



Memorandum

To: Member States, Clubs and Industry participants

From: Tony Hallam, CEO

Date: 15th April 2008

Subject: Player Insurance Project update

Golf Australia and the Insurance Working Group are pleased to update clubs on its progress to date.

This is the third insurance project update following correspondence dated 22nd August 2007 and 24th October 2007. All updates are available on our website for download.

Firstly we wish to thank clubs for their input into the Survey. 330 clubs (representing 22%) responded - a good response rate. The major findings were:

- Only 52% of clubs take out player liability insurance meaning that only 228k-247k club members are covered!
 - This leaves 45-49% of affiliated golfers potentially uncovered.
 - Potentially up to 80% of all participants (including social players) uncovered.
- Most clubs that take out player public liability take out \$20 million in coverage.
- Some policies do not cover player to player coverage.
- Only 682 clubs take out equipment insurance for their members (44% of clubs).
 - Most clubs that take out equipment coverage cover \$4,500 of value, per player Australia-wide with an excess up to \$500.
- The average premium paid for Player Liability, Injury and Equipment insurance was \$13.79 with the median being \$12.50. Without equipment coverage the average price was reduced to \$13.22.
- Other findings included:
 - 88% of clubs take out general club insurances, with only clubs under 500 members indicating they do not take coverage.
 - 86% take out Club Public liability with only 34% of these clubs (or 26% of total clubs) covering member liability outside the club.
 - 66% take out Volunteers/Coaches insurance with only 23% providing cover out side the club.
 - Development program participants were only covered by 37% of clubs within the club with 18% covering participants outside the club.

[Click here to view the full Survey report online at
http://www.golfaustralia.org.au/default.aspx?s=newsdisplay&id=68198.](http://www.golfaustralia.org.au/default.aspx?s=newsdisplay&id=68198)

It should be noted that the survey was conducted prior to the implementation of the scheme implemented by the VGA.

The Insurance Working Group considers that the exposures highlighted by the survey provide an unacceptable risk to the industry, especially where players are potentially unaware of their risk. The Working Group believes that these issues that can be managed to the benefit of players, clubs and the industry in an improved fashion.

Currently the Working Group has a Tender process with eleven Expression of Interest respondents. This Tender provides a minimum standard for the Industry and requests two potential delivery methods:

1. Opt-out; or,
2. As an inclusion in the affiliation fee

Note: the industry currently has an opt-in system.

It should be noted that the Working Group appreciates that either scheme would require a roll-out period.

The merits of each system and the effect it will have on golfers, clubs and the industry is currently being discussed. The Working Group is awaiting the Tender responses before making any recommendations to the Golf Australia Board, States and the Clubs.

One overriding issue the Working Group is cognisant of, is that the outcome needs to be commercially viable and one that benefits the Industry. The arrangement will be arms length for club members to ensure minimal cost, with any commercial benefit being derived from new revenue streams (e.g. green fee players currently not currently covered by this form of insurance).

Should you have any questions in relation to the project please contact Alex McGillivray, Manager - Industry Development (03) 9626 5069 with any queries. We will keep you informed as outcomes are formulated.

Kind regards

A handwritten signature in blue ink that reads "Tony Mallam". The signature is written in a cursive, flowing style.