



Risk management tips for tour guides

TOUR GUIDES received valuable tips on risk management when JMD Ross travel specialist Tim Ross spoke at an Institute of Australian Tour Guides (IATG) seminar.

A risk management failure was generally responsible when injury or property damage occurred and that was the trigger for a public liability policy to respond. Mr Ross said risk was inherent in the wide range of activities in which professional tour guides were involved.

They needed to be familiar with the principles of risk identification, evaluation, reduction and transfer.

IATG members needed to drill down into details of the site and the activity to identify potential risks. They needed to consider the likelihood and consequences of risks.

“There are lots of activities that may seem straightforward but the combination of participants’ lack of familiarity with an activity, issues arising out of group dynamics and unforeseen hazards may lead to an explosive situation,” Mr Ross said.

“This underlines the importance of thinking through and being prepared for the ‘what ifs’ so you can minimise their occurrence.”

Tour guides have a duty of care to participants and breaches of the duty can occur through negligence.

Mr Ross warned guides not to continue with unsafe practices because “they’ve always been done that way”. “Don’t let complacency creep into your workplace.”

He warned too that insurance policies were conditional contracts. “They are not designed to cover every contingency.” Exclusions were one of the conditions.

For example, tour guides’ public liability cover excluded some liability arising from aircraft, watercraft longer than eight metres and motor vehicles. It was the intention of other insurance policies to cover incidents involving aircraft, watercraft or vehicles.

Mr Ross left guides with a sobering example of a risk management failure – the Swiss canyoning disaster in which 18 tourists and three guides died. Three directors of the tour operator were found guilty of failing to conduct a risk analysis.

Phone Tim Ross on (02) 9478 0808 or email tross@jmdross.com.au



Masterpiece offers expanded benefits

HOME AND CONTENTS INSURANCE is a pretty standard product. Right?

Wrong. While clients are always keen to ensure their business assets are adequately protected, many buy only standard home and contents cover.

However, for expensive homes and contents there are additional benefits available with a Masterpiece policy.

The Masterpiece policy, underwritten by Chubb, includes much broader benefits than standard policies.

Steve Warren, Chubb’s Australian regional manager, personal lines, said underinsurance was rife, but Chubb offered a free appraisal service on every home insured under a Masterpiece policy to ensure the building sum insured was accurate.

The policy’s extended replacement value means your \$2.5 million home is replaced, even if your cover is for only \$1 million. “If it costs more to rebuild, it’s still covered when an insured decides to rebuild in the same location.” However, if an insured takes the cash option, the amount paid is the sum insured in the coverage summary.

The cover is available for building sums insured of a minimum of \$500,000 in Victoria or New South Wales and \$400,000 in other states. While coverage is generally within a 200km radius of capital cities,

homes in other areas that are serviced by town water and a manned fire brigade, for example, Byron Bay, are also considered.

“We avoid cyclone and bushfire areas and are cautious about earthquake zones,” Mr Warren said.

For contents, the minimum sum insured is generally 30% of the building sum insured or \$200,000 for unit owners/tenants, although Chubb has flexibility on the amounts. There is a \$20,000 sublimit for jewellery, \$10,000 for silverware, \$5,000 for furs and \$2,500 for money for any one loss.

Mr Warren said valuable articles could be insured separately on the policy. Valuable articles coverage is available worldwide. There is no deductible and cover can be blanket or itemised. Loss of market value coverage is standard for partial losses under that section of the policy.

Personal liability coverage under the Masterpiece policy is \$20 million any one occurrence and the territorial limits are worldwide, including the USA.

JMD Ross director John J Duncan said Chubb had a well-deserved reputation for superior claims service.

Ensure your home and contents are fully insured. For more information, contact your JMD Ross account manager.

NSW Government reforms workers' compensation premium system

THERE HAVE BEEN significant reforms related to premiums for the NSW WorkCover Scheme.

This is a snapshot of the reforms.

As at December 2005:

- Introduction of an experience formula based on an employer's claims experience, relative to its industry's experience.
- Changes to thresholds for experience ratings for employers with annual wages greater than \$300,000 and a basic tariff premium greater than \$10,000.
- Changes to claims excess rules to encourage early reporting of claims by employers.

As at June 2006:

- A 10% reduction in premiums, in addition to the 5% reduction announced in December 2005.
- New grouping provisions for related companies.

To ensure employers cannot structure their businesses to avoid paying correct premiums, mandatory grouping provisions for related businesses began on June 30. Briefly, the grouping provisions require the following:

- Grouping applies to employers with combined annual wages exceeding \$600,000.
- Employers are grouped if they are related corporations under Section 50 of the Corporations Act 2001 or if the same person or persons have a controlling interest in each of two or more businesses.
- If an employer has more than 50% ownership in a joint venture, the joint venture will be included in any group that includes the employer. If no individual employer in a joint venture has a majority ownership (more than 50%), the joint venture will be excluded from grouping.

- Group members must transfer policies to a single scheme agent. Renewal dates of all policies must be aligned.
- Employers may select their preferred renewal "date if it is an existing renewal date within the group and the date is between June 30, 2006, and June 29, 2007.
- Self insurers, specialised insurers and householders' domestic policies are excluded from grouping.
- Non-profit organisations may apply for exemptions. If granted, exemptions apply on a whole policy basis.
- Employers who are members of a group are required to register with NSW WorkCover and are allocated a six-digit group number. NSW WorkCover is committed to advising all registered employers of their obligations.
- Employers must advise NSW WorkCover of any change in their grouping structure within 14 days.
- A group's eligibility for tariff caps is assessed using the basic tariff premium for the group. Capping applies to the premium payable for each individual employer in the group, not the group premium payable.

The insurance premium order allows a group's premium increase, as a result of grouping, to be capped at 25% a year over three years. Requests for premium capping should be referred to NSW WorkCover for assessment.

- Article provided by QBE Insurance (Australia) Ltd. It is for general information only and does not take into account matters specific to your business. Seek independent professional advice before acting on anything in this article.

Contact your JMD Ross account executive for more information. ➤



JMD Ross joins cyberspace

JMD ROSS Insurance Brokers has finally found a place on the world wide web.

It has been a while in the gestation, but JMD Ross's website is now live.

The new, vibrant site, www.jmdross.com.au, echoes JMD Ross's signature colour of red, featured in its two-tone logo, and contains information on the directors and senior executives, products and services, and international organisations with which JMD Ross is associated. JMD Ross's regular newsletters can be downloaded in PDF format.

Project management of the site was overseen by insurance industry communications consultant, Kate Tilley, and built by Ty Skinner, a young web designer

who works for his father's Brisbane-based agency, Mark Skinner Advertising.

The goal with JMD Ross's site was to showcase the company and its specialities and introduce the key employees. The brief included a requirement that the site be easy to navigate and fast to work with.

Ty Skinner was selected from potential designers because he focuses on the practical aspects of internet communication as well as visual appeal. Simplicity was paramount. He also bought a youthful, fresh approach to the project.

The JMD Ross site is "a work in progress", with regular updates and modifications. Take a look at the site and let us know what you think. Is there additional information you would like included? Your feedback is welcome, email jgduncan@jmdross.com.au or ktj@bigpond.com. ➤



www.jmdross.com.au

Job, family Claire's twin passions

IT IS NO SECRET Claire Wakeham is passionate about her job and she is equally passionate about her family.

Claire (*below*) began working with JMD Ross in 1999 after deciding to “go to the other side of the fence”, and move from underwriting to broking. “When I started with JMD Ross I had a basic knowledge of small business insurance, but most of my experience was with domestic covers.”

Now specialising in SMEs, large commercial accounts and high-net-worth domestic clients, Claire said the team at JMD Ross had helped her gain the knowledge she needed to excel at her job.

“To my credit, I am a quick learner, but without my colleagues it would have been much more difficult. Particularly John J Duncan and Sandy Ross.

“John has been a valuable mentor. I would accompany him on the road to see clients and I learnt a lot about client interaction, how to listen and meet their needs,” she said.

“Sandy also has a wealth of experience and knowledge and is highly regarded in the insurance industry. He has taught me so much and has taken the time to explain technical and complex issues of insurance.”

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Contractual indemnities are clauses that require you to indemnify another party for loss or damage. Leases and contracts to provide goods and services can contain contractual indemnities that detail what losses/damages are to be met by the parties to the contract.

The danger is that, if the contractual indemnity is not covered by insurance, you are potentially exposed. In most liability policies, insurers will not cover liabilities assumed by contract, unless they would have existed at law, regardless of the terms of the contract.

“If you agree to enter into a contractual liability, it is important to determine whether the agreement is automatically covered or whether we must negotiate with the insurer to obtain coverage, if possible,” Mr Duncan said.

“It is best to avoid trying to negotiate cover once the contract has already been signed.” ➔

Claire’s job satisfaction comes from meeting clients’ needs with professional, friendly service. “Dealing with clients and having one-on-one communication is very important to me. They become more than just clients, they become part of the family.”

Outside the office, Claire enjoys the support of a close network of friends and family. “I would never give up my friends and family. They are always there whenever you need them to offer love and support. There is nothing better than catching up with girls for a bottle of wine and lots of laughs. They give me a reality check when it’s required, too.”

Claire most admires her children, Adam, 13, and Madi, 7. “They are the backbone of my existence and they never cease to amaze me. Watching them grow into little human beings with their own personalities, they bring so much joy to my life, I could not be more proud.”

The family enjoys time together and both children are heavily into sports. “Adam plays soccer, basketball and golf and Madi does swimming and gymnastics.

“We just bought a small leisure boat, too, so we enjoy spending time on the water when we can.”

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