

FLINDERS QUARTET INC.
INSURANCE POLICIES - FOR INFORMATION
 prepared by Wendy Avilov
 5 February 2024

For the Board's information, the below table details the organisation's current and intended insurance policies.

TYPE OF POLICY	PERIOD OF COVER	INSURER	PREMIUM	LIABILITY LIMIT	POLICY STATUS
Public and product liability	15/12/2023 to 15/12/2024 at 4pm	Certain Underwriters At Lloyds Of London	\$1,156.71 inc GST	\$20,000,000	Current
Equipment	15/12/2023 to 15/12/2024 at 4pm	Chubb Insurance Australia Limited	\$459.80 inc GST	\$10,000	Current
Association liability	29/01/2024 to 29/01/2025 at 4pm	Swiss Re International SE	\$865.40 quoted	\$1,000,000	Awaiting policy confirmation + invoice

INSURANCE BROKER

Mullen Insurance Solutions
 a Corporate Authorised Representative (No: 1251527) of McLardy McShane Partners Pty Ltd AFSL
 No: 232987
 ABN 14 064 465 309
 Level 3, Building 7, Botannica Corporate Park 570-588 Swan Street, Richmond VIC 3121
 P: 0429 805 525
 E: darren@mulleninsurance.com.au

In accordance with your instructions we have prepared the following indicative Quotation. If you wish to proceed with cover you will need to notify us as the premium may change with any additional questions that are subject to acceptance by the Insurer.

Flinders Quartet Inc.
 20 Swan St
 FOOTSCRAY VIC 3011

Invoice Date: 22/01/2024
Invoice No: Q009920
Our Reference: FLINDERSQ

Should you have any queries in relation to this account, please contact your Account Manager
Darren Mullen

Class of Policy: Association Liability
Insurer: Swiss Re International SE
 L36 / 200 Barangaroo Ave Sydney NSW 2000
 ABN: 38 138 873 211
The Insured: Flinders Quartet Inc.

QUOTATION ONLY
Policy No: NEIEDM-1
Period of Cover:
 From **29/01/2024**
 to **29/01/2025** at 4:00 pm

Details: See attached schedule for a description of the risk(s) insured

Associations Liability Quote - 2024 / 2025

Your Premium:

Premium	UW Levy	Fire Levy	GST	Stamp Duty	Admin Fee	Broker Fee
\$530.00	\$160.00	\$0.00	\$73.50	\$56.90	\$0.00	\$45.00
TOTAL						\$865.40

(A processing fee applies for Credit Card payments)

POLICY - This notice refers to a contract of insurance that you have entered into via our company. You should refer to your policy document for the full terms and conditions applicable and you should read them carefully. Should any doubts arise as to the scope of cover provided, please contact us for an explanation.

DISPUTES - Clients not satisfied with our services should contact our Complaints Officer on phone no. (03) 9290 9200. If your matter is not resolved, please refer your complaint to the Australian Financial Complaints Authority (AFCA), a free consumer service. Further information is available from our office, or contact AFCA directly on 1800 931 678 or visit www.afca.org.au. We also comply with the requirements of the Insurance Brokers Code of Practice.

Please also read the following Important Notices

McLardy McShane Partners Pty Ltd

Our Reference: FLINDERSQ
Invoice No: Q009920
Due Date: 29/01/2024

Premium	\$530.00
U'writer Levy	\$160.00
Fire Levy	\$0.00
GST	\$73.50
Stamp Duty	\$56.90
Broker Fee	\$45.00
Admin Fee	\$0.00

AMOUNT DUE \$865.40

IMPORTANT INFORMATION FOR CLIENTS

DUTY OF DISCLOSURE (non-consumer insurance contracts)

Before you enter into an insurance contract, you have a duty under the Insurance Contracts Act 1984, to tell the underwriter of anything that you know, or could reasonably be expected to know, that may affect their decision to insure you and on what terms. You have this duty until they agree to insure you. You have the same duty before you renew, extend, vary, or reinstate an insurance contract. You do not need to tell the underwriter anything that:

- reduces the risk to be insured or that is of common knowledge.
- the underwriter knows or, in the ordinary course of business, ought to know.
- the underwriter has waived your duty to tell them about.

If you do not tell the insurer something

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

DUTY TO TAKE REASONABLE CARE NOT TO MAKE A MISREPRESENTATION (consumer insurance contracts)

You have a duty under the Insurance Contracts Act 1984 (ICA) to take reasonable care not to make a misrepresentation to the insurer (your duty). Your duty applies only in respect of your policy that is a consumer insurance contract, which is a term defined in the ICA. This notice includes information you have previously told us that is relevant to your policy, which we passed on to the insurer. The insurer requires you to contact us to tell us if this information is incorrect, or if it has changed. If you do not tell us about a change to something you have previously told us, the insurer will take this to mean that there is no change. To ensure you meet your duty, when you contact us to advise of any information that is incorrect or has changed, the updated information you give us must be truthful, accurate and complete. If you fail to meet your duty, the insurer may be able to cancel your contract or reduce the amount it will pay if you make a claim, or both. If your failure is fraudulent, the insurer may be able to refuse to pay a claim and treat the contract as if it never existed.

THIRD PARTY INTERESTS

Insurance policies will only provide cover for your interest in the property insured and does not cover the interest of any third parties unless you have informed us of them in writing and they are noted on the policy.

CLAIMS OCCURRING PRIOR TO COMMENCEMENT

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the contract.

AVERAGE / CO-INSURANCE

Some policies contain an Average clause. This means that if you insure for less than the full value of the property, your claim may be reduced in proportion to the amount of the under-insurance. These clauses are also called "Co-Insurance" clauses. If you are in any doubt about whether and how Average/Co-Insurance clauses apply to your insurances, please contact your Insurance Broker for assistance.

POLICY CANCELLATION (retention of brokerage and fees)

If a cover is cancelled before expiry of the period of insurance, we reserve the right to refund to you only the net return premium we received from the underwriter, and not refund any part of the brokerage or fees we receive for arranging the cover. A broker service fee may be charged to process the cancellation. The impact of the above on you is that any refund you receive for the mid-term cancellation of your policy will usually be significantly less than a pro rata calculation would produce and in extreme cases may involve you having to make an additional final payment even though the policy has been cancelled. Therefore prior to cancelling a policy and replacing it with another cover we strongly recommend that you discuss your situation with us so that we can advise the exact extent and impact of the early cancellation provisions mentioned above.

Schedule of Insurance

Class of Policy: Association Liability
The Insured: Flinders Quartet Inc.

Policy No: NEIEDM-1
Invoice No: Q009920
Our Ref: FLINDERSQ

2.4: Advancement of Defence Costs and Investigation Costs	Included	\$1,000	Policy Limit
2.5: Continuity of Cover	Included	\$1,000	Policy Limit
2.6: Emergency Costs	Included	\$1,000	\$50,000
2.7: Additional Limit of Liability for Insured Persons	Included	\$1,000	20% of Limit of Liability
2.8: Environmental Reporting Breach	Included	\$1,000	\$100,000
2.9: Internet Liability	Included	\$1,000	Policy Limit
2.10: Outside Directorship Liability	Included	\$1,000	Policy Limit
2.11: Identity Fraud	Included	\$1,000	\$100,000
2.12: Pollution Defence Costs	Included	\$1,000	\$100,000
2.13: Retired or Resigned Insured Persons	Included	\$1,000	\$100,000
2.14: Civil Penalties	Included	\$1,000	\$500,000
2.15: Assets and Liberty Costs	Included	\$1,000	\$50,000
2.16: Extradition Bail Bond Costs	Included	\$1,000	\$100,000
2.17: Public Relations Expenses	Included	\$1,000	\$100,000
2.18: Crisis Costs	Included	\$1,000	\$100,000
2.19: Direct Financial Loss Investigator Costs – Policyholder	Included	\$1,000	\$50,000
2.20: Direct Financial Loss Investigator Costs – ProRisk	Included	\$1,000	\$50,000

Association Liability Policy Quotation Schedule

1 of 3

2.21: Contract Review	Included	Nil	4 per policy period
2.22: Panel Counsel	Included	Nil	1 hour
2.23: Whistleblower Hotline	Included	Nil	N/A

Item 9 Territorial Limits Worldwide (Excluding USA and Canada)

Item 10 Other Insurance Not applicable

Item 11 The Business Association Operation - For Promotion Of Community Or Sectional Interests 100%

Endorsement Number: AL0099

Applicable date of Endorsement: 29/01/2024

Policyholder: Flinders Quartet Inc.

Insurance Period: 4.00pm on 29/01/2024 to 4.00pm on 29/01/2025

Infectious Diseases Exclusion

It is agreed that following clause is added to the **policy**:

We will not be liable for any loss, damage, liability, expense, fines, penalties or any other amount directly or indirectly caused by, in connection with, or in any way involving or arising out any of the following; - including any fear or threat thereof, whether actual or alleged

- (a) any infectious disease, virus, bacterium or other microorganism (whether asymptomatic or not); or
- (b) Coronavirus (COVID-19) including any mutation or variation thereof; or

Schedule of Insurance

Class of Policy: Association Liability
The Insured: Flinders Quartet Inc.

Policy No: NEIEDM-1
Invoice No: Q009920
Our Ref: FLINDERSQ

- (c) any pandemic or epidemic, as declared as such by the World Health Organisation or any governmental authority. In all other respects, the **policy** remains unaltered.

Association Liability

Did you know that there are over 57,000 registered charities and not-for-profits in Australia who are registered with the Australian Charities and not-for-profits Commission (ACNC).¹ Yet, according to statistics released by APRA, very few of these companies seem to buy Association Liability insurance.² The management exposures of running a incorporated association, not-for-profit or charity are comparable to those of a private company, yet Association Liability insurance is not widely purchased. But there is no reason why these uninsured exposures should remain that way.

Association Liability insurance covers certain risks arising from the actions and decisions of directors, officers and managers, which arise from the running of an association, charity or not-for-profit organisation. These actions and decisions could include improper conduct such as sexual harassment claims or legal claims such as unfair dismissal or defamation. There are few industries which could afford to ignore the legal and regulatory risks of their operations and the not-for-profit sector is not immune. Fines from various government or industry regulatory bodies can reach hundreds of thousands, or even millions of dollars for very serious breaches. In addition, the cost of defending litigation can cripple otherwise healthy and solvent organisation.

ProRisk's Association Liability Policy is specifically designed to cover the management exposures of a small to medium sized association, not-for-profit or charity. When you think about the risks of doing business in Australia or New Zealand, Association Liability Insurance really should be a must buy.

Suitability

Association Liability is suitable for organisations with:



Up to
\$25m turnover



Up to
500 employees



Who are domiciled in
Aus or NZ

Risks of doing business in Australia or New Zealand are highlighted by:



28,000
workplace disputes
per annum³



Total value of all fraud cases⁴
\$482,059,228
Average value
\$3,110,060

Coverage Includes:

- Insured person liability
- Association reimbursement liability
- Entity liability
- Employment practices liability
- Civil liability
- Comprehensive crime cover
- Tax audit cover
- Statutory liability
- Investigation costs cover with no wrongful act trigger

Limits from \$500,000 to \$10m available

Premiums starting from as little as \$300 plus taxes and charges

Key benefits of cover:

- Cover for State Revenue office audits
- Cover for internal and external crime, not just crime by employees
- Comprehensive Statutory Liability cover, not just OH&S like some other policies
- Access to the ProRisk Whistleblower Hotline Service
- Up to 4 contract reviews during the insurance period
- Up to 1 hour free legal advice
- Choice of limit
- Choice of excess

Available for:

- Charities
- Not-for-profits
- Associations
- Non-professional sporting clubs and associations
- Industry groups
- Surf life saving clubs
- Social and community groups and clubs

1. <https://data.gov.au/data/dataset/acnc-register>
2. <https://www.apra.gov.au/statistics>
3. <https://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/october-2018/20181018-annual-report-2017-18-media-release>
4. Source: KPMG



Claims Service from the Experts

Our dedicated In-House Claims Team includes qualified lawyers with over 30 years of industry experience. Our claims officers are dedicated to managing your claim from initial notification right through to resolution. We have negotiated a specialist panel of lawyers, accountants and forensic investigators based on our significant group purchasing power and are able to access some of Australia's best service providers to ensure that our policyholders get service second to none.



CASE STUDY 02: Crime loss

Policyholder: A Soccer Club with no staff, but 34 volunteers and turnover of \$68,000.

The Claim: The policyholder was a local sports club. They would run teams in local non-professional sporting competitions. The teams were a mixture of children and adult teams, however most of the club's members were children. The Club had a lot of involvement from the parents, who would volunteer from time to time at events, such as trivia nights, award nights and sausage sizzles. The Club raised money through a variety of means including events, raffles, donations and membership fees. Like most small sporting clubs, they did not have enough revenue to pay a full time staff member to handle their finances and relied on volunteers within the membership ranks. One of the volunteers was handling the finances and had a gambling problem. Over a number of years, they managed to take over \$50,000 from the Club.

The Outcome: The policyholder made a claim on their Association Liability policy with ProRisk. ProRisk appointed a forensic investigator to ascertain the extent of the loss. It was determined that the insured had sustained losses of over \$50,000 going back over a 3 year period. ProRisk were able to reimburse the policyholder for their losses less their excess.



CASE STUDY 01: Employment Practices

Policyholder: A Surf Life Saving Club, employing 4 staff with turnover of \$800,000.

The Claim: An employee was upset when a colleague continually made advances towards her including making sexually explicit comments in front of other staff. She had asked him to refrain from such behaviour however he continued. The employee complained to her manager on various occasions but nothing was done. The employee quit her job and brought a claim against the former colleague for harassment and the Association for their failure to address the issue.

The Outcome: The policyholder made a claim on their Association Liability policy with ProRisk. ProRisk appointed a specialist employment lawyer to defend the claim. The matter was settled for \$15,000 and costs of \$12,000 were incurred, all of which were covered under the policy, less the excess.