

# INSURANCE FREQUENTLY ASKED QUESTIONS (FAQS)

Version Date 2-7-2016

These FAQs are provided to assist member clubs gain a better understanding of the insurance arrangements organised on their behalf by Bushwalking Australia (BA). Additional questions will be added over time and suggestions for topics to be covered are welcome at any time by emailing Bushwalking Australia at [insurance@bushwalkingaustralia.org](mailto:insurance@bushwalkingaustralia.org)

Please check for updates on a regular basis.

**Important note:** Specific advice on insurance matters, including coverage, conditions and exclusions, and claims can only be provided by the insurance brokers Jardine Lloyd Thompson (JLT) Pty Ltd. Phone the dedicated Bushwalking Australia enquiry line from anywhere in Australia. Contact phone and email details are available on the claims and enquiries page of the BA web site at <http://www.bushwalkingaustralia.org/insurance/claims-and-enquiries>

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## Policy Questions

### ARE EXPLORATORY WALKS, PRE-WALKS OR RECCE WALKS COVERED BY THE POLICIES?

The policies cover club activities (the type of activity must be one that is covered by the policies – see below), so for an activity to be covered it must be known to the club. The minimum requirement would be that a club officer bearer or committee member is advised of the details, and that these are retained in club records.

### WHAT ACTIVITIES ARE/ARE NOT COVERED?

Activities Covered	
Bushwalking	Cycling
Liloing	Swimming
Rafting /Boating	Abseiling
Snow Skiing	Caving
Canoeing /Kayaking	Track /Hut – Construction and /or Maintenance
Canyoning (both including & excluding abseiling)	Alpine Walking (both Summer and Winter)
Leadership training and other related instructions	Rock Scurrying and use of hand held ropes as part of a bushwalk
Orienteering / Rogaining	Social activities

Activities **not covered** by either policy are:

- Overseas trips (except New Zealand)
- Rock climbing (other than as specified above)
- Water Skiing
- Activities not included in the table above

### WHAT AGE LIMITS APPLY?

All members of a club are covered by the insurance policies up to age 95. Under the Personal Accident policy, some benefits are reduced for members under the age of 18 and over the age of 85. More details are provided on the Accident Insurance page of the BA web site.

**Note:** The age limit of 65 in the policy wording is overridden by the age limits in the schedule.

## DO THE LIABILITY AND ACCIDENT POLICIES COVER EXTENDED TRIPS INTERSTATE OR OVERSEAS, E.G. THOSE THAT INVOLVE EXTENSIVE TRAVEL?

The policies do not provide cover for activities undertaken overseas, except for NZ.

The policies do provide cover for activities undertaken interstate and in NZ, but only for the duration of the approved activity i.e. the policies should not be relied upon to provide coverage and benefits equivalent to those provided under a travel insurance policy.

For example, a club trip over the course of say two to three weeks to another state would typically involve a range of bushwalks, interspersed with travel between walk locations, sightseeing or other tourist activities, shopping, dining etc. The BA policies would provide cover only while participating in those activities listed above as approved activities i.e. bushwalking, and would not cover say accident or injury while travelling, shopping, etc.

When undertaking extended trips, whether overseas, to NZ or even interstate, participants should be strongly encouraged to consider their own insurance arrangements, including travel insurance. With more and more clubs adding overseas trips to their programme the need to offer Leisure Travel Insurance has been recognised. Special rates have been negotiated with Accident & Health International Underwriting Pty Ltd for a comprehensive, yet affordable cover for use by club members when participating in club organised Domestic and Overseas trips. JLT for details.

## Acknowledgement of Risk

### ARE TEMPORARY MEMBERS (I.E. VISITORS) COVERED BY THE INSURANCE POLICIES?

The insurance policies arranged by BA are to cover clubs and their members. Our insurers recognise that many clubs accept (or even require) intending members to complete one or more walks with the club as a pre-requisite to applying for full membership, and have agreed that cover under the policies can be extended to them provided they become temporary members for the duration of the activity.

To formalise such arrangements BA strongly recommends that club rules include provision for temporary membership, and that temporary members complete and sign an Acknowledgement of Risk for Temporary Members prior to participating in each activity.

### WHAT IS THE PURPOSE OF THE ACKNOWLEDGEMENT OF RISK FORM?

BA has advised its insurers that member clubs require temporary members/visitors and renewing members to sign the AoR, and the insurers factor this into the cover provided, policy conditions and exclusions and ultimately premiums.

The purpose of the Acknowledge of Risk (AoR) is to help ensure that participants understand the basic requirements of participation in the activity they are about to undertake, and the potential risks that they are about to expose themselves to. In the case of people new to bushwalking, the AoR is particularly important in ensuring they have at least a basic appreciation that there are some risks involved in going bushwalking.

In the case of existing members, it is hoped that signing the AoR at the time of renewing their membership is an annual reminder that there are risks involved in going bushwalking.

#### IS THERE A MAXIMUM NUMBER OF WALKS/ACTIVITIES THAT A TEMPORARY MEMBER CAN ATTEND BEFORE THEY MUST BECOME A FULL MEMBER?

The maximum number of walks/activities that a temporary member can attend before they must become a member is entirely a decision for each club to make. The insurers and insurance policies do not specifically cover this matter. BA strongly encourages all clubs to specify in its rules, by-laws or policies the maximum number of walks/activities that a temporary member can attend, and recommends that the number be set at three.

#### IS A MEMBER OF AN AFFILIATE CLUB CONSIDERED A TEMPORARY MEMBER (VISITOR) IF THEY PARTICIPATE ON AN ACTIVITY WITH ANOTHER AFFILIATE CLUB?

For insurance purposes only, the answer is no, provided that the affiliate club is also covered under the insurance policies. The person will not be required to complete an Acknowledgement of Risk form as they should have done so at their own club. If there is any doubt about whether the club the visitor belongs to is an affiliate and/or covered by the insurance policies, this can be confirmed by the state peak body (i.e. Federation) or by the insurance broker.

While a person from another club may not be considered a visitor for insurance purposes, the host club may have other requirements that visitors must comply with.

## Annual Renewal Process

#### WHY ARE CLUBS REQUIRED TO COMPLETE AND SUBMIT AN ANNUAL RENEWAL QUESTIONNAIRE?

As is the case with all insurance products, insurers require the disclosure of a range of information about the client so that they can determine the level of risk exposure, whether or not to provide cover, the conditions and exclusions that will apply, and ultimately the price or premium to charge.

On a personal level, when seeking insurance we will have to answer a range of questions before the insurer will offer cover and advise the premium. In the case of the insurance arranged by BA, the clients are the member clubs, state peak bodies and BA itself. The insurance questionnaire is designed to collect the information required by our insurance broker to negotiate the required cover and premiums with the respective insurers. Entering into an insurance arrangement is a contract of utmost good faith, and the answers to the questions on the renewal questionnaire must be answered honestly and fully by all parties. The quicker that all clubs complete and return the questionnaire, the quicker the information can be forwarded to the broker and insurers and the quicker BA will receive the renewal information and be able to pass it on to clubs.

## WHY CAN'T CLUBS BE ADVISED OF THE COST OF PREMIUMS AT THE TIME OF COMPLETING/SUBMITTING THE QUESTIONNAIRE?

There are a number of reasons for this, including:

1. In calculating premiums, insurers use factors such as loss ratio (i.e. claims to premium paid) for the current year. In the case of our liability policies, there has never been a claim and as a result the premiums haven't changed much for this cover. However, in the case of the personal accident cover, the number and cost of claims can vary considerably from year to year, which can affect premiums for the new year.
2. As stated in the previous question, the information gathered through the renewal questionnaire is also used to assess risk levels.
3. The cost of the Associations Liability policy is met by BA from membership subscriptions paid by members. However, the cost per club member of the other two policies is determined by dividing the premium for the policy, by the total number of club members covered by the policy.

In summary, the premium for each club cannot be determined until the above steps have been completed and we know both the premium cost and the number of club members to be covered.

## WHY DO CLUBS HAVE TO PROVIDE INCOME DETAILS?

The Associations Liability policy provides cover specifically to protect office bearers, committee and other members of clubs, state federations and BA from being personally pursued for 'wrongful acts' that lead to claims against either the club, the member/office bearer personally, or both. The insurer for this policy requires the income information as a condition for providing this cover, as one of the risks that they are covering is financial loss.

**Important note: Only the aggregated income information for all clubs will be passed on to the insurers. Details identifying specific clubs will not be made available to insurers, and BA and**

**state federations will only use the financial information for the purposes of arranging insurance cover.**

## WHAT IS THE DEFINITION OF MEMBER FOR THE PURPOSES OF ANSWERING THE RENEWAL QUESTIONNAIRE?

For the purposes of completing the questionnaire, a member is considered to be an individual person who is a member of the club in any category. For example, where the club has a family membership category, all individual members of the family are to be counted. Similarly, social or non-walking members are to be included when answering this question, as the insurance policies cover activities such as social events and meetings as well as the other activities listed.

## Role of Insurance Broker

### WHY DOES BUSHWALKING AUSTRALIA (BA) USE THE SERVICES OF AN INSURANCE BROKER?

Engaging the services of a broker is considered a prudent measure to ensure that BA and its members receive the best possible insurance cover, for the lowest possible price.

BA and its member state bodies and clubs are all not-for-profit organisations that rely on the efforts, skills and experience of a relatively small number of volunteers. Bushwalking's insurance requirements require knowledge and experience not always available from within the club network.

### WHAT IS THE ROLE OF THE INSURANCE BROKER?

An insurance broker is legally required to act in the best interests of its client. In our case the client is BA, the state peak bushwalking bodies and their affiliate members, mostly being bushwalking clubs.

The role of our broker, Jardine Lloyd Thompson Sport Pty Ltd is to work with BA to understand and identify the nature of our insurance requirements; to identify and negotiate with insurers policies that meet our identified requirements; to answer enquiries from members on insurance matters, including advice on policy provisions, coverage and claims.