

# Baptist Insurance Services

AUGUST 2015

In this edition

## CYBER RISK

One of the biggest changes over the past few decades is the way that we use technology to help us in our day to day tasks. For many of us, gone are the days of keeping paper records and using manual accounting processes. Now, it's all about the ease with which we can conduct our day to day business and keep in touch with people. Smartphones, interactive web sites, computers of every size and description all play their part in making our lives simpler but can expose us and our organisations to the growing threat of Cyber Risk.

'Cyber risk' is any risk that involves a financial loss, disruption or damage to the reputation of an organisation from a failure of its information technology systems. This could include:

- Computer attacks
- Operational or administrative error
- Transmission of a virus
- Breach of Privacy caused by hackers
- Cyber extortion
- Reputational risk



Most of our churches would say that they're not an online organisation and therefore not exposed to cyber attacks. This is questionable as these same churches are likely to have files and records stored on computers which are connected to the internet and are therefore responsible for the protection of that information.

Changes to the Privacy Act 1988 mean that organisations could face substantial fines for data breaches. This internet connectivity also means there is potential for other issues, for example, computer viruses, hackers obtaining access to your bank accounts and information being transmitted accidentally.

Risk management of cyber risk is more than just a technology solution. It must be integrated into normal day to day activities. You must understand what risks you have and how these are addressed. For example:

- What assets are you trying to protect and why?
- In the case of data, how do you store the information?
- Who has access to the information?
- How do you protect this data?
- What steps are you taking to ensure the security of your computers, networks, emails and other tools?

There are certainly actions that can be taken to lessen the chance of cyber risk but these will vary for every organisation. Effective cyber resilience means that you must make a commitment in both time and resources to protect your organisation.

Risk Management & Burglaries  
2

Insurance Renewal  
2

School Parental Permission Forms  
3

Medicare "Gap" Expenses  
4



**What insurance cover do trailers come under?** Registered trailers must be insured under our Motor Vehicle policy. This is an optional policy and does not form part of the "Standard Insurance Package." Please contact your local BIS office to arrange cover if appropriate.

**How does travel insurance work in Australia?** If you are away on an authorised business trip from your church or organisation, and the destination is greater than 50km from your organisation, then travel insurance will come into play. However, it is important to note that travel insurance within Australia does not cover medical costs.

**People outside our church want to hire our building for a birthday party. Do they need to obtain their own insurance?** No. All private family functions, eg birthday parties, weddings, funerals, are covered under the church's insurance. However third party organisations who wish to hire for other types of functions, will need to obtain their own public liability insurance.

**Do we have any cover if one of our volunteers injures themselves whilst working at the church?** Yes, you do subject to policy terms and conditions. As part of the standard core policies issued to every church, there is a Voluntary Workers Personal Accident cover. The volunteer age range is from 12 (high school age) to 85 and the incident would have to occur when the volunteer was engaged in an authorised voluntary activity/ministry with the church.

**As a church or ministry leader, how do I find information on my responsibility for Work Health & Safety?** Significant penalties attach to organisations and responsible people if a safe work place is not maintained and people are injured. Accordingly BIS has developed on-line training resources to help you understand your WHS obligations. See the BIS website for more information.

# Baptist Insurance Services

## RISK MANAGEMENT AND BURGLARIES

We are seeing a rise in the number of burglaries, especially in churches. Some areas seem to be more prone than others. However, it is important that all churches and organisations have an effective risk management plan in place to reduce or mitigate the risk of theft. Research shows that reductions in burglary incidents can be achieved through often simple and cost effective measures. Below are some examples.

Forcing a door or window is the most common entry technique used by burglars. So it is important to have suitable locks installed. Make sure all external doors have deadlocks fitted. A strong lock will be an added deterrent for burglars as they require extra force to gain entry. Ensure all opening windows are fitted with key-locks and the keys removed when the building is unoccupied.

While budget may be a challenge for many churches, we recommend an appropriate alarm system be installed and external signage advertising the system.

Lighting is also a deterrent. Make use of sensor lights around your property, or keep external lights on at all times.

Be sure the safe in which you keep your money and other valuables is strong enough to deter burglars. If it is a combination lock safe, ensure the combination is only known to a limited number of designated people and kept secure, ie not written down somewhere that is accessible to anyone but those authorised. If it is a key lock safe, again, make sure the key is secure.

Key control can be a major issue in organisations. To keep keys falling into the hands of burglars, here are some recommendations:

- Issue as few keys as possible.
- Keep your records on key distribution up-to-date so that you know what keys have been issued to whom.
- Have one key and lock for outside doors and a different key and lock for your office.
- Take a periodic inventory of keys. Keys are often not returned or are passed on to others unofficially. Have designated people show you each key so you will know it has not been lost, mislaid, or loaned.

Cash on hand attracts a burglar. Don't build cash up. Bank all excess cash each day.

Ensure expensive items such as sound equipment, musical instruments, electronic devices are locked away when the office/building is unattended. Draw curtains and blinds so potential burglars cannot see in to what is available for them to steal!

There is no easy solution to the problem of ensuring security is maintained. What is appropriate for one organisation may not be for the next. What is important is that administrators are aware of the problem, assess the individual needs of their organisation and have a system in place to minimise the risk of theft.



## INSURANCE RENEWAL

The new Insurance renewal period commences 30 September 2015. Each year, we investigate the market to look for the most competitive insurance program for our Baptist family—not just in terms of pricing, but importantly, to ensure that you have the most comprehensive cover to protect you, your buildings and your ministries. The policies are tailored to suit and support the unique nature of churches and Christian organisations.

Can we encourage you to take this opportunity to review your contents and ensure that the valuation Baptist Insurance Services has on file for you is correct. As a tool to assist you in working out your current contents valuation, we have a Contents Inventory Template available from your local BIS office.

Remember that equipment stored on your premises, but owned by staff or members of your church or organisation, may not be automatically covered. Please contact your local BIS office for further clarification.

Also please advise us if you have changed address, personnel, or are planning renovations so that we can ensure your records are up to date on our system.

# Baptist Insurance Services

## SCHOOL PARENTAL PERMISSION FORMS

Schools have a non-delegable duty of care in relation to their students. This duty extends to off-campus activities. A school cannot rely solely on a third party to provide the correct level of care.

It is unlikely that the school is able to avoid liability for negligent acts; however, any attempt to do so should be clearly expressed with wording that specifically refers to excluding liability for negligence. Wording of forms should be reviewed by the schools legal advisors, particularly in respect of any exclusion or indemnity components.

Parental permission forms are intended to provide information to parents so that they can provide informed consent for their child to attend the described activity. The proposed activity should be described in full including underlying risks and proposed controls. Any proposed transport options should be described so that specific permission can be given.

The medical and dietary component of permission forms enable parents to provide information outlining any pre-existing conditions that might impact a student's ability to fully take part in the activity or assist in the provision of emergency treatment options. It also captures parents' consent to obtain emergency treatment and their agreement to pay the costs of such treatment.

Permission forms should provide a full description of the activity and its associated risks and controls. Information provided should include:

- Educational purpose of the activity
- Cost of activity and any financial assistance available
- Location and/or itinerary; facilities available
- Pertinent accommodation and sleeping arrangements
- Activity schedule
- Relevant risks and safety precautions
- Specialised clothing and equipment requirements
- Number of adults who will accompany and supervise students
- Supervisory arrangements, especially for self-reliant activities and excursions for young children
- Contact person and contact details
- Contingency plans including alternate activity program



**Don't forget to check out the BIS website for more information on:  
[www.baptistinsurance.com.au](http://www.baptistinsurance.com.au)**

## RISK MANAGEMENT GUIDE FOR CHURCHES

We are excited to announce that the Baptist Insurance Services *Risk Management Guide for Churches* is about to be printed! The Guide will provide practical guidance for recognising and properly managing risk. You can expect your copy after renewal.

### BIS Insurance Panel

Below is a summary of your insurance providers for the period 30 September 2015 to 30 September 2016:

Property	<b>Allianz Insurance</b>
Liability and Professional Indemnity	<b>Vero Insurance</b>
Personal Accident (Volunteers and Youth)	<b>Accident and Health</b>
Personal Accident (Pastors and Spouses)	<b>Accident and Health</b>
Corporate Travel	<b>ACE Insurance</b>
Management Liability and Comprehensive Crime	<b>Chubb Insurance</b>
Motor Vehicle (Cars, Trailers, etc)	<b>Vero Insurance</b> - only for those who have received a separate invoice for this
Marine (Canoes, rafts, kayaks, boats)	<b>Vero Insurance</b> - only for those who have received a separate invoice for this
Contract Works (for works over \$500K)	<b>Vero Insurance</b> - only for those who have received a separate invoice for this

# Baptist Insurance Services

## MEDICARE “GAP” EXPENSES

In relation to personal accident claims, one of the most common questions we are asked is, “Why can’t the Insurer pay the gap between the total cost and what Medicare pays?”

This decision did not originate from the Insurance Industry. The Government passed an Act called the Health Insurance Act 1973. This Act prohibits an Insurer from paying on medical costs that attract a Medicare rebate. All Insurers, Health Funds (and others) must comply with this Federal legislation and are therefore unable to reimburse medical expenses that are covered by the Medicare Scheme.

For example, the Insurer cannot pay:

- Any out of hospital or outpatient expenses which have a Medicare component.
- Any amounts above the Scheduled Fee, or “gap” fees related to Medicare services
- When you are a public patient in a private or public

hospital as everything is covered by Medicare in this circumstance.

- Specifically, for out of hospital Doctor or Specialist visits, Medicare refunds 85% of the Scheduled Fee.

No-one can reimburse any other amount for these expenses.

- Pharmaceuticals items that are subject to the Pharmaceutical Benefits Scheme (PBS), or Pharmaceutical items that cost less than the yearly indexed PBS amount.

If you are lodging a personal accident claim, please also be aware that claimants are required to pay their accounts upfront and then claim from their private health fund if applicable, before submitting a claim to their local BIS office.



## IMPORTANT!

Please note that Property Claims need to be notified as soon as possible, ie within 14 days. If claims are not reported in a timely manner after the date of loss/damage and/ or the insurer’s rights have been prejudiced, your claim may not be accepted. Unless there are extenuating circumstances, claim notification outside 6 months will not be accepted.

## Motor Vehicle Insurance

(This relates only to those who have paid an extra premium for Motor Vehicle Insurance)

For those who have their motor vehicle insurance through BIS, if you do have a motor vehicle accident, please contact Vero direct to lodge your claim and quote the motor vehicle policy number. The Vero claims consultant will assist you with the claims process. If your vehicle falls under Vero’s “SMART repair” criteria, you must use the “SMART” Centre for repairs. If a repairer asks you to pay the excess directly, please do not pay, but contact the BIS office as all excess invoices come through our office, and not through the repairer or insurer.

## Potential Claims

Please contact your local State BIS office as soon as you are aware of any potential claims, ie where you receive/have:

- A verbal complaint which cannot be easily solved and without expense
- A letter threatening legal action from an individual
- A solicitor’s letter threatening legal action
- A writ/summons/subpoena/legal court document
- Have a contentious employee termination

If you have any potential claims that have not yet been reported to us, please advise us immediately.

## BAPTIST INSURANCE SERVICES CONTACTS:

Queensland	Ken Conwell
New South Wales/ ACT	Tim Williams Judy Henderson
South Australia/ NT	Glenn Dixon
Victoria	Jean Lim Sue Roggero
Western Australia	Natalie Coulson
Tasmania	Rodney Marshall
National	Kym Bennetts Stephen Lockrey