

# Baptist Insurance Services

AFSL # 514857

June 2023

## CEO LETTER TO CONSTITUENTS

In this edition

CEO Letter  
cont . . .  
2

Our Standard  
Package  
2

Why BIS is re-  
questing more  
information  
3

Member Portal  
&  
Next Steps  
4

**The following excerpt was recently emailed out to all our constituents:**

Baptist Insurance Services has been working hard behind the scenes as we lead up to our next Renewal period – 30th September 2023 to 30th September 2024.

As you are aware, we are pursuing 2 options for Renewal

1. Obtaining a traditional insurer, and
2. Establishing a DMF for this year's renewal 30th September 2023 if using a traditional insurer is unaffordable, unattainable or offers significantly reduced coverage.

You may be aware that Catholic Church Insurance (CCI) confirmed yesterday (30/05/2023) that they will no longer be issuing renewal or accepting new businesses. CCI have stated that unfortunately, due to an inability to "secure sufficient capital contributions from shareholders" it is no longer able "to continue operations in line with regulatory requirements."

BIS will continue to have insurance cover up until the 30th September 2023 with CCI.

The good news is that we are not dependent on CCI for our insurance cover for the next Renewal. BIS is currently discussing alternative insurance cover with other insurance companies and we are well on the way to setting up a DMF. Our next step is to procure a reinsurer – their role will be to insure us if we reach our set limit in paying claims. A reinsurer means that the DMF is just as safe as obtaining the services of a traditional insurer. One of the main benefits of the DMF will be that we are not subject to the volatility of the insurance market.

Now that CCI have announced publicly they are closing, we anticipate that some of the larger organisations we insure will be approached by other Brokers. We understand that it is always important to conduct due diligence, however we are aware that some of what is being communicated by them may not be the full picture. We encourage you to look at the following and compare:

- Excesses charged for each class of insurance.
- Check the policy wording as our wording is tailored to churches which means that the cover is broad. Much of what is being offered in the market currently is a carved-out version. This may mean that certain covers you require are excluded.
- You may well be offered a lower rate for the first year to obtain your account. However, traditionally we have seen rates significantly increase the following year to offset the lower rate in the first year, as well as returning to the current market rate.
- Service in claims can be reduced in this market due to cost-savings and reduced staff.

Moving forward, it is BIS's intention to continue to offer our standard package of protection/ insurance cover, and optional covers where applicable, whether we move to a DMF or continue to use traditional insurers. We understand that it is important to know your potential premiums for budgeting and decision-



**What is our obligation to electrical safety?** Safety switch testing and emergency light testing are mandatory and should be completed every six months and recorded. Failure to do so may put the church or your organisation at risk. For example, failing to comply with the Electrical Safety Act, failure to comply with the Workplace Health & Safety Act. If these and associated areas are found to be in breach, it can lead to fines that are not covered by insurance and more importantly, injury and loss of life. It is important to note that faulty wiring is a common cause of fires.

**Our Church has their own Facebook page - is it OK for anyone to post on that site?** We strongly recommend that churches establish certain controls over their Facebook pages. Many churches have a couple of administrators/moderators that manage their church's pages. All posts should first be approved by the moderator. This enables the church to control the page and ensure there are no inappropriate posts that can cause damage to the church's reputation.

**We are holding a community 'Fun Day' which includes various stalls. Is this covered?** Stalls where money is raised solely for the church are generally covered. However, stalls where goods are sold and monies kept by the stall owners are not covered. If you are running a community event, we recommend you contact your local BIS office to discuss cover. For some activities, the Insurer would require specific risk management plans in place to ensure cover.

**Why doesn't our Personal Accident insurance cover medical expenses that are fully or partially covered by Medicare?** Unfortunately Section 126 of the Health Act prevents personal accident insurance companies from paying medical expenses which are subject to a full or partial rebate from Medicare, including the Medicare Gap. Due to this Government legislation, Insurers can only pay Non-Medicare Medical Expenses.

# Baptist Insurance Services

## LETTER FROM BIS CEO continued . . .

making purposes. The one variable to finalising the contribution required by members is to obtain the costs associated with procuring the reinsurance cover to protect members from large losses (eg. flood/fire).

Reinsurers will only start to look at renewal terms after the financial year. So, we are unable to provide information around premium estimates until around the end of July/August – once we have factored in their costs. Traditional insurers would not be able to provide this information until around the end of August.

CCI's announcement is a demonstration of the volatility of the insurance market and BIS has made the strategic decision investigate the DMF as an alternative to ensure that we can continue to provide cost effective and comprehensive cover for you, our valued constituent.

We ask for your continued patience and cooperation as we work hard behind the scenes on your behalf. We are confident that what we are able to provide to you 30th September 2023, will be a comprehensive and cost-effective package. Should you have any queries, please feel free to contact us.

**Christopher Mackenzie**  
CEO

## OUR STANDARD PACKAGE - IMPORTANT CLARIFICATION

We have had a few of our constituents ask us this question: Does the establishment of a DMF for property cover mean that we will need to source all the other covers currently included in the Standard Package (Public Liability, Professional Indemnity, Management Liability, Travel, Cyber, Volunteer/Youth Personal Accident, Corporate Practices) ourselves? The answer to this is, no. BIS will still be providing covers included in our Standard Package. That won't change. The DMF will only include cover/s, protection for policies that are either too expensive in the insurance market or not available for our Baptist Family. Cover/s included in the DMF will be part of the overall Standard Package of covers that we will continue to offer.



[www.baptistinsurance.com.au](http://www.baptistinsurance.com.au)

Don't forget to check out our website. We have extensive information on risk management including downloadable documents, a list of FAQs, claims information and current updates on News. Or you can just type in what you are looking for in our search bar.



# Baptist Insurance Services

## WHY AM I BEING ASKED TO PROVIDE MORE INFORMATION FOR INSURANCE?

Since Baptist Insurance Services (formerly Australian Baptist Insurance Scheme) started, we have been in the fortunate position in obtaining the services of Insurers who understand churches or who have previously worked with churches and other Christian organisations. This has meant that each Renewal, BIS has been able to provide *summary* documentation to the Insurer rather than detailed documentation on each of our constituents.

What has changed?

Over the last few years, the insurance market has continued to harden, as well as downsize. With the impact of the following for example:

- \*Volatility of the national and global economy
- \*Ongoing impacts of COVID-19 (increased costs of goods and services, inflation, supply & demand issues, etc)
- \*Regular severe weather patterns – storms, floods, fires, cyclones
- \*Increased number of molestation claims resulting from the Royal Commission into Institutional Responses to Child Sexual Abuse

These issues and more have caused some Insurers to leave the market altogether. And current insurers are under pressure from their reinsurers (companies that insure the insurer) to review what and who they insure in order to get a better understanding of the associated risks and more accurately estimate future claim costs.

How do insurers obtain this information? By collecting detailed information from those they insure. This information ranges depending on what type of cover they are providing. With the hardening of the market and increased caution from insurers and reinsurers, it has meant the market has become risk-adverse as opposed to only a few years ago when the market was more willing to embrace risk.

As a result BIS is no longer able to provide summary documentation to our various Insurers. We are now being asked to provide more detailed and comprehensive information on each of our constituents.

If you went to the market individually and requested cover for property/contents and liability classes, you would be asked to complete pages and pages of information. Whilst what we are currently asking from you is a significant increase in information, it is still much less than what is market-standard.

As you are aware, we are currently looking at 2 options for Renewal:

1. Obtaining traditional insurers and
2. Establishing a DMF if traditional insurance is too expensive or we are unable to source an appropriate insurer

This has meant that we have had to put in a lot of work over the last few months as well as the months leading up to 30 September 2023, so that we can satisfy potential insurers, reinsurers, our broker, lawyers, actuarial companies, etc.

We do ask for your patience as we work hard for our Baptist Family to ensure the best tailored cover that is below market rates. We understand that those we insure are busy serving in their fields, whether that be Schools, Churches, Campsites, Aged Care and other various ministries and our requests for information add to your workload. However, your assistance and timely returns on information requested is greatly appreciated in order for us to provide the best protection we can for you.

## BIS Insurance Panel

*Below is a summary of your insurance providers for the renewal period 30 September 2022 to 30 September 2023:*

Property	CCI
Liability and Professional Indemnity	CCI
Personal Accident (Volunteers and Youth)	AIG Australia
Personal Accident (Pastors and Spouses)	AIG Australia
Corporate Travel	AIG Australia
Management Liability	CCI
Corporate Practices Liability	SUA
Cyber Protection	ProRisk (for Churches & Campsites only)
* Motor Vehicle (Cars, Trailers, etc)	Vero Insurance
* Marine (Canoes, rafts, kayaks, boats)	Vero Insurance
# Cyber for organisations other than Churches	Emergence

*\* This is only available for those who have paid an extra premium for this cover  
# Only available for non-Church organisations who have obtained a quote through BIS*

# Baptist Insurance Services

## MEMBER PORTAL

As we are getting close to the establishment of a DMF should the insurance market leave us with that option, it means we will need to keep more information confidential as well as providing access to relevant information and documentation to our constituents. This has created the need to create a 'Member Portal' on our website ([www.baptistinsurance.com.au](http://www.baptistinsurance.com.au)). To access this you will need to use a password. This password has now been emailed out to all our constituents and must be kept confidential. If you have mislaid the password, you will need to contact your local State BIS office. Currently the Portal holds information pertaining to the DMF including FAQs, presentation/s. We will shortly be uploading relevant newsletters. More documentation will be uploaded as we go.

## NEXT STEPS

Over the past few months, we have been working toward the establishment of a DMF. Once we receive all the final costings, including the costs of reinsurance, we will then be able to determine what the cost will be for our constituents. As advised, the DMF will be our option if the increases associated with a traditional insurer are too high for our Baptist Family. We have been advised that we can expect these figures sometime in August.

*By law, each DMF constituent must 'sign-up' to the DMF by signing a member agreement. As we will be working with tight time-frames due to the way the reinsurance market operates, please ensure you have discussed the decision to join the DMF within your organisation before the member agreement is received. Closer to the time, we will provide more detailed instructions, however, to summarise the process, all constituents will receive an email (via DocuSign) with a copy of the Product Disclosure Agreement, Financial Services Guide and DMF Member Agreement with an electronic signature. This will need to be actioned by you as soon as possible to ensure your cover continues. More information to follow.*

### 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, contact Vero direct to lodge your claim and quote the policy number. The Vero claims consultant will assist you with the claims process and direct you to use their own Repair Centres. Please note that all excess invoices will come through our office. Do not pay any excess you receive directly from 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	Stefanie Binnie
New South Wales/ACT	Tim Williams
South Australia/NT	Glen Thornley
Western Australia	Gail Maddocks
Tasmania	Rodney Marshall
National/Victoria	Chris Mackenzie Simone Ferro Sue Roggero Tamzin Fry