



Australian
National
University

Finance & Business Services

Self-Insurance Reserve Guidelines

2018/2019

Self Insurance Reserve Guideline

Background

1. The ANU Finance Committee approved the establishment of a Self Insurance Reserve (SIR) in 1994 to provide funding for property losses that could have been insured under the Industrial Special Risks (ISR) policy (refer Finance Committee Paper 1879/1994). This has since been extended to provide funding for Named Insureds¹ and Budget Units for all claims, where those claims are below the insurance policy deductible.
2. There are up to eight Named Insureds², of which four are Affiliates³, on the various insurance policies but the ANU represents the major exposure through its property assets and potential liabilities and therefore largely determines the insurance program structure, premium and level of deductible. Affiliates benefit from the ANU's buying power but also are subject to reasonably large deductibles which may from time to time prove problematic.

Administration of Fund

3. The SIR will be administered by the Chief Finance Officer (CFO). An annual report on the operation of the SIR, including claims paid and the adequacy of funds in the SIR will be provided to the Finance Committee.

Eligibility

4. All the Named Insureds must share a relationship with ANU either through ownership, funding, staffing, ratification of Constitution by Council, representation on Council and affiliation in the case of clubs and societies (refer Attachment A).

Level of Funds

1. The level of funds in the SIR is to be set to a conservative minimum level of \$5M, which is sufficient to cover the payment of multiple deductibles of \$500,000, plus incidentals during the course of the year. The SIR is reviewed each year in order to maintain a minimum level of \$5M. The CFO can vary the minimum level by plus or minus 20%.

Extent of cover under the SIR

¹ Named Insureds: ANU and Budget Units, ANU E, ASI, ANU Union, ANUSRA Inc, ANU Students Association, PARSA Inc, ANU Section 68 Pty Ltd, ANU UK Foundation Pty Ltd.

² Budget Units – refer University Structure <http://about.anu.edu.au/governance-structure/university-structure>

³ ANU Union, ANUSRA Inc, ANU Students Association, PARSA Inc

2. Claims will be considered for:
 - payment of the deductible.
 - payment of losses that would otherwise be covered under the commercial insurance program but are below deductible.
 - payment of losses where insurance for an activity is not available from the commercial market due to its hazardous nature, or is too expensive.
3. A \$15,000 deductible applies to all claims relating to content damage whereas no deductible is payable on damage to a building structure.
4. A deductible as detailed in Attachment B is payable in respect of any one loss except in the event of a major loss where the deductible will be absorbed centrally. In certain circumstances the requirement to pay a deductible can be waived.
5. In certain circumstances payment of an ex-gratia claim will be considered.
6. All additional staff costs such as overtime, bonuses etc are to be paid by the Budget Unit or Named Insured in addition to the SIR deductible, until the insurance deductible has been reached.
7. In certain circumstances payment of expenses associated with risk improvements identified by an insurer will be considered.
8. The CFO has the delegation for approving a payment under the SIR.

Operational Claims Issues

9. The loss must be reported to the Insurance Office as soon as possible.
10. A deductible may apply to investigation costs, defence costs etc. as well as the claim.
11. An internal deductible applies to claims. Current insurance policies, deductibles and SIR claim arrangements are at Attachment B.
12. Named Insureds and Budget Units must take all reasonable action to mitigate their loss, including seeking recovery from third parties. Amounts claimed must be fair and reasonable and records must be maintained to substantiate any loss.
13. Settlement of loss will normally be assessed and adjusted in accordance with the relevant policy terms and conditions.
14. Liability claims may be referred by the Insurance Office to the Legal Office for confirmation of acceptance as a loss covered by the insurance policy.

Insurance purchased direct

15. Premiums and deductibles for insurance purchased outside the ANU's program will be paid by the Named Insured or Budget Unit with no recourse to the Self-Insurance Fund for assistance with any required deductible.

In the event of a major loss the deductible may be absorbed centrally.

A \$15,000 deductible applies to claims where insurance for an activity is not available from the commercial market due to its hazardous nature, or is too expensive.

Program Structure

Named Insureds

Australian National University
ANU Enterprise Pty Ltd
Aust Scientific Instruments Pty Ltd
ANU Union Incorporated
Australian National University Sport & Recreation Association Incorporated
ANU Students Association Incorporated
ANU Student Media Incorporated
Postgraduate and Research Student Association Incorporated
ANU S68 P/L
ANU UK Foundation Pty Ltd
ANU Foundation USA

Connection with ANU

ANU Enterprise Pty Ltd (ABN 31 008 548 650) is a fully owned subsidiary company of *The Australian National University (ANU)*. The company was formerly known as Anutech Pty Limited and changed its name to ANU Enterprise on 11 May 2004. The business was established in 1979. The role of ANU Enterprise is to create and pursue synergies which enable linking the University with business, industry and governments both on and off-shore. The board of Directors consists of University staff, and external industry and business professionals.

Australian Scientific Instruments Pty Ltd (ASI) is a subsidiary of ANU Enterprises (ANUE), the commercial arm of the Australian National University (ANU). ASI has grown in association with its success in manufacturing and exporting scientific instruments to the point that in 1998, ASI became a proprietary company itself able to commercialise products not only from the ANU but also from other Australian scientific organisations.

ANU Union: The Board is responsible for the management and control of the Union. The Board consists of the following Directors:

- (a) one person appointed by the Council of the University; and
- (b) six persons elected from amongst the annual, life, and honorary life members;
- (c) one person elected from amongst such of the annual and life members as are currently enrolled as postgraduate students or hold appointments as staff of the University.

The ANU Union provides services to students, staff and visitors to the Australian National University. The Union plays a pivotal role in the social interactions of ANU students and in the provision of goods and services for all on campus.

The **ANU Sport & Recreation Association Inc** is a not-for-profit organisation, with a Constitution. The Sport & Recreation Association (SRA) is one of the four student organisations on the ANU campus which receives an annual allocation of General Services funding contributed by our Students. Other major sources of income include non-student member fees, facility usage charges and short courses.

ANUSRA also has many affiliated clubs which are covered by ANU's insurance program.

The **Australian National University Students' Association** (ANUSA) is the representative body of undergraduate students on campus. They present student issues to the University Council, to Faculty Boards and on other official committees. They also represent student issues outside the campus, organise social events and provide some student services which are not otherwise provided by the University.

ANUSA also has many affiliated clubs and societies which are covered by ANU's insurance program.

The **Postgraduate and Research Students Association's** (PARSA) primary focus is the welfare of all postgraduate students at the ANU, particularly with respect to their studies. Its Constitution is ratified by the Council of the Australian National University and its President represents postgraduate students on the University Council. PARSA provides the following services to ANU's Postgraduate and Research Students:

- Information and referral for postgrad students
- Representation on University committees
- Advocacy for individual postgraduates
- Campaigning & Lobbying on postgrad issues
- Free legal advice to postgrad students
- An annual Postgrad Survival Guide
- Social functions for postgrad students
- Administration of Emergency Loan Scheme

ANU Section 68 Pty Ltd is wholly owned by ANU and is involved with Alba Pty Ltd in developing the area known as ANU Exchange.

ANU (UK) Foundation is a UK based Alumni and friends of ANU can support education and research at Australia's national university through the ANU (UK) Foundation. The Foundation is a registered charity in the United Kingdom, allowing benefactors to access the full range of UK tax benefits when supporting ANU.

ANU Student Media Incorporated publish a regular student magazine (Woroni).

ANU Foundation USA incorporated in Delaware USA and is a charity to facilitate education.

Attachment B

The following Table sets out by Policy the level of excess that applies and who is responsible for funding the excess

Policy	Policy Excess	Named Insured Responsible for Funding Policy Excess		
		ANU Budget Unit, ANU E, & ASI	ANU Union, S&RA, SA, Student Media, PARSAs, S68, ANU UK, ANU USA	SIR
Property				
Buildings	\$500,000	Nil	Nil	SIR
Contents	\$500,000	\$15,000	\$1,000	Balance SIR
Libraries	\$500,000	\$100,000	N/A	Balance SIR
Fine Arts				
ANU Collection	\$5,000	\$5,000	\$1,000	Balance SIR
Inwards Exhibitions	Nil	N/A	N/A	N/A
Public/Products Liability				
General Liability	\$10,000	\$5,000	\$1,000	Balance SIR
Crime	\$50,000	\$5,000	\$5,000	Balance SIR
Professional Indemnity	\$25,000	\$5,000	\$1,000	Balance SIR
Medical Malpractice	\$25,000	\$5,000	N/A	Balance SIR
Employment Practices	\$50,000	\$5,000	\$1,000	Balance SIR
Statutory Liability	\$1,000 / \$15,000	\$1,000 / \$5,000	\$1,000	N/A
Motor Vehicle	\$1,000	\$1,000	\$1,000	N/A
Personal Accident				
General	Nil	N/A	N/A	N/A
Weekly Benefits	7 days	Claimant	Claimant	N/A
Marine Hull	\$150	\$150	\$150	N/A
Capricorn & Tigger	\$500	N/A	\$500	N/A
Marine Cargo	\$5,000	\$5,000	\$5,000	N/A