

# AUSTRALIAN SPELEOLOGICAL FEDERATION Inc.

## **The ASF Insurance Scheme** (Adopted January 2002)

### **Governance**

The ASF Council created an Insurance Commission to facilitate the ongoing provision of insurance for the Federation. The Convenor reports directly to the President.

The terms of reference of the Insurance Commission are stipulated in the Administration Handbook.

The ASF Executive is the responsible group for ensuring the Federation is adequately insured and operates within the bounds of the ASF Constitution and directives by the ASF Council.

The ASF Executive is bound by state and federal legislation of Incorporation and other law, in regard to the provisions of 'good governance' and the requirements of any insurance. In addition there are acts of the parliaments of Australia dealing specifically with insurance matters, the main requirement being that the Federation and the Insurers act with utmost good faith and material disclosure.

### **The Insurance Policies**

There are currently two insurance policies with differing arrangements regarding contributions by members towards the premiums:

1. The first (Associations Liability Policy) covers Officers and Executive of, and Professional Indemnity / Products Liability for, the ASF and all member clubs. -By determination of the Council, all members are required to contribute towards this.
2. The second is Public Liability insurance which indemnifies against claims by members of the public arising from actions of ASF members. -Again, by determination of the Council a contribution is payable by all members, except those who have been exempted (see Exemptions below).

### **Who is covered by the insurance?**

The Insured:

*"The Australian Speleological Federation Inc., State Bodies and Councils, Individual Members and Provisional Members, Corporate Members and Provisional Member organisations and Clubs but not Associates, together with their respective committees, sub-committees, officers, officials, members (however defined), Landowners, Leaseholders and the Crown."*

### **What is covered by the insurance?**

The business/activities:

*"Cave, Karst & Mine Research, Exploration, Surveying & Recreation, Equipment Testing, Publishing and Photography, Caving (inclusive: Diving) together with training and practice for the above activities and all activities associated therewith Property Owners and / or Occupiers, Leaseholders and / or Tenants. Trustees of property."*

### **Are there specific exclusions?**

At present, member-to-member claims are excluded, as are practical (i.e. non-classroom) training. The Insurance Commission and Executive will continue negotiations on these as required.

## **Is Training covered?**

Currently, the policy on offer only covers for ‘classroom’ environment training – lectures with training from notes. If you wish to ‘show’ someone how to tie a knot, do practical rope, ladder or SRT work etc – the policy does not cover this in a classroom or outdoor environment.

## **General Implications**

1. As individuals, only Members of ASF (defined in the Constitution ss. 13, 14, 14A & 14B) are covered. There is no provision for visitors attending an ASF club trip. It follows that in order to be covered by the scheme, visitors must become members of some kind, whether within a corporate club or of ASF directly.
2. It is necessary to maintain a Register of Members. The Register of Members covered at any given time is the list appearing on the ASF Web-site, or otherwise as determined by the Executive. It follows that clubs must ensure that their membership list is maintained accurately, reviewed regularly and updated *immediately* whenever a new member of any description is admitted. The ramifications could be disastrous for a club member, club and/or ASF if this procedure is not maintained by the club!
3. The ASF Membership Secretary will ensure that Individual Members of ASF (as defined in s. 14 of the Constitution) are included in the Register of Members.

## **Operational Principles**

Administration of the insurance scheme by the Executive and the Insurance Commission will use the principles that:

- members pay an equitable contribution;
- it is efficient to collect;
- it complies with legal requirements relating to utmost good faith and material disclosure;
- any significant alterations to the risks covered and/or the premium payable will be discussed with clubs; and
- financing and administering the scheme will not impose an administrative burden on ASF such as to impede the ability of ASF to pursue its core objectives as set out in the Constitution.

To comply with operational principles, ASF may require Corporate Members and others to ensure that their membership list and procedures comply with the requirements for utmost good faith and material disclosure.

## **Renewing the policies**

The policies will be renewed automatically by the ASF Executive from year to year on the following basis:

If the quoted renewal premium in any year involves an increase of less than 10%

AND

If there is no significant change in the risks covered

AND

If the premium can be paid without recourse to other ASF funds.

If any of these conditions is not met, the matter will be put for determination by the clubs.

## **Determining the contribution payable towards the insurance premiums**

The “contribution payable” means the amount levied by ASF. Clubs may determine whether to seek a higher or lower amount from their members e.g. to provide cover to active Life Members.

In determining the contribution payable, a 'buffer' allowance will be included. The buffer will provide for the 'excess' payable by ASF in the event of a successful claim on the policy, for the contingency of an increase of up to 10% in the following year's premium, for any concessions granted (see below), and for possible shortfalls between the estimated number of members and the number actually paying.

The contribution will be determined using the same principles determined over the years since the scheme was introduced, viz.

- All individual members (except Fellows of ASF) contribute equally to the policies covering Directors and Officers Liability, Professional Indemnity and Product Liability.
- All individual members contribute to the Public Liability insurance, subject to "Exemptions" below, and all members contributing to the ASF Public Liability Insurance scheme contribute equally, subject to any concessions granted (see below).

The total contribution payable towards Public Liability Insurance will be calculated as the quoted premiums plus 15% "buffer allowance", less any accumulated but unused earlier buffer allowances. The contribution payable per member will then be determined as this total divided by the estimated number of individual members, however defined, less those exempted (see below). Members who are members of more than one club choose which club will collect their contribution payable, and will be listed by that club on the Register of Members.

#### **Concessions to new members, Honorary Life Members of clubs (HLMs) and others**

ASF and member clubs recognise that all members, no matter their level of activity, create some exposure to the risk of a claim. It is also recognised that any concession granted to some classes of member may increase the contribution paid by all others.

**Honorary Life Members:** HLMs of clubs may be exempted from contributing to the scheme if they are inactive i.e. they do not ever attend a club caving trip, whether they enter a cave or not, and they do not habitually attend any other club functions (including meetings, dinners or social occasions organised in the club's name) during the course of the club's ASF membership year. Clubs wishing to exempt HLMs from contributing to the scheme must provide a list of such members to ASF at the time of paying their annual ASF subscription. Active HLMs are required to contribute to the scheme. However clubs may determine whether this will be by the HLM paying a normal contribution, or by the club increasing the fee charged to their other members in order to also cover HLMs.

**New members:** are defined as those who are new to the Federation and are members of club's that have applied successfully for a discount on the grounds that their sports union already provides public liability coverage. This category was accepted by the council at the January 2003 AGM and is designed to encourage membership to the ASF in the competitive University Orientation Week environment.

**Introductory members** are defined as those who have not previously been members of the ASF, and may include those who previously have been treated as visitors. Introductory members are covered by the policy for a period of 3 months from the time of acceptance of membership by the club and subsequent inclusion on the registry of members. Introductory Members may progress to another membership category at the end of the 3 month period. The fee owing in these circumstances is calculated on a pro-rata basis by dividing the annual rate of the particular membership category in question by the amount of months left in that club's membership year.

**Fellows of ASF** are exempt from insurance contributions but are encouraged to consider a donation to other ASF activities.

**Individual members** as defined in s. 14 of the Constitution may on application and at the discretion of the Executive be exempted from contributing to the ASF Public Liability Insurance Policy on the same basis as for Honorary Life Members of clubs.

## **Family Memberships**

Family membership requires payment of a higher contribution and will cover two adults and all children of one family living at the same address. Single-parent families pay one contribution.

## **Visitors**

Visitors are *not* covered by the insurance. All clubs are expected to ensure that only members attend club trips and if necessary to amend their rules to facilitate admission of Introductory members.

## **Exemptions from contributing to the ASF Public Liability Insurance Policy**

Corporate Members who previously were exempted from contributing to the ASF Public Liability Insurance Policy, may continue the exemption on the following basis:

1. Their members are covered by a public liability policy, held in the name of another organisation e.g. a university.  
AND
2. That policy offers cover comparable to that provided by the ASF Policy  
AND
3. The club provides a written assurance to the ASF that the above conditions are satisfied, and a certificate of currency is also provided.

Exempted Corporate Members are still required to pay their share of the Associations Liability Policy, and, as a matter of equity, to pay for any of their members who are not obligated to pay a contribution to the other public liability policy .e.g. in the case of university-based societies, those members who do not pay a fee to the Student or Sports Union.

## **New Corporate and Provisional Members**

The contribution payable by new Corporate Member clubs will be the same as for existing clubs. In accordance with previous decisions, New Provisional Member clubs may at the discretion of the Council be granted a concession.

## **Reductions of Premium**

In the event that any negotiations resulting in significantly reduced premiums, there will be no refunds but members will be credited in the following year and this amount will be determined by the executive and ratified by the council.

## **Dates for Payment**

The insurance contribution forms part of and will be due at the same time as the ASF subscription, but will be determined and shown separately on the invoice. For so long as the policy is in effect, clubs remain insured for the subscription year of their ASF membership, regardless of when the premium is actually paid by ASF.

## **Unfinancial Members**

Members whose membership fees (including insurance contribution) are not paid by the payable date as stated on the membership fee invoice, would no longer be considered financial members of the Federation and therefore would no longer be covered under the ASF's insurance policies.

In accordance with s. 84 of the Constitution, these rights and privileges will be automatically reinstated if all membership fees in respect of that member are received

## **Membership Sub-Committee**

The Membership Subcommittee which includes the Membership Secretary and the Convenor of the Insurance Commission, has been established to facilitate working of the Insurance Scheme and to decide any applications for exemption from the ASF Insurance Scheme