



July 2016

Insurance Information for the period 1/7/2016 to 30/6/2017

Due to sustained poor property claims experience over a number of years the Lutheran Church property insurers have increased premiums by 35%. In past years we have been able to absorb increased premiums, but we are not able to absorb such a significant increase. This is the first time since 2003/4 that we have had to increase premiums, but premium rates remain lower than the rates charged to clients 10 years ago and follow an 8% reduction in premiums in 2014/15 and absorbing a 12.5% increase in property insurance last year.

We have been able to add **significant enhancements** to several policies, namely, a Workplace Health & Safety cover has been added to the Statutory Liability policy and a Business Interruption cover to the Equipment Breakdown policy providing much broader cover. We have also been able to increase the Employment Practices cover from \$2m to \$3m.

It is critical that sums insured for properties are accurate to ensure the correct level of cover in the event of major property damage. With the support of the LCA and its Districts we have commenced a five year program to value all church/parish buildings in the LCA. This service is being provided free of any charge to our church clients by Aon Valuation Services. Clients will be informed of the valuation process and will be provided with documentation upon completion of the valuation.

Premium Rates (inclusive of all covers i.e. Property, Liability, Equipment Breakdown etc.)

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|-----------------|--------------------|
| • Aged Care | \$1.40 per \$1,000 |
| • Church/Parish | \$1.90 per \$1,000 |
| • Education | \$1.80 per \$1,000 |

The renewal sums insured on property will generally increase by 3% this year to reflect the escalation in replacement costs of buildings and contents.

Alterations to Insurance Cover

Changes to the panel of insurers

- Statutory Liability – cover transferred from QBE to Liberty International.
- Corporate Travel and Voluntary Workers cover have changed from Ace to Chubb as a result of the merger of the two insurers.

Property Insurance (ISR) – Property claims occurring after 1/7/2016 will carry an excess of \$500.

Revised claim form available on the following link: www.lcainsurance.org.au/claimform

Statutory Liability – the policy has been extended to include a **Workplace Health & Safety cover** of \$2m. This cover will protect our clients in the event of breaches of Environmental Law. It will provide a workplace incident response solution including pre-investigation legal costs and costs in providing a defence.

Employment Practices – increased level of cover from \$2m to \$3m.

Equipment Breakdown – Excess increased from \$500 to \$1,000. Cover includes machinery breakdown, spoilage of food, computer breakdown and as of 1/7/2016 a business interruption cover.

The business interruption component to the cover includes:

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|--|--------------|
| • Loss of Gross Revenue | \$10,000,000 |
| • Additional Increased cost of working | \$75,000 |
| • Indemnity period | 12 months |
| • Excess period | 48 hours |

Equipment breakdown claims can be lodged directly with Insurer Vero. Clients need to complete the Vero claim form, quote the policy number IMA019124586 and attach relevant documentation (e.g. repair quote). Clients are to use the email address claims@vero.com.au The Vero claim form is available on the LCA Insurance website – www.lcainsurance.org.au/equip

Corporate Travel Policy – www.lcainsurance.org.au/travel

Travel undertaken on behalf of the Lutheran Church is automatically covered (at no cost) by the Corporate Travel policy. In order to qualify for coverage, an insured person must travel a minimum of 100 km from their home or usual place of work. The maximum allowable duration of any one trip is 180 days, including incidental private travel. Please refer to website above for details of the cover.

Motor Vehicle Policy – www.lcainsurance.org.au/mv

Clients are to continue to contact LCA Insurance for alterations or additions to their vehicle fleet. Vero policy number is MSL019091484 and the Vero claim form is available on the above link. Windscreen claims - O'Brien is Vero's preferred provider and can be contacted on 131 616.

LCA Insurance website – www.lcainsurance.org.au

Please take time to familiarise yourself with this resource as it contains a lot of information including:

- Details of a number of policies provided to LCA clients
- Claims procedures
- Schedule listing the cover provided, the amount of cover and excess applicable
- Claim forms for property, equipment breakdown, motor vehicle and student personal accident
- Frequently asked questions
- Risk management and helpful checklists
- How to communicate additions or changes for vehicles insured through LCA Insurance

Liability Policies

Due to the confidential nature of the Liability Policies the details of the cover are not available on the LCA Insurance website. Please email admin@lcainsurance.org.au if you would like details of the following policies:

- Directors And Officers Liability
- Professional Indemnity
- Public Liability
- Statutory Liability/Workplace Health & Safety
- Employment Practices Liability

Privacy Policy

LCA Insurance is a fund of the Lutheran Church of Australia and is bound by the LCA Privacy Policy. 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 of the Church if the allegation is against a national ministry.

Reporting of Potential Liability Claims

It is very important that you advise LCA Insurance of any potential liability claim. This may involve a serious injury, employment related matters, breaches of professional duty, allegations of sexual abuse or harassment, breaches of legislation etc. **Do not try to defend the claim yourself and under no circumstances must liability be admitted either verbally or in writing.**

Known Offenders – Molestation/Sexual Abuse Exclusion

Molestation cover is part of the Public Liability policy and is subject to a "Known Offenders" exclusion. This means that there will be no cover if our client knew, or ought reasonably to have known that the perpetrator of sexual abuse had previously committed sexual abuse, been convicted of sexual abuse or has been subject to a complaint in respect of sexual abuse. Sexual abuse includes any assault or abuse of a sexual nature, any type of molestation, indecent exposure, sexual harassment or intimidation.

Please note that **LCA Insurance** has a new logo as shown at the top of this letter.

Christian Greetings

Graeme Tscharke
Insurance Manager
LCA Insurance