$2,000,000 any one claim)	4,000,000	Individual 1,000 Organisation 5,000
Corporate Crime	2,000,000	25,000
Corporate Travel	See page 20 of the Handbook	
Voluntary Workers	See page 21 and 22 of the Handbook	

N.B. ALL OF THE ABOVE COVERS ARE AUTOMATICALLY INCLUDED IN THE PREMIUM PAYABLE.

INSURANCE HANDBOOK

FOREWORD

The LCA Insurance Fund (the Fund) is administered on behalf of the Lutheran Church of Australia by The Lutheran Laypeople's League of Australia Inc (LLL).

This handbook is designed to provide a brief understanding of the extent of protection given by each policy, and the procedures necessary in the event of a claim or disaster. This Handbook is not intended to take the place of the actual policy documents and in all cases the policy wording will take precedence.

All inquiries should be addressed in the first instance to:

- Insurance Manager
Mr Graeme Tscharke
LLL
PO Box 45
NORTH ADELAIDE SA 5006

Telephone: (08) 8360 7200
Direct : (08) 8360 7223
Fax: (08) 8267 1722
Email : graeme.tscharke@lll.org.au

OR

- AON Risk Services (Insurance Brokers)
Level 100, 63 Pirie St
ADELAIDE SA 5000

Telephone: (08) 8301 1111
Fax: (08) 8301 1100

LOSS PREVENTION AND CONTROL

Loss Prevention and Control is designed to assist schools in protecting the property under their care and the safety and health of persons who use their premises.

In spite of care taken, losses cannot be totally eliminated, although they can be kept to a minimum by an understanding of the hazards and proper safety measures.

Insurance is a form of **Risk Management** that you undertake to transfer part of the financial risk to another party in the event of an accident/loss in your school. It is important that you do not rely on insurance entirely, as there are costs that cannot be claimed against an insurance policy (Excess on a claim, cost of labour in finding a repairer etc). It is best to try and avoid a claim or at least work towards reducing the potential for claims occurring in the first place.

One way of reducing claims is to have a **Risk Management Program** in place. One of the tools that can be used is a checklist. A monthly inspection of the school campus should be undertaken using a checklist to ensure that any necessary repairs are identified and completed. The checklist should be signed off by the person who conducts the inspection and the list retained as evidence that the work has been done. The following data is not intended to be a definitive check list for all schools, but rather a guide to help schools protect their assets and to provide a safe environment for students, staff and visitors.

FIRE HAZARDS

1. Do heating systems have adequate capacity to heat school buildings without overloading the unit? Are they checked by a qualified tradesman or inspector annually?
2. Are boilers equipped with pressure relief valves and are they inspected regularly?
3. Are all fuses on lighting circuits of proper size as marked on the fuse panel?
4. Is wiring and electrical equipment installed and checked by a qualified electrician?
5. Have fire extinguishers of the correct type been installed? Is proper supervision and instruction given in the use of these extinguishers? Are all extinguishers, fire blankets and fire hoses checked in accordance with manufacturers' specifications?
6. Is outside waste storage kept well away from buildings? Are bins stored in a secure ours (inside a locked toilet block) or chained to metal posts? Bins have been used by arsonists to start fires.
7. Is a sprinkler system installed to detect, control and extinguish a fire? Is there a contract in place for the maintenance of the system and regular testing carried out?
8. Are smoke and heat detectors installed, tested and maintained according to manufacturers' specifications? Intruder alarm systems can be extended to include smoke alarms.
9. Are all exits adequately signed and does the signage illuminate in the dark? If the answer is "No" take immediate steps to rectify the situation.
10. Have Residual Current Devices (RCDs), sometimes called safety switches, been installed on campus? Are they tested and tagged?

THEFT/BURGLARY AND VANDALISM

One of the great challenges schools have is to provide protection for the valuable assets they own. Thieves target anything from electronic equipment like laptops, digital cameras, data projectors to items stored in sheds like ride on mowers, tools and equipment. All school staff are to be vigilant in adhering to basic procedures in order to protect valuable school assets.

1. Have locks on the **external doors** been checked to ensure that they are effective, provide protection and are of a type suitable for a school? All external doors should be solid core or metal plated presenting a much better barrier than a hollow core door.
2. Are there **window locks** or stops on all windows that open? Sliding windows can be made more secure by installing self-tapping screws above the sliding panels to prevent them from being lifted from their tracks. Consider the use of metal (preferably steel) screens inside windows of buildings prone to attack by thieves (computer room). Vision into a building can be reduced with the introduction of blinds on windows.
3. **Classroom Security** - Teachers need to be conscious of the ease with which items can be stolen from their rooms. **Laptops** can be secured to desks using a computer cable and should be stored in a locked room after use and especially over weekends and holidays. It is preferable not to have laptops and other valuable equipment close to windows as they present an easy target for thieves. School keys should not be left in the classroom. Ensure that the security alarm sensors ability to pick up movement is not hindered by mobiles or cupboards etc. When locking up, check that all windows and doors are securely locked.
4. **Teachers personal property** should not be left in the classroom as their personal property is not covered by our policy eg wallet, purse. Similarly, the personal property of office staff is not covered and should be kept in a locker or lockable cupboard.
5. **Keys** – Does the school have a procedure in handling keys? Issue keys only to those who have to have them (especially master keys). Make sure keys do not have identification on them eg computer room. Keep a register of people who have keys so they may be recovered when necessary. Keys should be collected at the end of the year and balanced with the key register.
6. Is **security lighting** installed? Does the security lighting have a time switch to automatically switch on lights? If you fit movement detectors to lights, you can cut your power bills yet still make intruders feel unwelcome.
7. **Shed security** - Sheds are a favourite target for thieves as they house goods that are easily saleable. Shed windows should be fitted with mesh screens on the inside and doors must have good quality locks. Security lighting and burglar alarms should be extended to include the maintenance shed, where possible.
8. **Engrave** all valuable items with the name of your school. Engraved items tend to be avoided by thieves as they are difficult to sell.
9. **Signs** on entry doors advising that no cash is kept on the premises are a good idea. Additionally, all electronic equipment should be engraved to deter thieves.
10. Alarm systems are a powerful deterrent to most thieves. An **intruder alarm system** should be extended to all buildings, but in the first instance to areas containing items that are attractive to thieves. The **file server** is a particularly valuable item and represents a major target for thieves. It is desirable to have the file server in a lockable, internal room or have a strong mesh cage around it, fixed to the building. Don't forget to fit signs on all buildings to indicate the presence of an alarm system.

STORM AND WEATHER PROTECTION

Extreme weather events are a major contributor to insurance claims and global warming predictions suggest they will become more frequent and intense. However, most damage invariably relates to the poor maintenance and management of property.

1. Are **roof** and **gutter** inspections carried out regularly? Particular attention should be paid to cracked roof tiles and loose ridge capping, dislodged flashing, rusted through or loose metal sheeting, rusted through guttering, down pipes and internal water stains.
2. Check that your property has suitable **drainage** in the event of a heavy downpour. Clear leaf litter and debris from roof gutters, ground level gutters and drains. By installing leaf guards you can prevent the accumulation of leaves in the future.
3. Check the **health of trees** on your campus and trim branches so that they are clear of buildings and powerlines. Ensure that all dead branches are cut and removed from trees.
4. Where **storms** are forecast, secure or remove vulnerable aspects of your buildings such as awnings, sails, loose roofing materials etc.
5. **Power surge and lightning protection** for your school is very important. Power protection is cheap compared to the cost of electronic equipment so it is worth the effort to take steps to protect your equipment. Fit surge arresters to switchboards and electrical appliances to reduce damage from lightning strikes. Fax machines, copiers, televisions, answering machines, computers and similar items all need surge protection. Please note that damage sustained to equipment as a result of a power surge is generally not covered by insurance unless the power surge was caused by an insured event, eg lightning.

PUBLIC LIABILITY

We have all read in the daily papers of accidents due to the negligence of one party, and of another party suffering property damage and/or personal injury as a result. In view of the pain and suffering involved to the individual and large court awards being made, it is essential that accidents in this area be controlled and kept to a minimum.

The law of liability is so broad that it is not possible to supply a complete checklist. However, the following checklist is a guide as to a few of the types of hazards to look for:

1. Do floors, stairs and aisles have a smooth, non-slip surface, uncluttered and free of obstruction? Have all loose or damaged floor coverings or mats been made safe?
2. Are buildings well maintained with no loose boards or bricks? Are pavers and walkways checked regularly to ensure that there is a firm even surface, free from pot holes?
3. Are there sufficient lighting on stairs and steps and is external lighting adequate?
4. Do all stairways have secure handrails on both sides of the stairs?
5. Are treads on stairs and steps worn? Is coloured tape or bright paint used to highlight stairs that may be difficult to see?
6. Are there adequate means of exits in an emergency and are these exits free from obstruction? Ensure exit signs illuminate in the dark.

7. Do all exit doors open outward?
8. Are there any low protruding walls or other protruding objects that people could trip over or bump into? Try to keep school bags away from walkways.
9. Are trip hazards reduced by removing power cords from floors? If power cords are temporarily lying on the floor are they securely taped so that they lay flat on the floor?
10. Does the school have an asbestos register to record and identify asbestos in buildings? An inspection should be carried out annually by a registered inspector.
11. Are all entries to and exits from car parks safe for pedestrians and traffic? Is speed limiting signs installed?
12. Are contractors required to report to the office upon arrival? The school should insist that all contractors have current public liability insurance of no less that \$10 million and the school should request a certificate of currency from the contractor as evidence of their public liability cover. It is wise to provide contractors with an identifying badge, which is to be returned to the office prior to leaving the school.
13. Is the storage of flammable and toxic substances in accordance with relevant regulations? Have Material Safety Data Sheets (MSD's) been obtained? Are the first aid kits up to date and properly stocked?
14. Ensure necessary **background checks** have been undertaken for volunteers and workers.
15. Are your **volunteers** physically able to carry out the tasks they undertake? Do they require training for the work they undertake? Any tasks involving high risks, eg use of machinery, climbing to significant heights should be undertaken by paid contractors.
16. **Is playground equipment** inspected monthly for general safety? Are damaged or worn out components repaired immediately and signed off on the checklist? Attention should be paid to the type of loose fill surface; distances students can fall from a piece of equipment, exposed ends of threads and other protruding objects etc. Ensure that people are unable to climb onto **shade sails** and use them as a trampoline. There have been serious injuries occur and even fatalities as a result of this activity.
17. Is there a system in place to ensure the availability of all pertinent OHS & W information to all staff?
18. **Fairs and Fetes** – Are all operators of entertainment rides, bounce castles and the like asked to produce evidence of their own liability policy? If the operator does not have a current liability policy they must not be allowed to provide their service. If a person injured on one of the previously mentioned activities, no cover is provided by our public liability insurer. The school is covered by its public liability policy, where the school, its staff or volunteers are found to be negligent. In the sale and provision of food- ensure you have complied with the food handling laws.

NB: LOSS PREVENTION AND CONTROL is primarily concerned with pre-loss consideration - not post loss 'patching up'. Loss Prevention and Control is as the name states - identification and evaluation of risks before they become losses.

It is necessary to carry out the ongoing role of risk identification and evaluation to protect and prevent personal injury and suffering before the damage or injury occurs. Investigation should be undertaken into your States Occupational Health Safety & Welfare Act requirements to ensure the environment for which the school is responsible is not in breach of this Act.

DISASTER PLAN

In the event of disaster or emergency it is essential that telephone numbers and addresses be known of the nearest Services. The telephone numbers of the following should be displayed prominently, together with the location of the nearest telephone.

- **HOSPITAL/AMBULANCE**
- **DOCTOR**
- **POLICE STATION**
- **FIRE BRIGADE**
- **STATE EMERGENCY SERVICE**
- **ELECTRICITY**
- **GAS**
- **WATER**

Be aware of, and comply with, Department of Health requirements.

Have an Emergency Evacuation procedure and decide where people are to assemble in safety, in case of fire, gas leak, toxic emissions, earthquake, hostage/siege, bomb threat, etc. Carry out a test run at least once a year so that everybody is aware of what to do should an actual emergency arise.

Be aware of, and comply with Occupational Health, Safety & Welfare Laws and Food Handling Laws in your State & Local Government Area.

Ensure that people who have mobility issues (aged, disabled) are given assistance during the Evacuation procedure and that they do not block exits.

INDUSTRIAL SPECIAL RISKS

(PROPERTY INSURANCE)

This policy provides protection against loss or damage to buildings and contents. The limits relating to this cover are shown on the Schedule of Insurance Cover. (Refer page two)

BUILDING AND CONTENTS

Building and contents means all real and personal property belonging to the school or held in trust for which the insured shall have assumed responsibility during the period of insurance, anywhere in Australia.

Included in the Industrial Special Risks Policy are:

- Rewriting of records
- Fire Extinguishment Costs
- Architects, Surveyors and other Professional Fees
- Removal of Debris
- Additional costs in reinstating or replacing property

BASIS OF SETTLEMENT

Reinstatement and/or Replacement as follows:

1. Where property is destroyed, in the case of a building, rebuilding it, or in the case of other property, replacing it by similar property, in either case, to a condition equal to but not better or more extensive than when new;
2. Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

EXCESSES

Refer Schedule of Insurance Cover (page 2) Please note that **burglary claims** (where premises have been broken into) attract a \$100 excess and **theft claims** (no forced entry) \$500 excess.

All claims as a result of a **named cyclone** have an excess of \$25,000 per event.

SPECIAL NOTE

Automatic increases will generally be applied to the total replacement value of buildings and contents to allow for increasing costs due to inflation and the increasing costs of building (Escalation clause). The insured value must reflect the full current replacement value of buildings and contents. We recommend that schools obtain a **valuation** on the basis of current replacement value of buildings and contents every 3 years, from a professional valuer.

A **professional valuation** for insurance purposes should include costs of:

- Securing the site after a loss
- Removal of debris and general clearance of site
- Professional fees (including architects fees) to allow you to consider rebuilding options
- Complying with current building regulations (called extra cost of reinstatement)
- Escalating building prices during reconstruction
- The contract price for the work to be done

SUMMARY OF MAJOR EXCLUSIONS

1. Property of employees or members of the public, except where a teacher uses their own musical instrument, computer or electronic equipment for school purposes;
2. Jewellery, precious stones, furs, precious metals or bullion;
3. Registered motor vehicles;
4. Aircraft, powered watercraft;
5. Any boiler and/or vessel under pressure in respect of which a certificate is required to be issued under the terms of any statute or regulation;
6. Money stolen from unlocked, unattended vehicles.

DAMAGE DUE TO:

1. Damage caused by, wind, rainwater or hail to gates, fences retaining walls, textile awnings & other property in the open air unless such property comprises or forms part of a permanent structure designed to function without the support of walls & roof.
2. Wear, tear, gradual deterioration or developing flaws, rust or oxidation;
3. Moth, vermin, termites or other insects;
4. Dampness of atmosphere or variation in temperature, mould or mildew;
5. Normal settling and normal shrinkage or expansion of buildings, foundations, pavements, roads and the like. Erosion, subsidence and earth movement;
6. Error, omission in design, plan or specification or normal making good;
7. Unexplained or inventory shortage;
8. War, invasion, act of foreign enemy, hostilities or warlike operations;
9. Faulty materials or faulty workmanship;
10. Nuclear weapons, material, fuel;
11. Damage to machinery caused by mechanical, electrical or electronic breakdown, mechanical derangement, malfunction or failure.
12. Any fraudulent or dishonest act committed by an employee.

BUSINESS INTERRUPTION (or Consequential Loss)

This section of the policy provides cover for loss of income and additional expenses that arise following damage that is claimable under the ISR Policy (Property Insurance policy) as follows:

- Increased cost of working (additional expenditure incurred for the sole purpose of avoiding or diminishing any reduction in turnover) - \$10,000,000
 - Claim preparation costs (Professional fees and other expenditure payable for the preparation of claims) - \$500,000.
 - Loss of rent \$500,000
- Insurable Gross Revenue – All locations \$10,000,000

CLAIMS PROCEDURE

GENERAL INFORMATION FOR PROPERTY CLAIMS

1. Report any act of malicious damage, burglary/theft etc to the Police. A copy of the Police report or report number must be included with the claim form. In signing the claim form for a burglary or theft claim you have agreed to notify the LCA Insurance Fund immediately if any of the stolen property is recovered. You have also agreed (at the discretion of The Fund) to return the goods to The LCA Insurance Fund or to refund the amount of money received in compensation.
2. Notify the LCA Insurance Fund as soon as practicable but within 14 days of an event likely to result in a claim whereupon instructions will be given regarding the procedure to be adopted. Eg for claims exceeding \$5,000 several quotes may be required, or a claims assessor may need to be appointed to assist you.
3. Pay accounts in full. We will make reimbursement upon receipt of a completed claim form and copies of paid invoices.
4. All documentation must be submitted to -

Insurance Manager
Mr G Tscharke
PO Box 45
NORTH ADELAIDE SA 5006

5. The Fund pays all property claims under **\$10,000** (In order to contain insurance premiums). It is common practice for repairers to inflate their charges when insurance is involved, so **you should remind them that the School is meeting the cost of repairs.**

WATER DAMAGE CLAIMS TO CARPETS

Immediately phone a carpet firm to have the damaged carpet lifted and ensure they take necessary steps to have the carpet dried and stretched.

In the event of the carpet shrinking to the extent it cannot be re-laid obtain two (2) quotations for its replacement. The new carpet should be identical to the damaged carpet. Should the carpet firm have difficulty in obtaining an identical carpet, quotations should be obtained for replacement with one of a similar quality.

MOTOR VEHICLE

The Policy provides cover for loss of or damage to motor vehicles and includes Third Party Legal Liability on all classes of motor vehicles owned, leased, hired or operated by Lutheran schools or institutions anywhere in the Commonwealth of Australia.

The Policy includes protection for:

- Accessories up to \$5,000 and the reasonable cost of sign writing if applicable
- Automatic additions (refer special note below)
- **Employees and volunteers** using their vehicle on employer's business. Max \$30,000. Any one loss (standard excess applies - refer below)
- Repatriation expenses if more than 250 km from usual place of garaging (up to \$1,500)
- Cost of temporary hire following theft or accident (up to \$100 per day - max \$5,000).
- New replacement of vehicles up to 5 Tonne written off within 2 years of original registration.
- Vehicles up to 3.5 Tonne - nil excess applies to **windscreen/window** claims. Goods carrying vehicles or buses/coaches over 3.5 tonne - standard motor vehicle excess applies. Buses and coaches with a value over \$200,000 - windscreen excess nil if under 2 Tonne and \$1,000 if over 2 Tonne.
- Removal and delivery expenses \$25,000 and removal of debris/clean up costs \$25,000

BASIS OF SETTLEMENT

- Market value at the time of loss (limited to \$10,000,000 any one event)
- Third Party Liability Limit \$30,000,000

SUMMARY OF MAJOR EXCLUSIONS

1. Vehicles driven or in charge of any person under the influence of drugs or intoxicating liquor
2. Racing, pacemaking, speed or reliability trials, stunt, rallying or hill climbing activities
3. Unsafe/ un-roadworthy vehicles or exceeding designed load
4. Unlicensed drivers - unlawful use
5. Carrying passengers for hire, fare or reward
6. Nuclear and allied perils - including war and acts of terrorism.

EXCESSES

Vehicles up to 2 Tonne \$250. Buses up to 10 Tonne \$500. Vehicles between 2 and 10 Tonne \$500. Vehicles over 10 Tonne \$1,000. Caravans \$250. Trailers with a capacity up to 2 Tonne \$100. Tractors, earthmoving vehicles, mobile equipment, mowers \$300. Buses/Coaches with a value over \$200,000 excess \$2,500.

Plus additional excesses for youthful and inexperienced drivers

\$750 for drivers aged 21 to 24 and or drivers over 25 & licensed less than 2 years

\$850 for drivers aged less than 21 years

SPECIAL NOTE

Any additional vehicles or changes of vehicles must be notified to the LCA Insurance Fund immediately, using: http://www.ill.org.au/html_services/pdfs/vehicle_schedule.doc

CLAIMS PROCEDURE

If an accident happens - exchange names, addresses & registration numbers with other persons involved. Note the location of the accident, time & date, road, weather etc and obtain names & addresses of any witnesses. Report the accident to the Police if required by law.

For details of Motor Vehicle and Windscreen Claims procedure please refer to www.ill.org.au/insurance

NO ADMISSION OF LIABILITY IS TO BE GIVEN AND ANY CORRESPONDENCE FROM A THIRD PARTY SHOULD BE SENT TO THE INSURER.

LIABILITY INSURANCE

PUBLIC AND PRODUCTS LIABILITY

This policy provides protection for your legal liability to the public (third parties) for bodily injury and/or damage to property and protects all persons or committees for whom the School is legally liable, including an employee, volunteer, board member, councillor, director and the like.

Public Liability covers any **organised activity** of Lutheran schools anywhere in the world. These activities may include a fete, excursion, sporting events/competition, old scholar's and P & F activities, etc.

THIRD PARTY - You have a duty of care to anyone who comes onto your property whether they should be there or not (called occupiers Liability).

PERSONAL INJURY - You have a responsibility to provide a safe environment for members of the public.

PROPERTY DAMAGE - Damage to a third party's property caused by negligence of the insured. Eg a stone is flicked up by a mower and damages the windscreen of a car.

NEGLIGENCE - The public liability policy is **not** a general accident policy where anyone who injures themselves on your property can make a claim. Negligence on behalf of the School its employees or volunteers would have to be proven by the claimant.

PRODUCTS LIABILITY - forms part of the public liability policy and relates to **liability for goods sold or supplied**, eg when the insured is involved in the preparation or distribution of food. If that food is in some way contaminated and sickness occurs to a member/s of the public, a claim may result. Claims have also resulted from foreign objects being found in food and faulty goods sold for fund-raising or similar purposes. Check your local council on the food handling laws that now exist.

SUMMARY OF MAJOR EXCLUSIONS

1. Damage to property owned by, leased or rented by the Insured.
2. Claims arising from the use of any aircraft; or watercraft exceeding 5 metres in length
3. Claims relating to asbestos and asbestos related products.
4. Claims arising from war or warlike activities, including invasion, rebellion or terrorism.
5. Liability assumed by you under any agreement or contract.(refer page 29)
6. Claims relating to pollution or contamination (unless discharge, seepage is sudden and accidental).
7. Known Offenders Exclusion – (relates to sexual abuse cover) Excludes cover where the Insured ought reasonably to have known the perpetrator had previously committed, been convicted or had been the subject of a prior complaint in respect of sexual abuse.
8. Claims arising from the organisation of and/or participation in bungee jumping, parascending, abseiling, hang-gliding, parachuting, base jumping, white water rafting, motor races, rallies and like events, except where agreed in writing by the Insurer.
9. Liability for which the school is entitled to seek indemnity under any scheme created by legislation to provide compensation to persons who sustain injuries arising out of or in the course of their employment, eg Workers Compensation cover.

PROFESSIONAL INDEMNITY

1. **EVENTS COVERED** - The Insured is indemnified against a civil claim for a breach of professional duty from any negligent act, error or omission.

The cover includes all ministers, teachers, nursing staff (Registered Health Professionals as defined in the Act) social workers and any other staff or voluntary workers who act in a professional qualified capacity.

2. **EXTENSIONS**

- Libel and slander and dishonesty.
- Loss of documents.
- Indemnity to Boards & Councils, students, fundraising, Sporting & Social Clubs.

SUMMARY OF MAJOR EXCLUSIONS

- Claims arising from ownership, possession or use of an aircraft, watercraft or any other vehicle.
- Claims resulting from bankruptcy, insolvency or liquidation.
- Any wilful breach of statute, contract or duty.
- Liability arising from the existence of asbestos
- Claims arising from nuclear risk, war or warlike activities or terrorism.
- Claims relating to molestation or abuse.
- Claims relating to liability assumed under contract.

EXCESSES

- | | |
|--|--------------------|
| • Public Liability, Products Liability claim | \$5,000 per event |
| • Professional Indemnity claims (retroactive date 30.6.1991) | \$2,500 per event |
| • Molestation claims (retroactive date 1.1.1986) | \$50,000 per event |

LIABILITY CLAIM PROCEDURE

AT NO TIME SHOULD LIABILITY FOR AN INCIDENT BE ACCEPTED OR ADMITTED EITHER VERBALLY OR IN WRITING.

It is essential for the insured to report potential claims to the LCA Insurance Fund immediately for the following reasons:

- The insurer's solicitor can be appointed immediately so as to protect the interests of the insured.
- The insurers may be able to resolve the matter at an early stage.
- The potential claim is taken out of your office.
- Statements taken at the time of the incident are of greater use in defending a lawsuit than recollections months later.

WHEN TO REPORT A PROFESSIONAL OR LIABILITY CLAIM

- When a person has suffered significant physical or mental injury? Especially if the injury is likely to be long term or permanent.
- When there are allegations that the school has failed in its duty of care? (eg. Teaching)
- When there are allegations against the school, its staff, volunteers or students of a sexual misconduct nature.
- When there are verbal or written threats of action taken against the school.

- Complete a detailed report on the matter/incident. The report should include full details of the incident, name of the Lutheran Church entity, third party name, date of incident and witness statements. We will also need to be advised if there has been, or will be legal representation engaged. Attach any letters of demand that you may have received from any Third Party/ies. **DO NOT REPLY TO THESE LETTERS OR TRY TO DEFEND ANY CLAIM BY YOURSELF.**
- No correspondence should be entered into with a third party except acknowledgment you have received the claim/documentation.
- Do not give an interview or make any statements to a Loss Assessor or other person investigating any incident unless such person is acting on behalf of **our Insurer**.
- Any further letters, demands, writs or other legal documents are to be forwarded UNANSWERED immediately to the LCA Insurance Fund.

A claim for damages involving a child may be made many years after the incident so keep all records in a safe place.

SUMMARY OF COVER PROVIDED

The following table provides information on the cover automatically included for Committees, Voluntary Workers and Employees.

Type of Cover	Employees	Voluntary Workers	Members of Committees, Councils and Boards
Public Liability	Yes	Yes	Yes
Professional Indemnity	Yes	Yes	Yes
Personal Accident	No	Yes	Yes
Directors and Officers	Yes	No	Yes
Corporate Travel	Yes	Yes	Yes
Employment Practices	Yes	No	Yes
D & O Supp Legal Expenses	Yes	Yes	Yes
Statutory Liability	Yes	Yes	Yes

DIRECTORS AND OFFICERS LIABILITY

EVENTS INSURED

Provides protection to employees ministers, directors & members of committees, councils & boards against personal liability they may incur arising out of **wrongful acts** committed, or alleged to have been committed by them in the course of their duties.

Wrongful acts are defined as "any actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by the Insured Officers or any matter claimed against them solely by reason of their being in their respective capacities".

The insurance also covers legal expenses incurred, with the consent of the insurer, in the settlement or successful defence of claims.

Legal actions against directors & officers can arise from a number of causes including:

- Wrongful dismissal of employees
- Discrimination, or breaches of the Equal Opportunities Act
- Harassment, including sexual harassment
- Financial mismanagement
- Unintentional infringement of copyright, trade mark, registered design, patent right, plagiarism or unintended breach of confidentiality

LIMIT OF INDEMNITY

\$20,000,000

EXCESS

\$5,000 for LCA reimbursement to officers
Retroactive date 30.6.1991

MAJOR EXCLUSIONS

Deliberate, dishonest, fraudulent, criminal or malicious conduct of a Director or Officer.

Actions brought by or on behalf of any director or officer against another Director or Officer.

Losses arising from, or attributable to bodily injury, sickness, disease or death of any person.

Destruction of, or damage to tangible property.

Seepage, pollution or contamination, war, invasion or terrorism.

CLAIMS PROCEDURE

Should circumstances arise which may result in a claim, immediate notification should be given to the LCA Insurance Fund (refer page 15) Delayed notification may result in The Insurer refusing to accept the claim.

STATUTORY LIABILITY

This policy provides cover in the event a school has a fine imposed on them for breaches of legislation (OH & S, Environmental Law). Cover only becomes effective from the time court action begins. Legal costs and expenses incurred in the investigation and settlement are covered.

This policy will provide cover to a maximum of \$2,000,000 any one claim and \$4,000,000 in the aggregate. (\$1,000 excess on Insured Person & 10% thereafter or \$5,000 on a Named Organisation and 10% thereafter) where there are reasonable grounds for defence of the claim. Retroactive date 30.6.05 (inception date of the policy) Wilful, intentional or deliberate breaches of any Act are NOT covered by this policy.

CLAIMS PROCEDURE

Should circumstances arise which may result in a claim, immediate notification should be given to the LCA Insurance Fund. Delayed notification may result in The Insurer refusing to accept the claim.

SUPPLEMENTARY LEGAL EXPENSES COVER

This policy provides cover for legal expenses incurred by the organisation &/or its directors & officers in defending:

- Occupational health & safety prosecutions.
- Environmental authority prosecutions.
- Alleged wrongful dismissal.
- Harassment charges & discrimination claims.

This policy will provide cover to a maximum of \$1,000,000 any one claim and \$2,000,000 in the aggregate. (\$1,000 excess on the Insured Person & 10% thereafter or \$5,000 on the Named Organisation and 10% thereafter) where there are reasonable grounds for defence of the claim. This policy **excludes** claims relating to molestation or sexual abuse, failure to pay debts incurred or financial obligations, terrorism, and asbestos related matters.

CLAIMS PROCEDURE

Should circumstances arise which may result in a claim, immediate notification should be given to the LCA Insurance Fund. Delayed notification may result in The Insurer refusing to accept the claim.

EMPLOYMENT PRACTICES LIABILITY

This policy will cover your organisation, its directors & employees if a claim is brought by, or on behalf of, a current, prospective, or past employee for a broad range of allegations, including:

- Actual or wrongful dismissal, demotion, discharge or termination of employment.
- Wrongful failure to promote or employ.
- Breach of any oral or written employment contract or quasi-employment contract.
- Employment related misrepresentation.
- Violation of employment discrimination laws (including harassment).
- Defamation, Libel and Slander.
- Oral or written publication of material that slanders, defames or libels an employee or violates or invades an employee's right of privacy.
- Sexual harassment.

LEVEL OF COVER

\$2,000,000 any one claim and in the aggregate (\$10,000 excess) - Australia wide cover.

POLICY FEATURES:

- Actions brought against the employer are covered anywhere in Australia.
- Past, present or future employees appointed by your organisation.
- Written demands for monetary damages in civil proceedings in Australia & overseas. It also extends to cover an arbitration, administrative or regulatory proceeding.
- Coverage for mental anguish and emotional distress.
- Coverage for breach of contract.

CLAIMS PROCEDURE

Should circumstances arise which may result in a claim, immediate notification should be given to the LCA Insurance Fund (refer page 15). Direction should be sought from the Insurer before any legal representation is engaged or negotiation to settle with the claimant takes place.

CORPORATE CRIME

EVENTS INSURED

1. **Employee theft cover** – Insurance for losses of money or securities that have been embezzled by an employee through acts of theft, fraud or dishonesty.
2. **Premises cover** – Insurance for losses of money or securities that are unlawfully taken, destroyed, or disappears from the Insured's premises. Insurance also extends to property lost in a robbery or safe burglary that occurs on premises.
3. **In Transit cover** – Insurance for money or securities that are unlawfully taken (robbery) destroyed, or disappear while being transported.
4. **Forgery cover** – Insurance for losses resulting from forgery or alteration of a financial instrument, such as a cheque or draft.
5. **Computer fraud cover** – Insurance for loss of money, securities, or property, such as inventory, at the hands of a computer hacker.
6. **Funds transfer fraud coverage** – Provides insurance if a financial institution transfer's money or securities based on fraudulent documentation purported to have been sent by the Insured.
7. **Counterfeit currency fraud cover** – Protects against fraud committed on the Insured causing it to accept any postal or money order issued or counterfeit Australian currency.
8. **Credit card fraud cover** – Provides protection for forgery or alteration of any written instrument required in connection with any credit card issued to an Insured or employee.
9. **Client cover** – Helps protect the Insured against loss of money, securities, or other property for which it is legally liable or that it holds in any capacity.

GEOGRAPHICAL LIMITS - Worldwide

	LIMIT OF COVER	EXCESS
Employee Theft	\$2,000,000	\$10,000
Identity Fraud	\$ 250,000	\$10,000
All other cover	\$2,000,000	\$25,000

BASIS OF PROOF

The employer must reasonably provide pertinent evidence of both the circumstances and the amount of any loss that it has suffered through any act or acts of theft, fraud or dishonesty by one or more of its employees within six months of discovery.

PRINCIPAL EXCLUSIONS

- Loss of or damage to money, securities or property while in the custody of any bank, authorised deposit taking institution or armoured motor vehicle company.
- Loss committed by an employee **following** a discovery by the insured of any act of theft, fraud or dishonesty on the part of such employee.
- Fees, costs or expenses incurred or paid as a result of the reconstituting of data if an insured knowingly used illegal copies of programs.
- Fees, costs or expenses incurred or paid to render the data usable by replacement of processing equipment or the design, update or improvement of software programs.

CLAIMS PROCEDURE

Should circumstances arise which may give rise to a claim, immediate notification should be given to the LCA Insurance Fund.

CORPORATE TRAVEL

The policy covers the lives and property of all employees, volunteers, **students of Lutheran schools on excursions**, members of committees, councils and boards and their accompanying spouse and dependent children whilst travelling on School business anywhere in the world. The "private travel" component of a business trip is also covered. In order to qualify for coverage, an insured person must travel a minimum of 100 km from their home or usual place of work. Maximum duration of any one trip - 180 days including incidental private travel.

Emergency Medical & Travel Assistance is available anywhere in the World. Contact the local operator & ask for reverse charge call to ACE on: 61 2 89075995 (fax to 61 292313697)

BENEFITS

Lump sum insured (death benefit-dependent children & students- \$20,000)	\$250,000
Weekly benefits (accident & sickness) up to 85% of av weekly earnings (per week)	\$1,000
Alternative employee/Resumption of assignment benefits	\$20,000
Cancellation and curtailment expenses.....	Unlimited
Medical & additional expenses (includes dental) outside Australia	Unlimited
Fractured bones maximum benefit payable	\$3,000
Sickness/injury resulting in surgery (applicable to injury only outside Australia)	\$20,000
Continuous bed confinement (max 100 days)	per day - \$100
Funeral expenses	\$50,000
Loss of deposits.....	\$10,000
Baggage/Business property - limit any one item \$5,000 (excess \$50).....	\$10,000
Deprivation of baggage	\$3,000
Lap-top computer cover and electronic equipment (excess \$250).....	\$6,000
Money, including traveller's cheques and travel documents.....	\$5,000
Replacement of keys, locks and identity theft	\$2,000
Personal Liability.....	\$10 million
Kidnap, ransom and extortion	\$250,000
Hijack & Detention - daily benefit - Maximum 30 days	\$1,000
- legal costs	\$20,000
Political & Natural disaster evacuation included \$25,000 per person (aggregate)	\$200,000
Search & rescue expenses (\$25,000 per person)..... (aggregate)	\$200,000
Trauma counselling benefit (\$500 per visit) up to a maximum of.....	\$5,000
Rental vehicle - excess waiver	\$5,000
Missed transport connection	\$10,000
Overbooked flight.....	\$2,500

AGE LIMIT - No cover for permanent total disablement & weekly injury or sickness after 80th birthday.
No cover available after 85th birthday.

CLAIMS PROCEDURE

Immediate advice must be given to the LCA Insurance Fund. The appropriate claim form is to be completed and forwarded to The Fund together with documentation to support the claim.

PERSONAL ACCIDENT (VOLUNTARY WORKERS)

EXTENT OF COVER PROVIDED

The policy covers all authorised voluntary workers whilst they are engaged in any unpaid activity, anywhere in Australia, on behalf of the School. The voluntary work must be officially organised by and under the control of the School Organisation and/or its councils or committees (includes meetings). Cover includes necessary direct travel to, from, or during such voluntary work.

A voluntary worker's personal equipment is not covered.

<u>Non-Income Earning Voluntary Workers (aged 12-85 years)</u>	\$
Capital Benefits	250,000
Surgical Benefits	3,000
Fractured Bones	5,000
Dental Benefits	1,000
Student Tutorial Benefit (Max not exceeding 26 weeks)	500
Non – Medicare Medical Expenses (\$100 excess)	10,000
Out of Pocket Expenses (Max \$1,500)	200
Emergency Home Help (Excludes help from a relative or friend-Max 26 weeks)	250

<u>All Income Earning Voluntary Workers (aged 12-85)</u>	
Capital Benefits	250,000
Surgical Benefits	3,000
Weekly Benefits (Max 156 weeks – 14 day excess period)	1,500
Fractured Bones Benefit	5,000
Non-Medicare Medical Expenses (\$100 excess)	10,000

<u>All Voluntary Workers over 85 years of age</u>	
Capital Benefits	Nil
Surgical Benefit	Nil
Weekly Benefits	Nil
Fractured Bones Benefit	Nil
Funeral Benefit	5,000
Non- Medicare Medical Expenses (\$100 excess)	10,000
Out of Pocket Expenses (\$200 limit per claim)	200
Emergency Home Help (Excludes help from a relative or friend – Max 26 weeks)	250

Volunteers aged 70 to 85 years of age – permanent total disablement not covered.
Volunteers under 15 years of age - weekly benefits excluded.

ANCILLARY MEDICAL BENEFITS (applicable to all voluntary workers)

The policy also includes **Non-Medicare medical expenses** up to an amount not exceeding \$10,000 including physio, optical, chiropractic, dental, ambulance & other expenses not covered by a Medicare or a medical, hospital fund or statutory policy i.e. non-Medicare medical expenses.

MAJOR EXCLUSIONS

- War and warlike activities, acts of terrorism
- Nuclear risks
- Racing other than on foot
- Professional sports

RESPONSIBILITY FOR THE SAFETY OF VOLUNTEERS

The school has both a moral and legal obligation to look after the health and safety of its volunteers. The best way to protect volunteers is to be certain they are capable of safely carrying out the work you are asking them to perform. This is especially pertinent when our volunteer work force is ageing and, at times, being asked to carry out tasks inappropriate for their age. Training must be given to volunteers on the use of equipment unfamiliar to them. Checks should be carried out on equipment used. Safety equipment to be used at all times (gloves, safety glasses etc) Attention must be given to the correct procedure for manual lifting of objects and the provision and use of ladders. These are two areas where accidents/injuries are prevalent. It is wise to record all volunteers in a register or book including details of any medical condition they may have (eg allergies).

A register of volunteers could be kept with details of contact names and numbers in case of emergency. With the volunteer's approval, list details of medical conditions that may impact the volunteer's ability to carry out work for the school.

There should be a process in place whereby persons working with children, including volunteers, are screened. All volunteers involved in the school's ministry should fill out volunteer application forms, which include an authority to complete Police and Community Services checks.

CLAIMS PROCEDURE

1. Verbal notification must be given to the LCA Insurance Fund who will arrange for the necessary claim forms and/or assessment.
2. A completed claim form together with the Medical Attendant's Certificate must be sent to the LCA Insurance Fund promptly.
3. **COMPLETION OF THE CLAIM FORM MUST NOT BE DEFERRED UNTIL THE CLAIMANT HAS RECOVERED.**

STUDENT AND TEACHERS PERSONAL PROPERTY

The policy is provided to cover specific personal property of students and teachers at school or in transit. The personal property must be used for the purpose of study or teaching and includes **musical instruments, photographic equipment, computer equipment and the like.**

BASIS OF SETTLEMENT

1. The reasonable cost of repairing the damaged item, if it can be repaired: or
2. If the item is stolen or damaged and cannot be repaired, the replacement cost of the item of similar/equal quality but not better or more extensive than its condition when new.

EXCESS - \$100.

LIMIT ANY ONE LOSS - \$5,000

INSURER - QBE INSURANCE LTD

INSURED PERILS (Australia- wide cover)

Fire, theft (from locked premises or vehicle) malicious damage, water damage, accidental damage and transit.

SUMMARY OF MAJOR EXCLUSIONS

1. Wear and tear, fading, scratching, cracking, chipping, denting or gradual deterioration.
2. Items that is merely missing or mislaid.
3. Theft from unlocked premises, property in the open air or unlocked vehicle.
4. Electronic or mechanical breakdown or derangement or the resultant damage.

CLAIMS PROCEDURE

Should circumstances arise which may result in a claim, immediate notification should be given to the LCA Insurance Fund. For a claim to be accepted, evidence of the original purchase of the item will need to be submitted with a quote for repair or replacement and a completed claim form.

EMPLOYEE JOURNEY ACCIDENT COVER

The cover provides personal accident cover for employees travelling directly to and from their home to work and return. The journey also includes cover for activities undertaken during lunchtimes and meal breaks. The cover is only available to employees in those states where the Workers Compensation cover **does not** cover such journeys, i.e. South Australia, Northern Territory, Victoria, Tasmania and Western Australia.

SUMMARY OF COVER

Death and Capital Benefits - \$100,000

Weekly injury Benefit - \$1,000 per week

Benefit Period – 104 weeks

Excess \$ nil.

MACHINERY BREAKDOWN BOILER AND PRESSURE VESSELS, SPOILAGE OF FOOD & COMPUTERS

SPECIAL NOTE

1. **MACHINERY BREAKDOWN, BOILER & PRESSURE VESSELS, SPOILAGE OF FOOD & SPECIFIC COMPUTER COVER** are not automatically included in the cover provided. However, the above-mentioned covers are available (at an additional cost) upon request.
2. **COMPUTERS** are covered for physical loss or damage and increased costs of working under the Industrial Special Risks Policy, however, this policy will not cover mechanical or electronic breakdown. To insure for Computer Breakdown and Re-constructing Data it will be necessary to contact the LCA Insurance Fund.

MACHINERY BREAKDOWN (for Motors over 5 hp capacity or 3.729 Kilowatts)

1. **INSURED DAMAGE**

Breakdown is defined as the actual breaking, seizing or burning out or explosion of any part of the machine whilst the machine is in use arising from either mechanical or electrical defects in the machine causing sudden stoppage, necessitating repair or replacement before further use.

2. **EVENTS COVERED UNDER THE MACHINERY POLICY (EXCESS \$500)**

- Damage to the machine
- Damage to other property of the Insured or of Third Parties caused by flying fragments of the machine arising as a direct consequence of and solely due to breakdown.

3. **MAJOR EXCLUSIONS**

- Replacement of expendable items (glass bulbs, tubes, fuses, heating elements)
- Repair or replacement of joints, gaskets or seams, drive belts, filters, chains etc
- Repair of any crack, fracture, blister, lamination, flaw or grooving not penetrated completely through the entire thickness of the material of the Plant.
- Normal wear and tear, rust, erosion or oxidation
- Chipping or scratching of painted or polished surfaces.

4. **LIMIT ANY ONE LOCATION**

Limit any one location \$60,000.

BOILERS & PRESSURE VESSELS - not automatically covered in the ISR policy

1. EVENTS COVERED

- (a) Damage (other than by fire) to all Boilers and Pressure Vessels and to other property belonging to the Insured or for which the Insured is responsible as a result of explosion or collapse.
- (b) Liability at law by way of damages in respect of:
 - (i) death of or bodily injury to any person not arising out of or in the course of the employment of such person in the service of the Insured.
 - (ii) Damage to property not belonging to the Insured nor held by them in trust or on commission or for which they are responsible.

The event must be consequent upon and solely due to explosion, collapse or deficiency of water. **Limit any one claim \$60,000.**

SPOILAGE OF FOOD (Client must have a Machinery Breakdown policy)

1. EVENTS COVERED

- (a) Deterioration of goods contained in refrigerated areas, cabinets, chambers, vats or pipes as a result of rise or fall in temperature following damage to the Plant by:
 - (i) failure of thermostats, pressure controls or limiting/controlling/protecting devices (does not include loss or damage caused by the manual setting of switches or controls)
 - (ii) Accidental failure of publicly supplied electricity, water or gas services to the point of attachment resulting from accidental damage outside the premises.
 - (iii) Contamination from sudden leakage of refrigerant.

Limit any one location \$3,000.

COMPUTERS - Definition

COMPUTERS mean electronic data processing equipment comprising central processing unit with flexible programming ability. PERIPHERAL EQUIPMENT means monitors, printers, external disk drives etc.

BASIS OF COVER

Where insured damage to plant can be **repaired**, expenses necessarily incurred in restoring it to its former state of serviceability will be paid. The cost of dismantling and re-erection incurred for the purpose of effecting the repairs, as well as ordinary freight to and from a repair shop and customs duties and dues, if any, will be paid. Where **replacement** is necessary, the Insurer will supply a replacement of the same type, model capacity and condition. If such a replacement item is not available, the Insurer will supply a similar but not necessarily identical item. The replacement item will be of no lesser capacity than the damaged item.

COMPUTER COVER - RECONSTITUTING DATA

Cover is extended to the additional costs incurred in restoring data stored on media lost or damaged solely due to Insured Damage to the Plant.

It is a condition of this Policy that a minimum daily back-up of data be taken and that precautions existing or agreed at the inception of this insurance for safeguarding and retaining such data shall be maintained and observed at all times.

INCREASED COST OF WORKING

Increased cost of working directly consequent upon and solely due to Insured Damage to the Plant insured will be paid.

The amount payable shall be the additional expenditure which is reasonably incurred by you to minimise any interruption or interference with the business or part of the business carried on by you.

EXCESS

\$250 each and every loss. Insurer – Lumley General Insurance

SUMMARY OF MAJOR EXCLUSIONS

1. Wear and tear or gradual deterioration. Rusting, corrosion, erosion or oxidation
2. Causes normally covered by the Industrial Special Risk Policy.
3. Loss or damage to exchangeable replacement parts such as moulds, bits, belts, batteries, tyres, cables and glass.

CLAIMS PROCEDURE

Verbal notification must be given to the LCA Insurance Fund office who will arrange for the necessary claim forms and/or assessment.

CONTRACT WORKS

Prior to entering into any contract for any building alterations, additions or new projects please note that:

There are a number of different forms of standard contracts which are used in the construction industry and each has provisions for the types of insurances which must be arranged and identification of person/s responsible for arranging them. The insurance clauses will state who is responsible for each of three classes of insurance and the amount of insurance that must be taken out.

1. **Insurance on the works.** The contract will usually provide that insurance of the work to be done will be in the form of a contract works policy for the full value of the contract price plus a percentage for professional fees and an amount for the cost of debris removal.
2. **Insurance for legal liability to the public.** The amount of the insurance will be specified.
3. **Insurance of workmen.** This is the responsibility of the builder except where in some cases the proprietor arranges for the work to be done on a sub-contract basis and such instances must be notified to the LCA Insurance Fund.

Evidence that all of the above insurances have been arranged should be made available to both the owner and the builder.

Generally, in the case of a new building the contractor will provide the insurance cover. In the case of alterations/extensions to existing buildings, the building's owner will normally provide the insurance cover.

Where you are responsible for arranging insurance on the works and/or insurance for legal liability to the public please notify the LCA Insurance Fund. The LCA Insurance Fund will send a contract works declaration form for completion.

EXCESS

All claims - \$500.

CLAIMS PROCEDURE

Verbal notification must be given to the LCA Insurance Fund who will arrange for the necessary claim forms or assessment.

LIST OF CURRENT INSURERS

<u>CLASS OF INSURANCE</u>	<u>INSURER</u>
Industrial Special Risks (Property Insurance)	Vero and ACE
Public Liability/Products Liability	Liberty International Underwriters and ACE
Professional Indemnity	Allianz Insurance
Directors & Officers Liability	Chartis
Supplementary Legal Expenses	QBE Insurance Ltd
Statutory Liability	QBE Insurance Ltd
Employment Practices Liability	Chartis
Personal Accident for Voluntary Workers	ACE
Corporate Travel	ACE
Motor Vehicle	Zurich Insurance
Engineering	Lumley General Insurance
Corporate Crime	Chubb Insurance
Contractors Special Risks	QBE Insurance Ltd

GOVERNMENT NOTICE INSURANCE CONTRACTS ACT 1984

IMPORTANT NOTICE

DUTY OF DISCLOSURE

Before entering into a contract of general insurance with an Insurer, there is a duty, under the Insurance Contracts Act 1984, to disclose to the Insurer every matter which is known or could reasonably be expected to be known and which is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

The same Duty of Disclosure applies before renewal, extension, variation or reinstatement of a contract of general insurance.

Duty of Disclosure however does not require disclosure of matter:

1. That diminishes the risk to be undertaken by the Insurer
2. That is common knowledge
3. That the Insurer knows or, in the ordinary course of business, ought to know
4. As to which compliance with your duty is waived by the Insurer.

NON-DISCLOSURE

Failure to comply with Duty of Disclosure, may entitle the Insurer to reduce liability under the contract in event of a claim or to cancel the contract.

If non-disclosure is fraudulent, the Insurer may also have the option of voiding the contract from its beginning.

PRIVACY POLICY

As the LCA Insurance Fund is a fund of the Lutheran Church of Australia it is bound by the LCA Privacy Policy Statement. Complaints of any breaches in maintaining the privacy of an individual should be addressed to the administrator of The District in which the alleged breach has taken place or the LCA Secretary.

GENERAL INFORMATION

HIRE OF FACILITIES (School sporting facilities, hall etc)

1. Where a Lutheran Church organisation is using your facilities liability cover is automatically provided.
2. The second category is the “one off” event, namely, a wedding or birthday party. These incidental hirers should have protection under their Householders policy, liability section.
3. The third category is the **non-Lutheran** group that uses your facilities on a regular basis eg. Non -Lutheran school or a sporting club etc. We insist that these groups provide evidence of a current public liability policy of no less than \$10,000,000 dollars. We also insist that a notation be included in documentation sent to users to cover this contingency. Users should be encouraged to endorse their liability policies to include your interests.

CONTRACTORS

MUSIC TUTORS

Generally, tutors are not employed by the school and therefore, should be considered to be a **contractor**. As with any contractor that enters your property evidence of a current public liability policy is required. Evidence of their public liability cover normally comes in the form of a certificate of currency from their Insurance Broker or Insurer. If they are not able to provide evidence of a current public liability cover within a reasonable period of time e.g. four weeks, in accordance with LCA Insurance Fund requirements, the school needs to conclude the relationship.

OTHER CONTRACTORS

Contractors may be from a building site, cleaners, electricians, plumbers etc. Whatever work the contractors are performing for the school they should all provide a certificate of currency as evidence of a current liability policy of at least \$10,000,000. This is very important as there are numerous instances where contractors have inadvertently caused substantial losses to their clients through damage to property or exposing their clients to liability claims through their own negligent behavior. The school should have a sign directing contractors and any visitors to the reception desk where they should sign in and be given a visitors badge.

FETES AND FAIRS

Please note that if the school runs these types of activities protection is provided by the liability policies of the LCA Insurance Fund. However, cover is only provided when damage has occurred to a third party where negligence can be proven on behalf of the school its staff or volunteers. Our policies will not cover the liability of providers of pony rides, bouncy castles, mini train rides and the like. Operators of entertainment rides and amusement activities must provide a certificate of currency showing evidence of a current liability policy.

If the school is providing food make sure you check with the local council regarding food handling laws. It is preferable to use the night safe facilities of your bank to store cash obtained from the fete. If this is not possible store the cash in the school safe.

If you intend to sell items be very careful what you sell:

- Non working items should be discarded or clearly labeled to that effect
- Securely attach a label to all appliances stating that “This appliance has not been tested. Do not use unless checked by a qualified electrician”.
- Great care must be taken in the sale of baby cots and similar items as some have been known to cause serious injury/death to babies.

STUDENT PERSONAL ACCIDENT COVER

All students of Lutheran Education facilities (including Kindies, Child Care Centre's, and Pre-school's) within the LCA are automatically cover by the Student Personal Accident Cover.

Coverage

24 hours per day, 7 days per week, 52 weeks per year **only** in respect to injuries happening:-

- While the student is engaged in school activities and school-related extra -curricular activities (including work experience, vocational training, excursions etc)
- While the student is engaged in organized school sporting activities
- While the student is engaged in organized non-school sporting activities with a club that is a member of an established sporting association . The student must be a registered and /or a paid-up participant of the club.
- Travel to and from school, school activities, organized school sporting activities, organized non-school sporting activities is covered by the policy.

The cover is worldwide. The cost of the student personal accident cover is incorporated in the rate charged to Lutheran Education facilities upon renewal of their insurance policy.

For further details on the cover including a contact person for any queries and claims information please refer to either of the following sites:

- **www.ill.org.au/insurance**
- **Lutheran Education website – www.lea.org.au**

UNDERINSURANCE & PROPERTY VALUATIONS.

Should a major loss situation occur whether it is a partial or total loss, your insurer will appoint a loss adjuster whose task it is to manage the claim on behalf of the insurer. One of the first questions to be asked is can you substantiate the present declared value? Without a professional valuation to validate your current sum insured you cannot be sure that your property is appropriately insured. There are many reasons for underinsurance. The most common is adopting market value and say, deducting the land value. Another common method is to add a percentage to last year's sums insured. In the case of the acquisition of second hand goods many insure for the purchase price rather than the **replacement with new value** and so the assets are automatically underinsured. Where there is significant underinsurance the insurer may be able to reduce the amount it pays in the event of a claim.

A professional valuation should be undertaken every three to five years.

BASIS OF A VALUATION

The basis of a valuation is to arrive at a sum insured that will include the replacement of the buildings and site improvements with similar property, in a condition equal to but not better, or more extensive, than their condition when new. (current replacement value). A professional valuation will allow for the following:

- Architects, surveyors, engineers and other professional fees.
- Demolition, removal of debris and cost of securing the site after a loss.
- Escalating building prices during the reconstruction.
- The contract price for the work to be done.

LIABILITY ASSUMED UNDER CONTRACT

Lutheran Schools frequently have arrangements involving the signing of contracts or agreements that contain insurance obligations. This may be a school or college being asked to sign an agreement before students can participate in rock climbing, abseiling etc, or any service provider wanting a contractual commitment before providing services to your organization. **Please read the insurance clauses before you sign the contract or agreement** as you may be accepting indemnity for liabilities that are **not covered** by your Public Liability insurance policy.

What type of clauses are we referring to?

Below is an example often used in agreements:

“ The principal (LCA School) shall, without limitation, indemnify the contractor (service provider) for any loss, damage, expense, claim or liability suffered or incurred by the contractor, caused directly or indirectly by services provided by the contractor pursuant to this agreement”.

This is commonly called a **“hold harmless clause”**. The principal (school) is agreeing to indemnify the contractor for all claims that arise from the execution of the services under the contract, regardless of negligence on the part of the contractor. Our Public Liability Policy will not provide cover for losses resulting from matters where you have agreed to accept the liability of someone else. Our organizations are covered for negligent acts they commit and the contractor must equally be responsible for their negligent acts. Unless the contractor is prepared to add a clause similar to **“except to the extent that the loss was caused by the negligence of (their name)”** the agreement **MUST NOT** be signed.

Other common clauses you may encounter are as follows:

“The hirer shall be liable for and indemnify the (Company) against all damage, injury, death or losses whatsoever arising from the Hirer’s use of the facilities”

“We have voluntarily agreed to assume all risks and consequences that may arise from the use of equipment that exposes us to personal injury and/or property damage. We shall not bring, commence, maintain or otherwise make any claim or action against the released parties in relation to any personal injury, loss of property or other loss damage cost or expense that we may suffer or incur as a result of the activity”.

Where there is uncertainty about insurance clauses within a contract or agreement, please refer them to the LCA Insurance Fund for referral to our Insurance Broker.