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Corporate Travel Insurance

A BETTER WAY TO GO

Attention business owners! Did you know that as a director of a registered business entity, a corporate travel policy is valid for both your business and your leisure travel? The cover can also include additional business executives and other employees on the move.

While many entry-level travel insurance policies contain various exclusions that can leave travellers exposed, Corporate Travel products offer comprehensive cover for the business traveller. Depending on the plan and level of cover required, most Corporate Travel Insurance policies will cover you for:

- Emergency hospital and medical expenses (usually unlimited)
- Medical repatriation / evacuation
- Money

- Replacement of lost travel documents and luggage
- Accidental death, disability and loss of income
- Hire car excess
- Travel disruption, cancellations, loss of deposits
- Lost, stolen or damaged baggage
- Kidnap and ransom
- Personal liability during your travel

A cost effective, single annual policy takes care of all trips by the frequent business traveller, and nominated additional travellers, within the policy period. No longer do you need to think about travel insurance every time you plan a trip. Buy once, then forget it and travel with peace of mind knowing you're covered for just about any eventuality.

The benefits go well beyond cover offered by a retail or credit card travel policy. As well as the professional service you would expect, there are significant benefits in Corporate Travel cover including coverage for pre-existing conditions and cover for travellers over 65 years of age. Upper age limits vary from underwriter to underwriter.

To obtain a quotation or further information on Corporate Travel Insurance, contact your insurance broker account manager. ■



Aliens, Meerkats or Brokers?

WHEN BUYING INSURANCE, WHICH WAY TO GO?

Whilst it's true to say that the TV ads of the Direct Insurance Marketers are very 'catchy' and 'humorous', prospective buyers of these classes of insurance from these vendors should be aware that the product being promoted is actually 'protection':

protection of the livelihoods, incomes and assets of individuals and businesses. Not something to be treated lightly.

Generally, the Direct Market will promote their offerings on a 'price' model and whilst this is always part of any consideration, claims service and Policy Wordings and Conditions are of equal importance.

If only the quality of the coverage provided by the Direct Insurance Marketers was as comprehensive as their advertising campaigns.

This is where an Insurance Broker adds value to the purchasing proposition. The insurance broker's role is to 'canvas'

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the 'market' with a view to obtaining a recommended 'product' that is appropriate to the individual's needs, taking into account any specific requirements. Additionally, many brokers are members of insurance Cluster Groups and these have policy wordings that are far superior, and ultimately of more benefit to the buyer, than that of the Direct Insurers.

Why wait in the long queue of a call centre or attempt to navigate the hurdles of a direct seller's website when a broker can make the transaction a much easier and safer option?

The main point of difference though is at claim time when the consumer is totally 'on their own' in respect of Policy interpretation as well as having to arrange and manage the claim from start to finish. Brokers understand and manage claims.

It's what they do. They add to the process rather than detract from it. The broker will advise clients what information is required and then prepare and forward the claim to the insurer. A broker goes in to bat for you and manages the process from start through to settlement while their client can relax knowing he or she is in good hands.

Another major point that a broker offers over the Direct Marketer is the fact that at Renewal / Anniversary of the Policy time, the premiums are market checked to ensure that a client's existing insurer is still providing the most competitive and comprehensive terms available. When dealing with a Direct Insurer, each year is just like starting over again.

As a client of a broking firm you are also able to access varied other services of your chosen broker. They have a



range of valuable services and offers, available to you, all under the one roof and accessible by one phone call. Over time, clients of brokerages become trusted business partners and friends, thanks to the professional way their insurance business is transacted. To your broker, you are never merely a number.

On balance, when you weigh up the pros and cons of insurance from the Direct Marketer's call centre or the professional broker alternative, the choice is clear. ■

Third party manufacturers

PITFALLS FOR AUSTRALIAN SUPPLIERS

Australian Consumer Law (ACL) provides a national framework for consumer protection in the supply of goods and services. Under the ACL, the definition of a "manufacturer" of goods is broader than just the enterprise that makes the goods – it is defined as including a person (includes a company or partnership) who:

- extracts, grows, produces, processes or assembles goods
- holds themselves out to the public as the manufacturer of goods
- allows their name to be applied to goods
- allows another person to hold them out to the public as a manufacturer
- imports goods where the actual manufacturer does not have a place of business in Australia at the time of importation

In summary, a company can be liable for defects in goods even if it had no role in their manufacture.

Consumers who suffer loss or damage (includes injuries to persons and economic loss) because of safety defects in a manufacturer's products can take the manufacturer to court or make a complaint to a consumer protection agency, which may take action on the consumer's behalf. A product has a safety defect if its safety is not what the community is generally entitled to expect – this includes how and for what purposes the product has been marketed, its packaging, instructions or warnings about using the product, etc.

Suppliers who import goods should reduce their exposure to product liability action by using responsible and sensible business practices such as:

- Know your manufacturer: the identity, location, reputation, etc and

whether there have been problems with their product in the past.

- Conduct regular reviews of product designs and production (this may mean regular visits to the manufacturer's overseas factory).
- Implement and review quality assurance procedures regularly.
- Test products regularly to product specifications, ensuring they are always met, including batch testing.
- Conduct appropriate marketing and keep control over how the goods are presented.
- Provide clear and thorough user instructions.
- Where necessary, conduct a quick voluntary recall of any products that are defective or unsafe.

If you have any questions about product liability exposures, please contact your insurance broker for advice. ■



Letter of Authority or Letter of Appointment

WHICH ONE FOR WHAT PURPOSE?

As the dust settles on another financial year it is worth looking at some issues that continue to have an element of confusion for all concerned. One of these is the role of an insurance broker in relation to two widely used industry documents - the letter of appointment and the letter of authority.



The purpose of each is for a consumer to approach another broker to act on their behalf. One form, the letter of authority, is an instruction to make enquiries, while the other, the letter of appointment, is a transfer of business from one brokerage to another. These documents are often confused. Use the wrong one and clients may be under the impression that they are merely seeking an alternative quote, only to find they have transferred their portfolio of business to another broker.

The Letter of Authority is a document that may be used in the following examples: the consumer is looking to get an alternative quote via another broker; or if they would like a broker to make enquiries on their behalf, a situation that may occur during a difficult claim. Its purpose is that the instruction from the client is clear and transparent with all parties. This is

important to protect privacy and avoid misrepresentation. The document must be signed by the business owner or appointed authority to do so. At this early stage of a possible new broker/client relationship, the broker is not allowed to receive commissions or fees for their services.

The Letter of Appointment is a document that has a clear intent for another brokerage to take over existing business. It would include claims maintenance and credit control. This document authorises the broker to accept commissions and fees for service within the standards set by AFSL licensing requirements.

Both documents have clear, separate intentions but can cause a great deal of confusion if not used correctly. Please contact your broker for guidance in selecting the appropriate document to suit your needs. ■

Travel Compensation Fund scrapped

HOLIDAY PLANS AT RISK

Nothing spoils a holiday more than being stranded following the financial collapse of a travel operator. Until recently, a traveller's problems with a travel agent or transport operator going belly-up had some protection offered by the Travel Compensation Fund. This government legislated fund compensated travellers if the operator or agent collapsed and failed to account for money paid by you the traveller.

However, this particular safety net is no more. From 30 June 2014 the Travel Compensation Fund is closed. The fund has been replaced with a series of insurance options for the prospective traveller; one of these is 'end provider insurance'.

Choosing the right cover is important. A possible complication is that some insurance provider organisations may suggest that two insurance covers are now required – one to cover the usual travel risks and a second to cover insolvency of the travel agent or transport operator.

Not all insurers cover insolvency; in fact some of Australia's best known travel insurer agencies do not offer this cover so a wise traveller will select a Comprehensive Travel policy that covers both risks.

Check also that your travel policy wording includes insolvency with a limit of at least \$10,000 cover for a single traveller or \$20,000 cover for a family for the costs that can be incurred in rebooking or cancelling your journey.

Another tip before selecting your transport operator is to check if their name appears on the Travel Insurer's website which lists airlines that have a history of financial stress. If you purchase an airfare with one of these stressed airlines you are not covered in the event of the airline entering receivership. These lists are regularly updated to reflect the financial status of an airline, either adding or removing airline companies as situations change.

An example was Air Australia / Strategic Airlines which became insolvent in February 2012 when the airline halted all flights and went into administration.

Your insurance broker is best placed to make sure you have the right travel insurance policy and your best chance of having that happy holiday. ■

Employers' Rights

WORKCOVER CLAIMS QUESTIONED

Employers are sometimes faced with a situation where they disagree with a decision of WorkCover to accept a claim for statutory benefits made by one of their employees who allege that they have been injured during the course of their employment. The employer may disagree with the acceptance of the claim for a variety of reasons, including a belief that the claim is fraudulent or that the injury did not actually occur at work.

Many employers do not appreciate that they have a right to challenge such a decision. If an employer is unhappy with a decision made by WorkCover on a claim they can seek to have the decision reviewed by the Workers' Compensation Regulator. Conversely, an employee whose claim is rejected can also seek a review of the decision.

The Workers' Compensation Regulator is a body independent from WorkCover Queensland and is required to impartially review decisions made by WorkCover.

There is no cost involved in having a decision reviewed by the regulator, other than, of course, if the employer chooses to engage legal representatives to assist them with the review application.

Once WorkCover has made a decision on the claim the employer is entitled to ask for written reasons for the decision within 20 days of being notified of the decision.

WorkCover has five business days to supply the employer with the written reasons for the decision. The employer then has 3 months from the date of that letter to apply for a review with the regulator. The employer is entitled to provide the regulator with additional evidence it wishes to rely on in support of the review application.

The regulator has 25 business days to hand down a review decision unless an extension has been agreed upon. The employer has a "right of appearance" on the regulator during the review process, which can either be done in person or over the phone. It is not necessary to have legal representation during the review process.

If either party is unhappy with the ultimate decision of the regulator they can appeal the decision to the Queensland Industrial Relations Commission. The regulator will normally appoint legal representation to defend their decision in the Industrial Relations Commission. Should the worker appeal the review decision the employer needs to apply to the Commission for the right to be heard on the appeal. ■

Be sure. Before you insure!

Ask your CQIB broker about...

Commercial and Retail Insurance

- Business Property
- Business Interruption incl Loss of Rent
- Liability
- Burglary and Money
- Glass Breakage
- Machinery Breakdown
- Computer
- Goods in Transit
- Tax Audit
- Motor
- Contract Works
- Commercial Strata

Liability

- Public and Products Liability
- Professional Indemnity
- Management Liability
- Directors and Officers
- Employment Practices Liability
- Statutory Liability
- Cyber Risk

Private and Domestic Insurance

- Home and Contents
- Car, Caravan, Boat and Trailer
- Travel
- Residential Strata

Life, Disability and Partnership

- Life / Accident and Illness
- Term Life
- Long Term Disability / Income Protection
- Key Man
- Superannuation

The CQIB represents over 60 Queensland firms employing nearly 400 staff and placing in excess of \$500,000,000 in annual premiums. The CQIB charter is to maintain the level of professionalism of its members by the sharing of knowledge, information and ideas.



For more information visit www.cqib.org.au

The articles in Brokerwise are provided as information only. They are not general or insurance broking or legal advice. It is important that you seek advice relevant to your particular circumstance.

Wise.words FROM ROBIN WILLIAMS (1952 – 2014)

"SPRING IS NATURE'S WAY OF SAYING, 'LET'S PARTY!'"

"I'm sorry, if you were right, I'd agree with you."

"You're only given a little spark of madness. You mustn't lose it."

"What's right is what's left if you do everything else wrong."

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