

15 May 2018

National Historical Machinery Association Inc.
Att: Secretary – Ken Bock
PO Box 304
Strathdale VIC 3550

Dear Ken,

Subject: Insurance Report – 2018 N.H.M.A. AGM

Our Ref: NATI0001

Gallagher Insurance Brokers are very proud of our association and relationship with the NHMA as the relationship extends into its second decade – we have been strong partners through the good times and bad. The insurance market continues to be complicated when associations like yours extends over borders across a country as large as ours.

Current Insurance Program

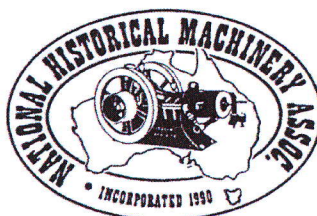
Combined Liability Insurance – Underwritten by QBE Insurance

Insurance Coverage	Current Insurance Limits
Public & Products Liability	\$20,000,000
Professional Indemnity	\$1,000,000
Association Liability – Including Directors, Officers & Trustees	\$2,000,000
Employment Practices Liability	\$1,000,000
Fidelity	\$50,000

These limits are in place for both the defence costs incurred by the National Historical Machinery Association Incorporated and damages awarded to third parties as a result of the NHMA liability for such matters.

The policy is arranged on the basis of the following agreed activities undertaken by the NHMA:

- Not for Profit
- Voluntary Collection, Restoration and Display of Historic Machinery
- Display of Memorabilia Depicting the Mechanical History of Tractors and Vehicles
- Including, but not Limited to – the running of Tractor Pulls, Swap Meets, Club and Association Rallies, Working Draught Horse & Bullock Displays and Fundraising events.



Voluntary Workers – Personal Accident Insurance – Underwritten by Zurich Insurance

Insurance Coverage	Current Insurance Limits
Death & Capital Benefits	\$50,000
Weekly Injury Benefits	\$750 per Week
Injury Resulting in Surgery Cover	\$20,000
Injury Resulting in Fractured Bones Cover	\$3,000
Injury Resulting in Loss of Teeth or Dental Procedures	\$1,000
Non-Medicare Medical Benefits	\$3,000
Age Limits	Over 10 Years and Under 90 Years

These limits are in place for both the events insured under this policy that could occur to a NHMA member in the course of their activities for the organisation.

Market Conditions

In the past 12 months the insurance market has continued to see rapid change with insurers being bought/sold, restructured or removing themselves from various insurance products.

The last decade has seen aggressive competition between these companies and a reduced level of underwriting scrutiny; allowing for organisations such as the NHMA to obtain broad insurance coverage for a competitive price. There are some movements within the market at present, being led by the larger mainstream insurance companies, which suggest that there will be a shift back to more prudent underwriting standards, a reduced capacity for more challenging risks and an increase in premium levels over the next 12 months.

Recommendations

Insurance and the associated costs can be a sensitive and controversial issue – especially when genuine value is not either seen or at least understood. Insurance is one of the NHMA's largest expenses and one where each member demands to know that it will be there if something goes horribly wrong.

Over the past few years, our organisation seeks comparative terms with many of the insurance markets who are willing to cover an association like the NHMA. With a member base of close to 10,000 spread across a vast country like Australia, with rallies and shows attracting large crowds and many displays of moving mechanical implements and machines - the risk of something going wrong is significant. However due to the excellent risk management policies and procedures implemented by the NHMA committee have in place we have been able to negotiate a program that is fit for purpose and good value for such a diverse set of risk parameters. The idea of splitting the program into smaller state based groups doesn't give the association the size or scale to share the benefit of the one policy spread across all members.

I look forward to assisting with any queries on the above.

Kind regards,

Troy Williams Branch Manager Ballarat/Horsham



Insurance | Risk Management | Consulting

301 Dana Street, Ballarat VIC 3350

Direct: +61 3 5336 6904 | Ext: 36904 | Mobile: +61 458 341 848

Email: troy.williams@ajg.com.au

Website: www.ajg.com