

CRAFT VICTORIA

SUMMARY REPORT: PERSONAL ACCIDENT INSURANCE FOR ARTISTS

Local Community Insurance Services (LCIS) is a specialist insurance provider established to manage the insurance needs of not for profit clubs, community groups and associations within Australia.

LCIS support over 12,500 community groups every year, and manages group insurance schemes through peak bodies across Australia.

We have a depth of knowledge and experience supporting community groups providing advice and guidance around risk and insurance related matters.

LCIS is a division of Jardine Lloyd Thompson Pty Ltd (JLT).

JLT is one of the world's largest providers of insurance and employee benefits related advice, brokerage and associated services. Our client proposition is built upon our deep specialist knowledge, client advocacy, tailored advice and service excellence. Together, we place our clients first, champion innovative thinking and expect to be judged on the results we deliver.

JLT owns offices in 40 territories with some 10,000 employees, supported by the JLT International Network, enabling us to offer risk management and employee benefit solutions in 135 countries.

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INTRODUCTION

This document provides an outline of artist's personal accident insurance which can be added as a member benefit under the Craft Victoria Accredited membership category.

The insurance is for all renewing Accredited members of Craft Victoria and an advantage to them as a member at these levels, it is a group approach to cover where all members automatically obtain the benefits under the insurance.

The policy is then taken by Craft Victoria for Accredited members who are the Insured Person under the cover.

There are several different forms of this type of policy, some only provide cover whilst an insured person is engaged in their occupation and including direct uninterrupted travel to and from, we have **obtained 24 hour cover** under the quoted terms.

The insurer providing this cover is Accident & Health International.

All insurance policies are subject to a number of terms, conditions, endorsements and exclusions which impact on the extent of cover provided.

Full details appear in the policy document which is attached to the email carrying this report.

The information provided in this report does not replace, override or extend cover beyond that set out in the policy document.

EXECUTIVE SUMMARY

The intention of this policy is to provide professional artists with an income replacement mechanism if they are **injured** and cannot work in their practice due to that **injury**.

The level of cover provided has to be one that provides a length of time to overcome serious injury and at a cost that is not exorbitant.

Income – which is the weekly average of the past two years earnings
100% up to \$1,000 per week

Maximum benefit period – this is the length of time the policy will respond to the claim, the benefit period starts at the time of injury and is subject to the waiting period.

Aged up to 70 years : 52 weeks

Ages 70 years up to 80 years : 26 weeks

Waiting period – similar to an excess, it is the time that must pass before a claim payment is made.

Accidental injury : 7 days

Sporting injury : 28 days

Accidental Death and Capital Benefits – this is a lump sum payment made referencing the scale in the policy wording

\$50,000

Funeral Benefits (Accidental Death only)

\$10,000

Broken Bones Benefit

\$2,000

Annual Premium per member \$27 +GST +Stamp Duty

Amounts shown are inclusive of Commonwealth and State taxes being GST 10% and stamp duty 10%.

As a gauge of the premium benefits obtained in a group scheme

A 'tradie' earning \$1,000pw taking their own individual cover, would be paying as a minimum \$180 per annum in premium (before the addition of taxes).

EXPLANATION TERMS

The intention of this policy is to provide professional artists with an income replacement mechanism if they are **injured** and cannot work in their practice.

A sudden and accidental personal injury coverage is easier for insurers to price/write than personal accident and sickness where, due to the sickness component, an individual proposal for each person is required.

Individual assessment of the proposal and review of the proponent's prior medical history means time consumed in the underwriting process reflects in the cost of cover.

All members automatically qualified for cover through their Craft Victoria Accredited membership—there is no opt in/opt out.

The main concern for Accident & Health International was that artists, unlike tradesmen who can evidence a book of work undertaken, may have a sporadic income stream so, in the event of a claim, demonstrating a loss of weekly income could be difficult.

Accident & Health International have agreed the definition of wages as being the artist's average of weekly earnings over the prior 104 weeks, viewing over the longer period should flatten any 'peaks and troughs'.

The following are important terms which are simply explained

Weekly benefit is the amount paid to replace loss of income

Waiting period is a 'time excess'— it is the excluded period before a claim is paid in the same way your car excess is the excluded amount of any motor vehicle claim

Benefit period is the length of time that the policy pays the weekly benefit and starts at the time of injury. It is subject to the waiting period.

Other benefits

The policy includes Death & Capital benefits based on \$50,000 and a Funeral benefit (\$10,000) in the event of death from injury.

Accidental Death & Capital benefit, this is a lump sum payment made in whole or as a percentage depending on the nature of the injury and as set out in the lump sum benefits table in the policy wording.

Funeral Benefit applies if as a result of an Injury occurring during the period of insurance an insured person dies.

The policy will pay the actual cost of the funeral including where necessary the cost of returning the Insured Person's body or ashes to his/her home town . The limit of the benefit is \$10,000.

ACCIDENT AND HEALTH INTERNATIONAL

The terms Accident & Health International has provided include the following points:

- The policy will be in the name of “Craft Victoria”
- The group wording and schedule will be made available on the association’s website for individual members to access
- The occupation covered under this policy must be the main occupation, i.e. visual artist, etc.**
- No sickness cover is provided for in the quote or policy.
- Premium includes \$50,000 Accidental Death & Capital benefits
- Premium includes up to \$10,000 Funeral Benefits (Accidental Death from an injury)
- Premium includes up to \$2,000 Broken bones benefit
- Aggregate Limit: \$5,000,000
- The definition of salary will be amended to “The Insured Person's Earnings averaged over the number of weeks so engaged during the 104 weeks immediately preceding the date of disablement giving rise to claim”.
- Weekly benefits are calculated over the week on a 1/7 of a week basis

** This is important to understand, injury occurring **whilst working** is only covered where the member is working as an artist or tasks that fit into the Accredited membership category. So an installer who also works as a carpenter, or, a curator who has a part-time job as a Uber driver are not covered for injury occurring while working in those occupations.

PERSONAL ACCIDENT

Summary of Terms

OUR REF: 035937

JLT CONTACT DETAILS:

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INSURED Craft Victoria.

ABN AND ITC DETAILS ABN 67 005 725 940 ITC 0.00%

BUSINESS Principally advocacy, advice and professional practice resources for the visual arts, craft and design.

GEOGRAPHICAL SCOPE Worldwide

GOVERNING LAW OF CONTRACT Australian

PERIOD OF INSURANCE
 From: 1 July 2018 at 4 PM Local Time (VIC).
 To: 1 July 2019 at 4 PM Local Time (VIC).

SCOPE OF COVER The coverage afforded by this Policy provides worldwide 24 hour 365 day protection.

INSURED PERSON(S) Visual artists, curators, administrators. Installers and similar in the Accredited membership category

SCHEDULE OF BENEFITS	Insured Events (as per Policy)	Each Insured Person
	Benefit of Average Weekly Earnings (Accident)	100%
	Benefit of Average Weekly Earnings (Sickness)	Not Insured%
	Maximum benefit per week	\$1,000
	Benefit period up to 70 years	52 weeks
	Benefit period 70 years up to 80 years	26 weeks
	Waiting period	
	- Accident	7 days
	- Sporting related injuries	28 days

Accidental Death and Capital Benefits (as per scale)	\$50,000
Funeral Benefits (Accidental Death Only)	Max \$10,000
Broken Bones Benefit	\$2,000

AGGREGATE LIMIT OF LIABILITY \$5,000,000

POLICY WORDING AND CONDITIONS GPAS PDS/WRD 01/14 ST

IMPORTANT INFORMATION

BINDING AUTHORITY

This insurance is underwritten by Key Underwriting Pty Ltd ("KEY") under an authority to bind cover on behalf of the insurer. In underwriting this insurance, KEY may delegate authority to certain employees of JLT. KEY and those employees of JLT act as agents of the insurer and not as your agent. JLT and KEY are related companies and KEY is an Authorised Representative (no. 403803) of JLT.

DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984. You have a duty to tell us anything that you know, or could reasonably be expected to know, may affect the insurer's decision to insure you and on what terms. You have this duty until the insurer agrees to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract. If we ask you questions that are relevant to the insurer's decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions. Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change. You do not need to tell us anything that reduces the risk insured is common knowledge, the insurer knows or should know as an insurer or the insurer waives your duty to tell them about.

If you do not tell us something

If you do not tell us anything you are required to, the insurer may cancel your contract or reduce the amount it will pay you if you make a claim, or both. If your failure to tell us is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

CHANGE OF RISK OR CIRCUMSTANCES

Please tell us about any changes to your circumstances or business, such as any alteration of risk, location changes, new or changed business activities, as they could affect your insurances.

AVERAGE CLAUSE – UNDER INSURANCE

Home buildings and contents, fire, business interruption, industrial special risks and other policies often contain an average clause. This means that you should insure for full value which may be replacement, indemnity or market value depending on the type of insurance cover arranged. If you are under insured your claim may be reduced in proportion to the amount of under-insurance.

UNREPORTED LOSSES

Please let us know whether there are any losses which have occurred that have not been reported to us/insurers, whether you intend making a claim or not.

NEW CLAIMS

Any quotation we have obtained on your behalf is based on the understanding that there will be no deterioration in the claims experience between the date insurers quoted their terms and the inception date of the cover. If claims do occur during this period, insurers have the right to revise the terms quoted or even withdraw their quotation STD DOC [Summary of Terms for ARTSOU - Policy 25390 - 14/02/2018 - GORDM] 5

FINANCIAL SERVICES GUIDE (FSG)

Please refer to JLT's FSG here for information on the services offered by JLT. It is designed to assist you in making a decision whether to use any of the services offered.

HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, REMOVAL OF SUBROGATION RIGHTS

You may prejudice your rights to a claim if, without prior agreement from your insurer, you make any agreement that could prevent the insurer from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, licences and contracts for maintenance, supply, construction and repair.

INSURING THE INTEREST OF OTHER PARTIES

If you require the interest of another party to be covered by the policy, you **MUST** request this. Most policies will attempt to exclude indemnity to other parties (e.g. mortgagees, lessors, principals etc.) unless their interest is expressly noted on the policy.

SEVERAL LIABILITY

Where your policy cover is provided by more than one insurer it is important to note that each insurer is only responsible to the extent of their individual subscription and there is no obligation for that insurer to make up the shortfall of any other subscribing insurer in a claim or return premium payment.

CONFIRMATION OF TRANSACTION

You may contact us by telephone or in writing to confirm any transaction under your policy, such as renewals and endorsements. If necessary, we will obtain the information for you from the insurer.

COOLING OFF PERIOD FOR RETAIL CLIENTS

If you are a retail client as defined in the Corporations Act 2001 as amended (the 'Act'), you may be entitled to a minimum 14 day cooling-off period during which you may return the insurance policy and receive a refund of the insurance premium paid (less amounts lawfully deducted), subject to the requirements of the Act and the terms and conditions of your policy. This does not affect any other cancellation rights you may have under your policy. Please check your policy and schedule upon receipt to be sure you have the cover you require. If the cover does not meet your needs, please contact your JLT Client Risk Adviser for advice as to your rights.

REMUNERATION AND OTHER INCOME

Our principal remuneration for arranging insurance on your behalf is either by way of commission paid by the Insurer and/or a fee including a service fee and an administration fee to be paid by you. In the event of a mid-term broker appointment, JLT reserves the right to retain all commission, fees and charges. In addition to the above the Jardine Lloyd Thompson Group may receive income from insurers as follows: interest earned on insurance monies passing through our bank accounts; profit commissions or profit shares paid by insurers on specific classes of business; administrative service fees or expense reimbursements for limited specific services we provide to insurers as part of the placing or claims process. We will disclose any potential conflict of interest not included above which may occur and affect our relationship.

REFUND of PREMIUMS

In the event of any refund premium being allowed for the cancellation or adjustment of this insurance policy, JLT reserves the right to retain all brokerage, fees and charges

RECEIVING INFORMATION ABOUT OTHER PRODUCTS AND SERVICES

JLT may, from time to time, offer you information about products and services which may be of interest to you. Please notify us if you do not wish to receive such additional information.

PRIVACY POLICY

JLT is committed to the protection of your privacy and is bound by the Australian Privacy Principles for the handling of your information. JLT's Privacy Policy can be examined by accessing our website www.au.jlt.com or by obtaining a copy from your JLT Client Risk Adviser or the JLT Privacy Officer (at Jardine Lloyd Thompson Pty Ltd., Level 37, 225 George St, Sydney, NSW, 2000 or on telephone number (02) 9290 8000).

SERVICE DIFFICULTIES

We would like to know if you are not satisfied with our services. If you have any difficulties please contact your JLT Client Risk Adviser or our Complaints Manager. JLT subscribes to the Financial Ombudsman Service Limited (1300 780 808), which is a free consumer service, and the General Insurance Broker's Code of Practice. Additional information is available from your local JLT office.

IF THERE IS ANY PART OF THE ABOVE THAT YOU DO NOT UNDERSTAND OR YOU REQUIRE FURTHER EXPLANATION, PLEASE CONTACT US IMMEDIATELY