



THE GLIDING FEDERATION OF AUSTRALIA INC

C4/1-13 THE GATEWAY, BROADMEADOWS, VIC 3047
PHONE +61 (0) 3 9359 1613, FAX +61 (0) 3 9359 9865. ABN: 82 433 264 489

ARE MY HOUSE AND SAVINGS SAFE?

Revised 21/04/2016

Liability for damages and insurance. Boring stuff !! Until you need it. That's Insurance.

We all hope that we never have occasion to call the insurance broker to report an accident or other problem. But you never know, and it pays to understand our insurance policies.

I get many calls from members wanting to know whether they're covered by our insurance policies. "Are my house and savings safe from a liability claim?" Here's an update on where you stand with GFA and Club insurances. Hopefully this will answer some questions. **This is an overview only (and should not be construed as advice), and for more detailed information, you should read carefully the policies or consult with a qualified insurance broker who is authorised to give you advice.**

Your Gliding Federation spends over \$200,000pa to help protect members against the unforeseen. In addition, Clubs may hold liability insurance policies, and individual glider policies are taken by owners to indemnify against liability claims and protect their glider asset.

IN SUMMARY

- Allianz Broad Based Liability (BBL) - \$1mill coverage for all GFA members, affiliated clubs and regional associations. First policy for injury and property liability claims. Insured with Allianz via GFA broker Aviation Insurance. From 1/5/16 excess is \$1,000. (This is a liability policy and only covers property damage if liability is established.) Policy paid for by GFA.
- Individual Glider (and Tug) Policies – Clubs/Individual owners insured. Liability limit at purchaser's discretion. In the Australian market Allianz and QBE insure this risk. QBE "gap" for multiple BBL claims now fixed. Glider hull insurance for glider damage is covered by this type of insurance. Policies paid for by glider owners.
- Allianz Club Hangarkeepers Liability Scheme (HKL) - \$10mill (option to \$20mill) GFA group policy. Club responsibility. Broad coverage for Club airfield risks. 41 clubs participating for club premium cost of \$866pa (for \$10mill cover). Policies paid for by Clubs.
- Allianz GFA Administration Liability Policy - \$10mill cover for GFA and State regional associations. Policy paid for by GFA.
- Allianz Contingent Liability Policy - \$10mill "backup" cover for Inspectors, Instructors, Coaches in respect of training and certification activities only. Policy paid for by GFA.
- DUAL Associations Liability – \$5mill GFA and State regional associations. Directors & Officers insurance, Professional Indemnity, Reimbursement of Wrongful Acts claims, Fidelity Insurance and Taxation Investigation Cover. Policy paid for by GFA.
- QBE & CGU – Accident and Health policies. Sickness and Injury protection for GFA and State Officebearers. Policies paid for by GFA.
- Fire & General – for GFA Building and Contents. (GFA now self insure – contents only. Liability and building insurance covered by other policies)
- Fire & General review being carried out, for consolidation of club policies to reduce premiums.
- Allianz liability policies – Directors, Officers, Employees of the "Insured" are included in insurance cover, whilst acting in the course of their duties.



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- DUAL Associations liability policy – Directors, Officers, Committee members of the “Insured” or others acting on behalf of the Association at the direction of the Board or Directors are included in insurance cover.

BROAD BASED LIABILITY POLICY (BBL)

The GFA currently has a BBL insurance policy with Allianz, through our broker Aviation Insurance. Details of the policy are -

The Insured:

“The Gliding Federation of Australia Inc. and/or Affiliated Associations and/or Clubs and/or their Individual Financial Members for their respective rights and interests.”

Limit of Indemnity:

“\$1million any one accident or series of accidents arising out of one event ... less \$1,000 excess in respect of property damage claims”

Coverage:

Bodily injury or property damage caused by an accident arising out of all gliding activities including but not limited to:

- “a) The Ownership, Maintenance or Use of Aircraft; (aircraft definition does not include tugs or powered aircraft)*
- b) Gliding Displays and/or events (competitive or otherwise);*
- c) Airport Operator and/or Hangar Keeper Activities; and*
- d) Gliding Club Activities.”*

As you can see, this is a very broad coverage policy for all members of GFA which provides the base-level liability insurance cover for Clubs, Individuals and Glider Owners and is the first policy called upon in the event of any legal liability claim. Other liability insurance policies have an excess of this amount and are needed to meet any legal liability awards which exceed \$1mill.

IMPORTANT NOTE – Only financial members of GFA are covered by this policy. Registered owners of gliders (Corporations, Trusts or other Family Members) must be members of GFA to enjoy the benefit of this policy – otherwise a \$1mill “gap” in liability coverage with other liability insurance may exist. Tugs and Tug pilots are not covered under this policy.

Another important point to note is that the BBL is a liability policy. Advice from our broker is that *“liability has to be determined in order to successfully have a claim against it. Insurers will rely on legislation and if necessary the courts to determine who is liable and considering the PIC is responsible for the safety of the aircraft, including in most instances the conduct of others under his supervision, usually this means the owner (assuming he’s the PIC) bears the responsibility for a loss. Where the owner is responsible for a hull loss he cannot sue himself and therefore there is no liability / BBL claim and he should rely on his own hull and liability policy. If he chooses not to insure, then it’s at his own risk.”*

INDIVIDUAL GLIDER POLICIES - LIABILITY INSURANCE

GFA does not carry this insurance – glider owners (private or club) may choose to carry this risk, and have “Hull and Liability Insurance” policies to protect against the risk. The GFA insists that gliders participating in competitions have a basic minimum of \$1million liability insurance. (This is now provided by the BBL \$1mill liability cover).



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Most public authorities such as councils operating aerodromes nowadays insist on \$10mill (or \$20mill) liability cover – so clubs visiting public aerodromes may be required to insure for this amount. Also, owners should consider that liability awards may exceed \$1mill, particularly as delays in litigation mean that awards may not be settled for past accidents until well into the future, and owners should consider taking liability cover for more than this minimum.

The terms of glider policies written by both Allianz and QBE now state that in the event of a liability claim exceeding \$1mill, the glider insurance will pay the rest (up to the insurance limit) “once the BBL amount is exhausted.”

Previously, it was only the Allianz policy that was worded this way, and there was a potential insurance gap with policies written by QBE if the liability was spilt across more than one insured. Members were recently alerted to this potential insurance “gap”.

I’m pleased to be able to advise that following energetic representations by our broker, QBE have now rewritten their glider policy terms, to include a phrase similar to that quoted above, and members and clubs insuring their gliders with QBE no longer have that potential shortfall of insurance. QBE have advised that this will take effect on all glider policies immediately.

Because the GFA’s BBL policy is with Allianz, and the BBL policy is the first part of any payout for a liability claim, many clubs and individuals insure their gliders with Allianz, the GFA insurer, which means they only deal with one insurer in the event of a claim.

GFA GROUP HANGAR KEEPERS LIABILITY (HKL) POLICY

GFA has established a Group HKL policy with Allianz which significantly reduces the cost of previous individual club HKL policies. The Group HKL policy may be taken out by individual clubs, to insure clubs for payment of legal liability for injury and damage to property due to accidents in or about the insured’s premises – including airfields, hangars, clubrooms. The HKL cover may extend to operations offsite – for instance at a remote aerodrome (the insurer should be notified in advance).

This group policy also provides additional coverage, extending to aircraft and aircraft equipment in care, custody or control; and liability arising out of aircraft maintenance and repairs.

The public liability insurance cover with this policy is \$10million. (There is an option to increase the insured value to \$20mill which has been taken by a few clubs.) At this stage 41 clubs have joined this group policy. The GFA as owner of the master policy is also included as an insured party. In 2016-17 the annual cost was \$886 per club – contact treasurer@glidingaustralia.org with enquiries from uninsured clubs wishing to join.

The Insured is the Club taking part – the schedule to the policy includes a list of all insured clubs. The insurance cover provided by this includes any directors, employees, partners or agents of the Insured whilst acting in the scope of their duties.



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Importantly, the insurer has provided written advice that coverage would include gliding competitions and individuals involved in the organisation of competitions run by the club. This would include CDs and Safety Officers where they are members of the club acting in the course of their duties.

ADMINISTRATION LIABILITY POLICY

This policy for \$10mill provides basically the same cover as the HKL policies for the Clubs, except the Insured in this case is the GFA, Affiliated State Gliding Associations and Subsidiary Companies of the Gliding Federation.

This coverage extends to cover the insured's public liability occurring from gliding activities which fall within the objects of the GFA Articles of Association, which includes the full range of GFA's gliding activities in Australia.

Directors, employees, partners, agents of the insured are covered.

CONTINGENT AVIATION LIABILITY POLICY

This is a "backup" policy which GFA pays for, has never been called upon to date, and indemnifies the insured for legal liability for accidents causing bodily injury or property damage associated with **Flying Instruction and Inspection activity.**

The Insured:

*"The GFA, and Affiliated Clubs of the GFA, authorised officers and/or individual Instructors, Tug Pilots, Airworthiness Inspectors including Ground Crew/Staff, Sporting Coaches and any Owner/Operator of the aircraft used directly **in relation to Certification and/or Flying Instruction or activities of Instructors/Inspectors**, for their respective rights and interests."*

Limit of Indemnity:

"\$10,000,000 any one accident or series of accidents arising out of one event, unlimited in the aggregate."

ASSOCIATIONS LIABILITY PACKAGE FOR NON PROFIT ORGANISATIONS

This policy covers a range of commercial risks, including Professional Indemnity Insurance; Directors and Officers Insurance; Reimbursement of Wrongful Acts claims; Fidelity Insurance; and Taxation Investigation Cover. The sum insured is \$5mill. The policy is written by DUAL Insurance Ltd via broker Gallaghers.



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The Insured is the GFA, the affiliated State Associations and Individual Clubs, World Glide Pty Ltd (a wholly owned subsidiary of GFA). Past, present or future Directors, Secretary, Officers, Committee Members, Employees of the Insured, or persons acting at the direction of the Insured are included in this cover.

ACCIDENT and HEALTH INSURANCE

The GFA also has two policies to cover GFA and State Association officials for personal accident and sickness - they prescribe a range of benefits and capital sums for prescribed injuries.

- one includes aviation risk accidents – this covers personal injury and sickness incurred working in a voluntary capacity. Extends to club instructors.
- the other is for voluntary workers accident or sickness. The coverage extends to up to 100 GFA officers - regional technical officers, directors, appointed officers. Does not include club member volunteers.

FIRE AND GENERAL INSURANCE – BUILDING and CONTENTS

GFA now self insures for building contents Fire and General loss for GFA premises in Melbourne. Building and liability risk is covered by other policies.

Fire and General Insurance is an area where most clubs would carry their own policies for buildings and contents – fire, theft, business interruption etc. Following the success on the GFA Group HKL policy introduced last year, we are investigating the possibility of combining the insured assets of all clubs to achieve lower Fire and General insurance premiums for all.

I will be writing to Club committees to establish whether there is interest in pursuing this. If you are a Club Treasurer or Committee Person involved in insurance, and have not been contacted, I would be pleased to hear from you, to include your club in this review.



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CONCLUSION

This is a very brief summary of insurances held by GFA. **The detail in the written policies is the ultimate reference which I recommend to all officebearers and other interested members.** To review the detail, read the policies, and the schedules of insurance (which defines the Insured parties, and the Value of Insurance) you may access them on the GFA website. Go to www.glidingaustralia.org, GFA Members Info, Administration, GFA Insurance.

Please let me know if you need any further assistance to understand what these policies do for us, or contact one of the brokers listed below.

Safe Gliding – hope you never need this stuff

regards

Dave Shorter – GFA Treasurer

Contacts:

Me, GFA Treasurer – treasurer@glidingaustralia.org (02) 6656 1979, (0429) 429 539
Broker, Aviation Insurance, Dylan Jones - dylanj@aviationinsurance.com.au, (07) 3274 4732
Broker, Oamps (DUAL Directors Liability Insurance), Sonya Harpur - (02) 8838 5707
sonya.harpur@oamps.com.au
Broker, PSC Gordon Wilson (Fire & General, Aviation Personal Injury) - (07) 3229 3294,

Policy Details:

The following files are listed on the GFA website. (select – Docs/Forms, Admin, Insurance, Current Year)

Both the Policy and Schedule need to be read in conjunction with each other to understand fully the coverage of each policy.

Allianz Policy Group HKL.pdf
Allianz Schedule Group HKL.pdf
Allianz Policy&Schedule Admin policy.pdf
Allianz Policy&Schedule BBL.pdf
Allianz Policy&Schedule Contingency.pdf
DUAL Associations Liability Policy.pdf
DUAL Associations Liability Schedule.pdf
QBE Vol Workers Accident Ins Schedule.pdf
QBE Voluntary Workers Accident Policy.pdf
Aviation A&H Policy.pdf
Aviation A&H Schedule.pdf