

DMF Update – July 2023

We continue to work with our lawyers, broker, actuarial firm and specialist DMF consultants behind the scenes. Things are progressing well and on schedule. We are now waiting on the reinsurance market to begin negotiations around protection for the DMF. The cost of insurance protection is the final element required to determine contributions that will be required from our constituents to join the DMF. We estimate that the insurance terms will be finalised towards the end of August – this timing is similar to a normal insurance renewal.

An estimated timeline for the prospective launch of the DMF is outlined below:

1 August	-	Going to the reinsurance market
16 August (insurers)	-	Indicative terms on DMF (reinsurance) and standard insurance program
18 August	-	Board meeting to approve member contributions and renewal terms and strategy
31 August	-	Contribution/premium calculations will be finalised
1 September	-	Distribution of member agreements to constituents to join the DMF (plenty of warning will be provided)
7 September	-	RSVP deadline for signed member agreements
15 September	-	Renewal pack including invoices to be sent out to each member

We can now advise that a DMF that includes property & contents protection will be offered for the upcoming renewal, 30/9/23. The volatility of the insurance market and significantly increased rates have made traditional property insurance cover unaffordable for our constituents. Our current property insurer, CCI closing as an ongoing insurer, provides an example of such volatility.

We would like to address some common questions that are being raised by constituents:

Is the DMF safe? Yes the DMF is safe. The purpose of obtaining ‘reinsurance’ is to provide insurance protection for the DMF. Reinsurance (normally used to protect the insurers) will step in if we find ourselves in a situation where we suffer large losses/damage that could potentially put pressure on the pool of money collected to cover property claims each year. For this current renewal period (30/9/22 to 30/9/23), Baptist Insurance Services have been paying individual property claims up to a maximum of \$100,000. Beyond that amount, the Insurer picks up the cost of the claim. In the same way, a Reinsurer will step in to pick up the cost of claim/s if we reach our set limit.

If I don’t join the DMF for my property, can I still get cover for your other insurance classes, eg public liability? If you decide not to join the DMF, you will be unable to access our other classes of insurance as we will still be offering property as part of our ‘standard package’. We buy up covers for all constituents in order to obtain bulk discounts, so if we start breaking up our package, we lose the potential for significant discounts for our constituents. If you choose not to sign the membership agreement for the DMF, you will need to source cover not just for property, but for all the other classes of cover we provide.

We will be providing a Zoom meeting for all churches and organisations in August. This will be an opportunity to hear a further update and ask any questions you may have. We will send out the date/invite closer to the time. We will also be recording the meeting for those who can’t make it.

We encourage you to check our website, www.baptistinsurance.com.au - We have some helpful articles on DMFs in our ‘News’ section as well as FAQs.