

# GUILDHOUSE

## SUMMARY REPORT: PERSONAL ACCIDENT INSURANCE FOR ARTISTS

Local Community Insurance Services (LCIS) is a specialist insurance provider established to manage the insurance needs of not for profit clubs, community groups and associations within Australia.

LCIS support over 8,000 community groups every year, and manages group insurance schemes through peak bodies across Australia.

We have a depth of knowledge and experience supporting community groups providing advice and guidance around risk and insurance related matters.

LCIS is a division of Jardine Lloyd Thompson Pty Ltd (JLT).

JLT is one of the world's largest providers of insurance and employee benefits related advice, brokerage and associated services. Our client proposition is built upon our deep specialist knowledge, client advocacy, tailored advice and service excellence. Together, we place our clients first, champion innovative thinking and expect to be judged on the results we deliver.

JLT owns offices in 40 territories with some 10,000 employees, supported by the JLT International Network, enabling us to offer risk management and employee benefit solutions in 135 countries.

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## INTRODUCTION

This document provides an outline of artist's personal accident insurance which can be added as a member benefit under the Guildhouse Accredited membership category.

The insurance is for all renewing Accredited members of Guildhouse and an advantage to them as a member at these levels, it is a group approach to cover where all members automatically obtain the benefits under the insurance.

The policy is then taken by Guildhouse for Accredited members who are the Insured Person under the cover.

There are several different forms of this type of policy, some only provide cover whilst an insured person is engaged in their occupation and including direct uninterrupted travel to and from, we have **obtained 24 hour cover** under the quoted terms.

The insurer providing this cover is Beazley Australia.

Beazley have a presence in Australia with the security being Lloyds of London, their business has a focus on personal accident & income protection insurance.

All insurance policies are subject to a number of terms, conditions, endorsements and exclusions which impact on the extent of cover provided.

Full details appear in the policy document which is attached to the email carrying this report.

The information provided in this report does not replace, override or extend cover beyond that set out in the policy document.

The theoretical window for the cover is each individual Guildhouse Accredited member's renewal date but this has the potential to disadvantage existing members who have some time to go until renewal

We have an agreed pricing structure which will allow existing members who are partway through the period to take cover before their membership renewal is due.

## EXECUTIVE SUMMARY

The intention of this policy is to provide professional artists with an income replacement mechanism if they are **injured** and cannot work in their practice due to that **injury**.

The level of cover provided has to be one that provides a length of time to overcome serious injury and at a cost that is not exorbitant.

**Income** – which is the weekly average of the past two years earnings  
**100% up to \$1,000 per week**

**Maximum benefit period** – this is the length of time the policy will respond to the claim, the benefit period starts at the time of injury and is subject to the waiting period.

**Aged up to 70 years : 52 weeks**

**Ages 70 years up to 80 years : 26 weeks**

**Waiting period** – similar to an excess, it is the time that must pass before a claim payment is made.

**Accidental injury : 7 days**

**Sporting injury : 28 days**

**Accidental Death and Capital Benefits** – this is a lump sum payment made referencing the scale in the policy wording

**\$50,000**

**Funeral Benefits (Accidental Death only)**

**\$10,000**

No Benefits are payable where Injury;

- is deliberately self-inflicted or intentionally caused by the Insured Person.
- is caused by the Insured Person being under the influence of alcohol or drugs.
- results from a criminal act committed by the Insured Person or a beneficiary of their benefits under this insurance.
- occurs as a result of war or warlike operations, terrorism or revolution.
- occurs as a result of the use, existence or escape of nuclear weapons material or ionising radiation from or
- contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel
- results from engaging in air travel or aerial activities except as a passenger in a properly licensed aircraft.
- results from engaging in, taking part, or training for sports as a professional (where the majority of the person's
- income is derived directly or indirectly from the sport).
- is a sexually transmitted disease , A.I.D.S or H.I.V infection
- results in any condition such as neurosis, psycho-neurosis, psychosis, chronic fatigue, mental, emotional,
- stress, depression or anxiety condition disease or disorder or any condition which is a consequence of the
- treatment of these conditions.
- is attributable to childbirth or pregnancy or the complications of these.
- is a Pre-Existing Condition.
- results from Sickness (as defined in the policy wording)

- Weekly benefits will be reduced by any other benefits or compensation the Insured person is entitled to receive or
- entitled to claim for lost income from any other source as a result of the same condition.

## EXPLANATION TERMS

The intention of this policy is to provide professional artists with an income replacement mechanism if they are **injured** and cannot work in their practice.

A sudden and accidental personal injury coverage is easier for insurers to price/write than personal accident and sickness where, due to the sickness component, an individual proposal for each person is required.

Individual assessment of the proposal and review of the proponent's prior medical history means time consumed in the underwriting process reflects in the cost of cover.

All members automatically qualified for cover through their Guildhouse membership at the Accredited member level – there is no opt in/opt out.

The main concern for Beazley was that artists, unlike tradesmen who can evidence a book of work undertaken, may have a sporadic income stream so, in the event of a claim, demonstrating a loss of weekly income could be difficult.

Beazley have agreed the definition of wages as being the artist's average of weekly earnings over the prior 104 weeks, viewing over the longer period should flatten any 'peaks and troughs'.

The following are important terms which are simply explained

**Weekly benefit** is the amount paid to replace loss of income

**Waiting period** is a 'time excess'– it is the excluded period before a claim is paid in the same way your car excess is the excluded amount of any motor vehicle claim

**Benefit period** is the length of time that the policy pays the weekly benefit and starts at the time of injury. It is subject to the waiting period.

### **Other benefits**

The policy includes Death & Capital benefits based on \$50,000 and a Funeral benefit (\$10,000) in the event of death from injury.

**Accidental Death & Capital benefit**, this is a lump sum payment made in whole or as a percentage depending on the nature of the injury and as set out in the lump sum benefits table in the policy wording.

**Funeral Benefit** applies if as a result of an Injury occurring during the period of insurance an insured person dies.

The policy will pay the actual cost of the funeral including where necessary the cost of returning the Insured Person's body or ashes to his/her home town up. The limit of the benefit is \$10,000.

## BEASLEY AUSTRALIA

The terms Beasley has provided include the following points:

- The policy will be in the name of "Guildhouse"
- The group wording and schedule will be made available on the association's website for individual members to access
- The occupation covered under this policy must be the main occupation, i.e. curator, visual artist, arts administrator, installer, etc.\*\*
- No sickness cover is provided for in the quote or policy.
- Premium includes \$50,000 Accidental Death & Capital benefits
- Premium includes up to \$10,000 Funeral Benefits (Accidental Death from an injury )
- Aggregate Limit: \$5,000,000
- The definition of salary will be amended to "The Insured Person's Earnings averaged over the number of weeks so engaged during the 104 weeks immediately preceding the date of disablement giving rise to claim".
- Weekly benefits are calculated over the week on a 1/7 of a week basis

\*\* This is important to understand, injury occurring **whilst working** is only covered where the member is working as an artist or tasks that fit into the Accredited membership category. So an installer who also works as a carpenter, or, a curator who has a part-time job as a Uber driver are not covered for injury occurring while working in those occupations.

Beasley also confirm the premium will be payable prorata if required.

# PERSONAL ACCIDENT

## Summary of Terms

OUR REF: 035919

**JLT CONTACT DETAILS:**

**Name:** Michael Gordon / Oana Spoiala  
**Direct Dial:** +61 8 8235 6480 / +61 8 8235 6496  
**Facsimile:** +61 8 8235 6448 / +61 8 8235 6448  
**Email:** Michael.Gordon@jlta.com.au / Oana.Spoiala@jlta.com.au

**INSURED** Guildhouse Inc.

**BUSINESS** Principally advocacy, advice and professional practice resources for the visual arts, craft and design.

**GEOGRAPHICAL SCOPE** Worldwide

**GOVERNING LAW OF CONTRACT** Australian

**PERIOD OF INSURANCE**  
 From: 24 April 2017 at 4 PM Local Time (SA).  
 To: 24 April 2018 at 4 PM Local Time (SA).

**SCOPE OF COVER** Injury only (as defined) 365 days per year / 24 hours per day

**INSURED PERSON(S)** Visual artists, curators, administrators. Installers and similar in the Accredited and Allied membership categories

<b>SCHEDULE OF BENEFITS</b>	<b>Insured Events (as per Policy)</b>	<b>Each Insured Person</b>
	Benefit of Average Weekly Earnings (Accident)	100%
	Benefit of Average Weekly Earnings (Sickness)	Not Insured%
	Maximum benefit per week	\$1,000
	Benefit period up to 70 years	52 weeks
	Benefit period 70 years up to 80 years	26 weeks
	Waiting period	
	- Accident	7 days
	- Sporting related injuries	28 days
	Accidental Death and Capital Benefits (as per scale)	\$50,000
	Funeral Benefits (Accidental Death Only)	Max \$10,000

**AGGREGATE LIMIT  
OF LIABILITY**

\$5,000,000

**POLICY WORDING  
AND CONDITIONS**

JLT Visual Artists 04.2016

# IMPORTANT INFORMATION

## DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty of disclosure under the *Insurance Contracts Act 1984*. You have a duty to tell us anything that you know, or could reasonably be expected to know, may affect the insurer's decision to insure you and on what terms. You have this duty until the insurer agrees to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

If we ask you questions that are relevant to the insurer's decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You do not need to tell us anything that reduces the risk insured is common knowledge, the insurer knows or should know as an insurer or the insurer waives your duty to tell them about.

### If you do not tell us something

If you do not tell us anything you are required to, the insurer may cancel your contract or reduce the amount it will pay you if you make a claim, or both. If your failure to tell us is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

## CHANGE OF RISK OR CIRCUMSTANCES

Please tell us about any changes to your circumstances or business, such as any alteration of risk, location changes, new or changed business activities, as they could affect your insurances.

## AVERAGE CLAUSE – UNDER INSURANCE

Home buildings and contents, fire, business interruption, industrial special risks and other policies often contain an average clause. This means that you should insure for full value which may be replacement, indemnity or market value depending on the type of insurance cover arranged. If you are under insured your claim may be reduced in proportion to the amount of under-insurance.

## UNREPORTED LOSSES

Please let us know whether there are any losses which have occurred that have not been reported to us/insurers, whether you intend making a claim or not.

## NEW CLAIMS

Any quotation we have obtained on your behalf is based on the understanding that there will be no deterioration in the claims experience between the date insurers quoted their terms and the inception date of the cover. If claims do occur during this period, insurers have the right to revise the terms quoted or even withdraw their quotation.

## HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, REMOVAL OF SUBROGATION RIGHTS

You may prejudice your rights to a claim if, without prior agreement from your insurer, you make any agreement that could prevent the insurer from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, licences and contracts for maintenance, supply, construction and repair.

## INSURING THE INTEREST OF OTHER PARTIES

If you require the interest of another party to be covered by the policy, you MUST request this. Most policies will attempt to exclude indemnity to other parties (e.g. mortgagees, lessors, principals etc.) unless their interest is expressly noted on the policy.

## SEVERAL LIABILITY

Where your policy cover is provided by more than one insurer it is important to note that each insurer is only responsible to the extent of their individual subscription and there is no obligation for that insurer to make up the shortfall of any other subscribing insurer in a claim or return premium payment.

## CONFIRMATION OF TRANSACTION

You may contact us by telephone or in writing to confirm any transaction under your policy, such as renewals and endorsements. If necessary, we will obtain the information for you from the insurer.

## COOLING OFF PERIOD FOR RETAIL CLIENTS

If you are a retail client as defined in the Corporations Act 2001 as amended (the 'Act'), you may be entitled to a minimum 14 day cooling-off period during which you may return the insurance policy and receive a refund of the insurance premium paid (less amounts lawfully deducted), subject to the requirements of the Act and the terms and conditions of your policy.

This does not affect any other cancellation rights you may have under your policy.

Please check your policy and schedule upon receipt to be sure you have the cover you require. If the cover does not meet your needs, please contact your JLT Client Risk Adviser for advice as to your rights.

## REMUNERATION AND OTHER INCOME

Our principal remuneration for arranging insurance on your behalf is either by way of commission paid by the Insurer and/or a fee including a service fee and an administration fee to be paid by you. In the event of a mid-term broker appointment, JLT reserves the right to retain all commission, fees and charges. **In addition to** the above the Jardine Lloyd Thompson Group may receive income from insurers as follows: interest earned on insurance monies passing through our bank accounts; profit commissions or profit shares paid by insurers on specific classes of business; administrative service fees or expense reimbursements for limited specific services we provide to insurers as part of the placing or claims process. We will disclose any potential conflict of interest not included above which may occur and affect our relationship.

## REFUND OF PREMIUMS

In the event of any refund premium being allowed for the cancellation or adjustment of this insurance policy, JLT reserves the right to retain all brokerage, fees and charges

## RECEIVING INFORMATION ABOUT OTHER PRODUCTS AND SERVICES

JLT may, from time to time, offer you information about products and services which may be of interest to you. Please notify us if you do not wish to receive such additional information.

## PRIVACY POLICY

JLT is committed to the protection of your privacy and is bound by the Australian Privacy Principles for the handling of your information.

JLT's Privacy Policy can be examined by accessing our website ([www.au.jlt.com](http://www.au.jlt.com)) or by obtaining a copy from your JLT Client Risk Adviser or the JLT Privacy Officer (at Jardine Lloyd Thompson Pty Ltd., Level 37, 225 George Street, Sydney, NSW, 2000: or on telephone number (02) 9290 8000).

## SERVICE DIFFICULTIES

We would like to know if you are not satisfied with our services. If you have any difficulties please contact your JLT Client Risk Adviser or our Complaints Manager. JLT subscribes to the Financial Ombudsman Service Limited (1300 780 808), which is a free consumer service, and the General Insurance Broker's Code of Practice. Additional information is available from your local JLT office.

**IF THERE IS ANY PART OF THE ABOVE THAT YOU DO NOT UNDERSTAND OR YOU REQUIRE FURTHER EXPLANATION, PLEASE CONTACT US IMMEDIATELY.**