



HORSE RIDING CLUBS ASSOCIATION OF VICTORIA INC

SUMMARY OF INSURANCE

ASSOCIATION LIABILITY INSURANCE

Name of Insured:	Horse Riding Clubs Association of Victoria Inc including all financial member clubs
Period:	31 October 2009 to 31 October 2010 at 4pm
Business Description:	Association - Sporting
Covers:	<ul style="list-style-type: none">- Insured Persons- Special Excess Limit (for Non-Executive Directors)- Reimbursement- Organisation Liability- Professional Liability- Fidelity
Limit of Indemnity:	\$5,000,000 in the aggregate for all Loss, Crisis Loss and Direct Financial Loss (excluding the Special Excess Limit and Fraud Investigator's Costs)
Fidelity Cover Sub-Limit:	\$250,000
Extensions:	<ul style="list-style-type: none">- Bilateral Discovery Period- Crisis Loss (sub-limited to \$50,000 in the aggregate)- Defence Cost Advancement- Discovery Period for Retired Insured Persons- Fraud Investigator's Costs- Heirs, estates and Legal Representatives- Investigation Costs- New Organisations- OH&S Defence Costs (sub-limited to \$500,000 in the aggregate for "Organisation Liability" otherwise up to the full limit of Liability for Loss under the "Insured Persons" and "Reimbursements" Covers)- Pecuniary Penalties (sub-limited to \$250,000 in the aggregate)- Pollution Defence costs (sub-limited to \$500,000 in the aggregate for "Reimbursement" Cover, otherwise up to the full Limit of Liability for "Insured Persons" Cover)- PrivateEdge Advisory Panel- Publicity (sub-limited to \$25,000 in the aggregate)- Spouses- Superannuation Trustees- Tax Disputes (sub-limited to \$50,000 in the aggregate)



Excess:	Insured Persons Cover	Nil
	Fidelity Cover	\$5,000 each and every Direct Financial Loss
	Employment Liability	\$5,000 each and every Claim
	All other Claims	\$2,500 each and every Claim
Retroactive Date:	Unlimited	
Continuity Date:	Inception	
Other Endorsements:	<ul style="list-style-type: none"> - Insolvency Exclusion with Specific Carve Out - Definition of Professional Services - Dual Controls Exclusion – signatories, bank reconciliation and refund or return of goods - Statutory Liability sub limited to \$250,000 	

INSOLVENCY EXCLUSION WITH SPECIFIC CARVE OUT

In consideration of the **Premium**, the policy is amended as follows:

Exclusion: The following Exclusion is added to the policy:

Insolvency with specific carve out

This policy shall not cover **Loss** or make any payment in connection with any **Claim** arising out of, based upon or attributable to actual or alleged insolvency of the **Company** or any actual or alleged inability of the **Company** to pay any or all of its debts as and when they fall due.

In the case of this exclusion only, “**Company**” includes any “**Outside Entity**”. This Exclusion shall not apply to the following entities:

- (i) Horse riding Clubs Association of Victoria Inc

DEFINITION OF “PROFESSIONAL SERVICES”

In consideration of the **Premium**, the policy is amended as follows:
means the following professional services provided by the **Organisation**:

- (i) advocacy and promotion of the **Organisation’s** objectives and area of focus or interest, including publication of information in any media type;
- (ii) acting as an insurance intermediary for the purpose of distributing personal lines general and life insurance products to **Members**;
- (iii) events for **Members** and others that promote the **Organisation’s** area of focus or interest; or
- (iv) fundraising activities.

“**Professional Services**” does not mean:

- (i) the provision of a registration, accreditation or disciplinary function for members;
- (ii) the provision of financial or investment advice; “**Professional Services**”
- (iii) publication of professional or technical standards; or
- (iv) the provision of professional consultancy services for a fee, commission or other remuneration to a **Third Party**.



DUAL CONTROL EXCLUSIONS – SIGNATORIES, BANK RECONCILIATION & RETURN OR REFUND OF GOODS

In consideration of the **Premium**, the policy is amended as follows:

Exclusion: The following Exclusions are added to the policy:

Dual Control – Signatories

This policy shall not cover **Direct Financial Loss** or make any payment in connection with any **Dishonest Acts** arising out of, based upon or attributable to the **Insured's** failing to ensure that at least two (2) **Executives** sign any cheques, **Securities** or funds transfer instructions.

Dual Control – Bank Reconciliation

This policy shall not cover **Direct Financial Loss** or make any payment in connection with any **Dishonest Acts** arising out of, based upon or attributable to the **Company's** bank accounts being reconciled by any person who has authority to operate those bank accounts.

Dual Control – Refund or Return of Goods

This policy shall not cover **Direct Financial Loss** or make any payment in connection with any **Dishonest Acts** arising out of, based upon or attributable to any failure by the **Insured** to ensure that at least two (2) **Executives** authorise any refund of money or return of goods.

STATUTORY LIABILITY EXTENSION WITH \$250,000 SUB-LIMIT

In consideration of the **Premium**, the policy is amended as follows:

1. *Extension:* The "Pecuniary Penalties" Extension is deleted and replaced with the following:
Statutory Liability "Loss" includes pecuniary penalties awarded against:
 - (i) an **Insured Person** for a civil offence;
 - (ii) an **Insured** for a strict liability offence in connection with a breach of an occupational health and safety law or regulation; or
 - (iii) an **Insured Person** for a strict liability offence in connection with the discharge, dispersal, release or escape of **Pollutants**; in and under the laws of the jurisdictions of Australia or New Zealand, provided that the **Insurer** is not legally prohibited from paying the pecuniary penalties.

2. *Extension:* The "OH&S Defence/Investigation Costs" Extension is deleted and replaced with the following:
OH&S Defence/Investigation Costs
 The "Bodily Injury & Property Damage" Exclusion shall not apply to **Loss** specified in the "Statutory Liability" Extension, **Defence Costs** or **Investigation Costs** payable for any **Claim** brought against an **Insured** in the jurisdictions of Australia or New Zealand in connection with a breach of an occupational health and safety law or regulation.

3. *Extension:* The "Pollution Defence/Investigation Costs" Extension is deleted and replaced with the following:
Pollution Defence/Investigation Costs
 The "Pollution" Exclusion shall not apply to **Loss** specified in the "Statutory Liability" Extension, **Defence Costs** or **Investigation Costs** payable for any **Claim** brought against an **Insured Person** in the jurisdictions of Australia or New Zealand in connection with the discharge, dispersal, release or escape of **Pollutants**.



4. *Definition:* The “Loss” Definition is deleted and replaced with the following:

“Loss” means :

- (i) compensatory damages (including, but not limited to, any order by an Australian or New Zealand court to pay compensation for damage resulting from a contravention of Australian or New Zealand legislation);
- (ii) legal costs and expenses of a plaintiff; that any **Insured** is legally obligated to pay under the terms of: (a) a judgment entered against any **Insured**; or (b) a settlement negotiated by or pre-approved in writing by the **Insurer**. “Loss” includes **Defence Costs** and **Crisis Loss**. “Loss” does not include: (a) fines or penalties, other than those covered by the “Statutory Liability” Extension or any compensation order under (i) above; (b) taxes; (c) employment-related compensation or benefits; (d) internal or overhead expenses of any **Insured Person** or any **Company**; (e) the cost of complying with non-monetary damages or relief (including any compliance, remedial, reparation or restitution costs in connection with a pecuniary penalty covered by the “Statutory Liability” Extension); or (f) matters which may be deemed uninsurable under applicable law.

5. *Exclusion:* For the purpose of determining whether a pecuniary penalty is payable under the “Statutory Liability” Extension and also whether any **Investigation Costs** or **Defence Costs** incurred in respect of such pecuniary penalty are payable under the policy, the “Conduct” Exclusion is deleted and replaced with the following:

Conduct Exclusion

- (i) improper use of position or information to gain any profit or advantage or cause any detriment to the **Company**;
- (ii) remuneration illegally paid to or received by an **Insured**; or
- (iii) reckless, grossly negligent, dishonest, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of law; but only if: (a) the foregoing have been established by any judgment, award or other finding by a court, tribunal or arbitrator; or (b) such **Insured** admits to (i), (ii) or (iii) above; In the case of “Fidelity” Cover only, this exclusion does not apply.

6. *Exclusion:* In the case of the “Statutory Liability Extension” only, the following exclusion is added to the policy:

“Specified Pecuniary Penalties”

This policy shall not cover **Loss** or make any payment in connection with any **Claim** arising out of, based upon or attributable to any:

- (i) requirement to pay taxes, rates, levies, charges, fees or any other revenue or impost.
- (ii) actual or alleged violation of the responsibilities, obligations or duties imposed by any law in relation to vehicle, air or marine traffic.

7. *Sub-Limit:* The Pecuniary Penalties sub-limit in the Schedule is deleted and the total amount payable by the **Insurer** under this extension is \$250,000 in the aggregate.



IMPORTANT NOTES

Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance, and if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter –

- ❑ that diminish the risk to be undertaken by the insurer;
- ❑ that are common knowledge;
- ❑ that your insurer knows or, in the ordinary course of his business, ought to know;
- ❑ as to which compliance with your duty is waived by the insurer.

Examples of information which is relevant to insurers are:-

- (i) past claims experience;
- (ii) a cancellation of a previous insurance policy or refusal by an insurer to renew a policy previously held by you;
- (iii) any unusual features of the subject matter of the insurance which might increase the likelihood of a claim under the policy.

If you are uncertain about whether or not a particular matter should be disclosed to the insurer, please contact our office.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from the beginning.

Utmost Good Faith

Insurance contracts have always been subject to the doctrine of Utmost Good Faith and the Insurance Contracts Act re-states the doctrine, which is now statutorily imposed on both the insured and insurer by means of an applied term in the contract, and applies in respect of any matter arising under or in relation to the contract. The duty cannot be restricted or limited in any way, apart from those matters listed above under The Duty of Disclosure.

Neither the insurer nor the insured can act upon a provision on the policy, if, in so doing, they would not be acting with the Utmost Good Faith. The effect of this duty now permeates every facet of insurance activity. Any action or inaction which could in any way adversely affect the other party would not be acting in the Utmost Good faith.

Reading of Policy Wording

A full copy of the policy is available for viewing at the HRCNAV office.

Please read this document and advise, in writing, if any queries or aspects of cover requiring clarification.



Claims

If you have any queries regarding claims, please contact the office of our Insurance Broker:

BJS Insurance Brokers (Southern) Pty Ltd

Contact: Rachael Jones

Phone: (03) 9781 3622

Email: rachael.jones@bjsinsurancegroup.com.au

A claim form is required to be completed as soon as you are aware of any claim or circumstance which may give rise to a claim. Any correspondence received from a Third Party intending to make a claim must be forwarded to the office of our Insurance Broker, BJS Insurance Brokers immediately.

Do not make any admission of liability.

General Advice Warning

This information may be regarded as general advice. That is, your personal objectives, needs or financial situations were not taken into account when preparing this information.

Accordingly, you should consider the appropriateness of any general advice we have given you, having regard to your own objectives, financial situation and needs before acting on it. Where the information relates to a particular financial product, you should obtain and consider the relevant product disclosure statement before making any decision to purchase that financial product.

Contact Details

For further assistance please contact:-

BJS Insurance Brokers (Southern) Pty Ltd

Phone: (03) 9781 3622

Fax: (03) 9781 3423

Email: colette.hicks@bjsinsurancegroup.com.au

Contacts: Rod Luxford rod.luxford@bjsinsurancegroup.com.au – Manager

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