



from the HHH Claims Settlement Scheme.

The University of Sydney and the New South Wales Rugby Union are being sued because a rugby scrum collapsed in April 1982. This twenty year old incident highlights the importance of maintaining liability insurance policy details “forever”.

## 5. **2002 Renewals**

One Unimutual member was very concerned about Unimutual’s ISR premium increase of 143% as their past claims had been less than the premium in each of the past ten years. They were seeking quotations for an aggregate excess to supplement their 2002 excess of \$50,000 any one loss.

Another member said they sought tenders from Unimutual, AON and Marsh (who pulled out early). Unimutual’s premiums were significantly higher than AON’s (which were 15% higher than 2001). Excesses also increased - ISR from \$2000 to \$10,000, Motor vehicle from \$100 to \$1000, PI from \$1000 to \$5000 and EPL from \$500 (plus a percentage of legal expenses) to \$10,000.

Another member said their ISR premium had increased by more than 125% and their excess from \$5000 to \$10,000. Motor vehicle experienced a 75% increase with the excess increasing from \$500 to \$1000.

A New South Wales member referred to a 138% ISR increase and a 98% liability/PI/D&O increase (which excluded medical malpractice, clinical trials and research). Obviously there would be a significant premium involved in this cover, when it was available. Clinical academics working in public hospitals in NSW could possibly be covered by NSW Treasury Managed Fund, but a university employee working as a medical practitioner in a clinic might have to be reclassified as a contractor.

Motor vehicle premiums had reduced by 30% and although personal accident/travel premiums were similar to last year, the benefits had increased.

Employment practices liability had been lapsed, perhaps due to problems which may arise by relinquishing claims control to insurers.

Another member said AON’s terms showed an overall increase of about 50%, comprising ISR 46% increase (and excess increasing from \$2000 to \$10,000), and both liability and PI experiencing 50% increase. They were advised on 21/1 by AON that cover would exclude medical malpractice for their medical and allied health schools.

As a number of members present were insured with Unimutual, discussion ensued concerning the different premium increases experienced by members on Unimutual's policies. Gordon Young (Sydney) agreed to email members concerning transparency of Unimutual's rating basis, pointing out that if the rating criteria is not known, steps cannot be taken to improve one's rating.

A further member experienced a 143% ISR increase (and the excess went from \$10,000 to \$100,000), a 25% liability increase (with excess from \$2,000 to \$10,000 and limit reduced by one third) a 362% increase on PI (with excess increased from \$5,000 to \$10,000 and medical malpractice excluded) and D&O experienced a 274% increase (the latter in spite of no D&O claims being lodged against Unimutual by any university over the past ten years!).

Machinery breakdown consequential loss was no longer covered by Unimutual although AON still provided \$500,000 cover.

Personal accident terrorism exclusion – some insurers included terrorism in their policy, while others excluded it (and a few universities had the normal war exclusion deleted to give them cover for both war and terrorism).

## 6. **Constitution**

This matter was deferred to a future meeting.

## 7. **Conference**

Barry Blight agreed to telephone John Mullarvey, CEO of AVCC, to see if the third AURIMS conference could be advertised as an AVCC Insurance & Risk Management conference. The brochure, when available, will be sent to all VCs in Australia and New Zealand, as well as all members (and to the Insurance Departments of those universities that currently are not members of AURIMS).

Planning for the conference, which will be held at Monash University on May 16 & 17, was well under way and only a couple of amendments were necessary to finalise the conference program.

## 8. **Minimising the fire risk in student accommodation**

La Trobe's Buildings & Grounds Dept have agreed to include an item in future budgets to retrofit sprinklers in all existing residential accommodation buildings. In view of the cost, this will not occur quickly but nevertheless the first step is to have it as a continuing budget agenda item.

In view of the high heat intensity of portable halogen reading lamps, Barry Blight (La Trobe) was endeavouring to have them prohibited in the university's residential accommodation buildings.

Cases were mentioned where smoke detectors had their alarms disconnected and batteries have been isolated or rendered ineffective – instances such as these highlighted the importance of having smoke detectors hard-wired.

Trevor Askie (Newcastle) said he was interested in fire videos in universities, and as Barry Blight has some he agreed to lend them to him for review.

**9. Managing, recording and settling under-excess claims**

It was acknowledged that insurance or risk management offices would not be able to obtain full records of all thefts, as most schools and departments would not report losses below the excesses charged to them.

Bill Dunne (UNSW) advised he had reviewed the \$2,500 internal excess on computer theft – if schools or departments followed the recommendations of the Risk Management Office, the excess would be \$1,000, otherwise thefts would not be covered at all.

**10. School students and work experience**

Christine Cummings (Sydney) queried the approach adopted by the universities with regard to school students undertaking work experience at university campuses. The situation varies between States, according to the approach adopted by each State Education Department.

**11. Information guides on Directors' & Officers' liability insurance**

Christine Cummings (Sydney) advised their Legal Office had produced a summary (in draft form) of the exposures facing nominee directors (ie University employees acting as directors in non-University companies).

**12. Property protection – staff encouragement**

The Security Manager at one university had publicised his “lock it or lose it” approach, which appeared to have reduced the number of thefts.

Bill Dunne (UNSW) advised his office was publicising a new type of lock for laptops via their Risk Management website under “notices and newsletters”.

**13 Risk Management Initiatives being undertaken**

Barry Blight (La Trobe) advised their Insurance Office was undertaking a pilot risk management assessment or audit of 2 or 3 schools or departments.

John Tokatlidis advised VUT were seeking to employ a corporate compliance officer

with responsibility to undertake a risk management assessment or audit over all areas.

Skateboarders continue to be a problem at some universities where Security has been unable or unwilling to keep them off campus.

14 **Claim stats to assess self insurance levels**

Bill Dunne (UNSW) has categorised past ISR claims into various levels or layers eg 0 - \$500, \$501 - \$10,000, \$10,001 - \$20,000, etc. By adopting this approach, comparing the premium quotations at different excess levels with the losses which would be self-assumed at those excess levels made it a relatively simple matter to choose the most appropriate excess.

15 **Working with the Contracts & Legal Departments**

The importance of Insurance Offices working closely with the Contracts and Legal Departments was stressed, as some Legal Offices do not have a sufficient knowledge of insurance requirements. Instances were given where input from Insurance Offices had not been sought, and as a result some signed contracts contained onerous provisions which were not covered by insurance.

**Next meeting**

The annual conference at Monash University on May 16 & 17, 2002.

The following meeting will be held at Victoria University of Technology in suburban Footscray on Thursday 22 August 2002.

Signed as a true and correct record:

..... Chairman

..... Date