



Club Forum #1

Insurance Deep Dive

28/29 March '23





INTRODUCTIONS

Welcome and Acknowledgement

- **Welcome**
 - In the Forum tonight
- **Housekeeping**
 - Recording
 - Asking Questions
 - Menti
- **AGM Reminder & Club Contact Details**
- **Purpose of Club Forums**
 - Connection
 - Sharing information and progress
 - Tackling the big challenges together
 - Complemented by new eDM – *From the Chair & CEO*
- **The Agenda for Tonight – Sharing the Challenge**
 - AusCycling Insurance Program Overview - Marsh
 - How we're responding – short, medium & long term
 - Codesigning the remaining Club Forums
- **Introduction of Presenters**
 - Marsh Team



1. Personal Injury (Who is covered / Where cover applies)
2. Personal Injury (Summary of Policy coverage)
3. Public & Products Liability & Professional Indemnity Policy
4. Key Premium Drivers / Market Overview
5. Marsh Sport Website
6. Q&A

Agenda

Personal Injury Insurance

Who is covered under this policy?

All Affiliated Clubs, Registered Members, Temporary Members, Officials, Accredited Coaches, Race Directors, Judges, Directors, Executives, Committee Members, Event Promoters, Voluntary Workers.

Scope of Cover (Where the cover applies):

Administrative activities	Meetings, official functions, races, organised trainings, events and competitions
Participation	Club events, organised fundraising, club social activities
Voluntary work	At direction of club
While Riding	24/7
Travel	While travelling directly to and from club events outlined above



IMPORTANT TO NOTE

The club should direct the member (or parent/guardian) to the Marsh Sport website to obtain a claim form.

Claims need to be notified to the insurer within 30 days or as soon as reasonably practical after the date of occurrence.

Any questions on the cover/claims process can be directed to the Marsh team.

Personal Injury Insurance

Cover	Limits	Excess
Capital Benefits	\$50,000 (Accidental Death / Quadriplegia / Paraplegia) \$10,000 limit - accidental death under 18 years of age	\$0
Non-Medicare Medical Expenses	85% cover up to \$7,500 per injury	\$75
Loss Of Income	85% up to \$500 per week (52 weeks)	28 Days

Significant Claims Experienced on this policy

- Since 2020, there have been 10 claims lodged under this policy which exceed \$50,000.
- In 2021, there were 2 death claims lodged under the policy. This increased to 5 death claims in 2022.



Claim Example

During an event a rider crashes and breaks their right shoulder, they require surgery to repair the damage and extensive rehabilitation before they are able to return to work.

They lodge a claim for the Non-Medicare Medical expenses incurred and the Loss of Income due to being unable to work for an extend period of time.

The total amount paid out to the rider is \$11,500.

Public & Products Liability & Professional Indemnity

Type of Cover	What does it cover?	Claims
Public Liability	Legal liability to third parties if your actions or negligence cause injury or property damage	<p>A rider hit a pedestrian crossing the road causing a permanent brain injury to the pedestrian. The potential cost to insurers for this incident is \$3m+ as the pedestrian requires on going support.</p> <p>A young member of the public suffered a tetraplegic injury coming off his bike on a trail and believes the club has contributed to the incident, as they assists with maintenance on that trail. This is another live claim with the potential cost to insurers exceeding \$5m+.</p> <p>A rider sustained a serious injury during a collision whilst participating in a Club race after another rider was allowed to enter the track after the race had commenced. The claim was settled for over \$750,000.</p>
Products Liability	Injury or damage caused by something you sell or distribute	Example: Food poisoning from a club sausage sizzle.
Professional Indemnity	Injury caused as a direct result of advice or instruction provided	Example: A coach instructs a rider to change their technique which results in the rider injuring themselves.

The policy limit is \$20,000,000.

An excess is payable by the club if a claim is lodged against you. This excess is \$1,000.

Key Insurance Premium Drivers

Costs are increasing across the program – so what is driving this increase?

- AusCycling is unique in that it covers members 24/7 – this increases the risk for both liability incidents and personal accident claims.
- Cycling largely happens in a general environment as opposed to a controlled field of play. This leads to accidents and injuries despite all precautions being taken by Clubs and members, which provides a far greater exposure to the insurer when compared to a typical sporting risk.
- As discussed earlier, significant claims have been incurred on both policies – multiple cyclist deaths each year, and several high value public liability claims.

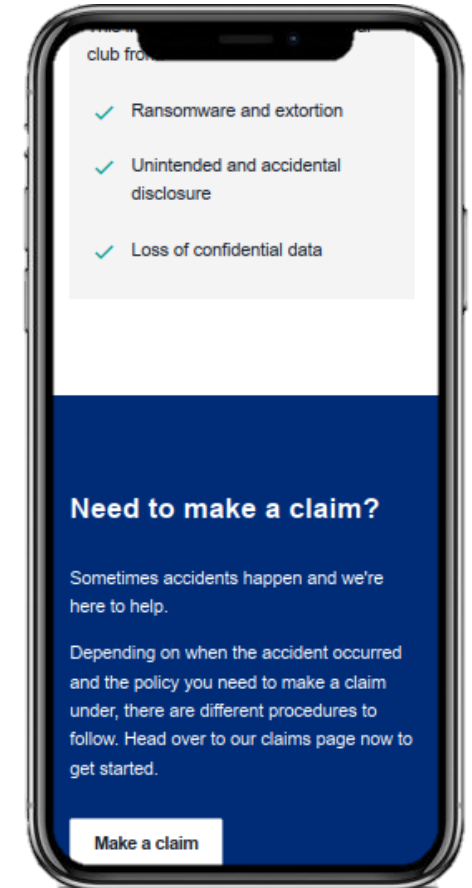
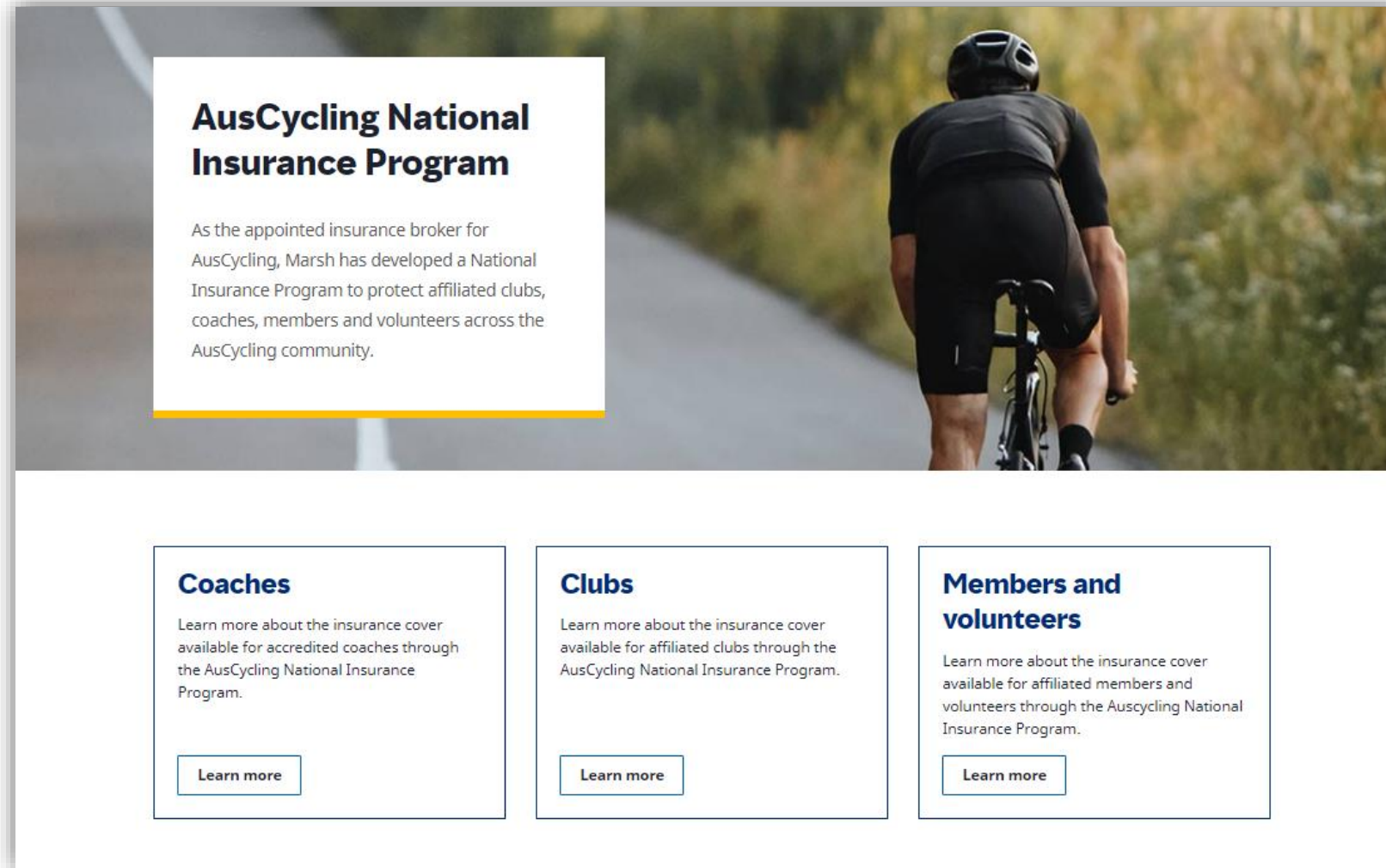


Market Conditions

- High rates of claims
Inflation (cost of claims outpacing general inflation)
- Lower Market Competition
(Insurers appetite to cover Sporting risks continues to retract)

Our AusCycling Insurance Website

<https://au.marsh.com/sport/auscycling.html>





STATE OF PLAY INSURANCE PREMIUMS

Since AusCycling Establishment, 1 November 2020

Insurance
Premium
\$2.271m

\$671k above
model / budget

AC absorbed
No adjustment to
membership fee

Insurance
Premium
\$2.432m

\$160k above
budget

Passed on in
membership fee
increase

Insurance
Premium
\$3.994m

\$1.3m above budget
(we'd allowed for an increase)

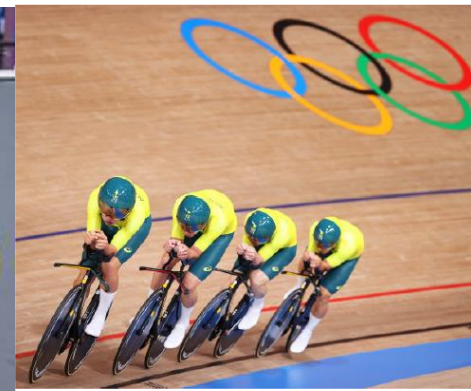
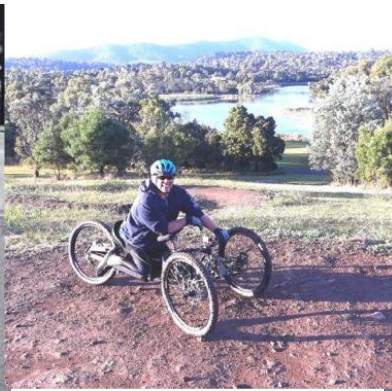
Considering options

2021

2022

2023

As a percentage of Membership Revenue
Insurance Costs – 37%
Membership Direct Costs – 27%
Operations - 36%



Q&A





HOW ARE WE RESPONDING?

In the short, medium and long term

- **Short (next 4 weeks)**
 - PL Insurance Secured
 - Reinstate the Insurance Workgroup (sub-committee of FAR)
 - Engage the AC Club Network & ASC
 - Establish a smaller Club working group – call for EOI to come
 - Modelling options to fill the \$1.3m shortfall – this will impact member fees
- **Medium (next 6-9 months)**
 - Insurance Review Project:
 - Member Value Proposition
 - Insurance Structures
 - Managing Risk
 - Enhancing Data Structure
 - Engage with the Club working group
 - Provide updates to the AC Club Network
 - Build back / strengthen brand reputation
- **Long Term (2024 onwards)**
 - Manage risk – AC, Clubs & Members
 - Strengthen / maintain brand reputation amongst insurers
 - Adjust to market changes





MENTI

Capturing the questions In relation to the AC Insurance program, what questions would you like answered?

Go to www.menti.com

Enter the code 39 08 94 2





MENTI

Club Priorities & Future Focus for Club Forums

Go to www.menti.com

Enter the code 39 08 94 2



> NEXT STEPS : KEEPING CLUBS CONNECTED TO THE WORK

- **Reminder to Clubs to complete the survey that has been circulated**
 - We've had 35 responses to date – a good start, but we need more to address the issues.
- **Club Forum #1 eDM follow up**
 - Share recording from the session along with presentation slides.
 - Provide a summary of the Menti information.
 - Outline EOI process and timeline for Insurance Club Workgroup appointment.
- **Any follow up questions**
 - Please email ceo@auscycling.org.au





Thank You

