Risk Management Service

Extra Risks

Factsheet

Risk Management Service

148 Fox Valley Road
Locked Bag 2014
Wahroonga NSW 2076

Telephone (02) 9847 3375
Fax (02) 9489 7428

Email info@rms.org.au

Resource - FER-003

Edition 3 – 2011 11 18

Edition 2 – 2011 06 17

Edition 1 – 2011 05 27

To obtain an electronic copy of this document
Visit www.rms.org.au
Or
Email the above Resource code to info@rms.org.au

Extra Risks Cover

Table of Contents

What is Extra Risk Cover?

Extra Risks cover is a special cover that responds when equipment is:

1. Accidentally damaged (such as being dropped); or
2. Lost or stolen when taken outside of a secure building or offsite to another location.

Extra Risks cover is important as regular contents cover does not protect your Seventh-day Adventist Church organisation (church organisation) against these two risks. If your church organisation has equipment that is moved around or taken offsite regularly then you should consider Extra Risks cover.

The Extra Risks cover is not an insurance policy, rather it is an internal loss fund operated for the benefit of the Seventh-day Adventist Church by Risk Management Service (RMS).

What does it cover?

Extra Risks cover will pay for accidental damage to, or loss of, equipment for which cover has been arranged and which is current at the time the damage or loss occurs, subject to the terms, conditions and exclusions of the cover as outlined in this fact sheet.

What equipment can be covered?

Extra Risks cover can be arranged for almost any item of equipment owned by a church organisation. It can also be arranged for non-owned items of equipment that the church organisation borrows or hires. The following additional conditions apply to non-owned equipment:

1. The non-owned equipment is only covered while it is actually being used on behalf of the church organisation

and/or while the church organisation has possession of the equipment. It does not cover the equipment while the church organisation is not using it or does not have possession of it.

2. The Blanket Extra Risks cover cannot be used to cover non-owned equipment. Non-owned equipment must be covered by a Specific cover or a Temporary cover (refer to Types of Extra Risks Covers later in this fact sheet).

Who is responsible for arranging cover?

It is the responsibility of the church organisation that owns, borrows or hires the equipment to request Extra Risks cover and to determine the amount of cover required. RMS will only place cover when a correctly completed request for cover is received. Church organisations should not assume that cover has been placed until confirmation is received from RMS. Please check with RMS if you are in any doubt.

Types of Extra Risks Covers

There are three types of Extra Risks Cover which you can mix and match to purchase the protection you require for your equipment.

Blanket Cover

As the name suggests, a Blanket cover provides Extra Risks cover without the need to specifically identify the actual items of equipment you want covered. The cover is only suitable for lower-value items because it is subject to the following limits:

Maximum Loss – This is the maximum amount that RMS will pay for loss or damage to covered equipment resulting from any one incident. You can select any amount up to $5,000.

Per-item Limit – This is maximum amount that RMS will pay for any one item that is lost or damaged. This limit is set at 25% of the Maximum Loss level selected. The following table illustrates the relationship between the Maximum Loss limit and the Per-item limit:

You select your Maximum Loss limit (up to $5,000)	Your Per-item limit is:
$1,000	$250
$2,000	$500
$3,000	$750
$4,000	$1,000
$5,000	$1,250

Other important conditions of the Blanket Cover include:

a. It can only be used to cover items of equipment actually owned by the church organisation – it cannot be used to cover items of equipment that have been borrowed or hired or equipment that is the personal property of employees, volunteers or any other person.

b. It cannot be used to cover computers. (Desktops, laptops, netbooks, tablets.)

c. It can only be used to cover items of equipment that have a replacement value less than the "per-item" limit selected. It cannot be used to partially cover items that have a replacement value higher than the selected "per-item" limit.

d. It is only available for church organisations domiciled in Australia and New Zealand.

Specific Cover

As the name suggests, Specific cover applies to a specified item of equipment and that item only. You can cover almost any item of equipment that has a replacement value of AUD$50,000 or less. Equipment with a replacement value greater than AUD$50,000 may also be covered subject to written approval by RMS.

All items covered by Specific cover must be listed on an Extra Risks Schedule shown on your Property Certificate of Cover. If the item is not listed under an Extra Risks Schedule it is not covered. To list an item on your Extra Risks Schedule you must provide the make, model, description, serial number (if applicable) and replacement value of the item. Failure to provide all this information may cause delay in the placement of the cover or prevent RMS from placing the cover at all.

Temporary Cover

If you only need Extra Risks cover for a short period of time, such as if you are hiring or borrowing equipment for a specified period of time or using equipment at a special event then Temporary Cover may be the most appropriate.

Temporary cover is provided on the same terms and conditions as Specific cover except that it is only in place for the agreed period of time. The cover immediately lapses at the end of the agreed period without notification from RMS.

Church organisations needing Temporary cover must:

a. provide a list of the equipment that they need covered with make, model, description, serial number and replacement value of each item of equipment detailed.

b. Indicate the period of time that they require cover for by providing a start and end date.

Are there any exclusions?

Yes there are some exclusions that you need to be aware of.

Extra Risks cover does *not* apply to:

1. Damage or Loss

    a. due to wear and tear, gradual deterioration, moth, vermin, mildew, inherent defect, any process of cleaning or restoring or repairing, variations in climatic or atmospheric conditions or extremes of temperature unless a claim would be recoverable under an ordinary policy of fire insurance.

    b. to equipment resulting from misuse or incorrect operation thereof.

    c. to any registered motor vehicles, motorcycles, or road-going equipment of any kind.

2. Sporting or medical equipment and tools of trade where damage or loss is due to the use thereof.

3. Property while left unattended in or on any automobile unless such automobile is equipped with a fully enclosed body or compartment and the loss be the direct result of violent forcible entry into the securely locked automobile or compartments.

4. Mobile electronic equipment (such as laptop computers, mobile phones, PDA's, GPS's, MP3 players) left in any automobile unless securely locked out of sight in the boot of the car. Covering items in the main cabin (or rear of a station wagon) of an automobile does not qualify as being locked out of sight in a boot.

5. Mechanical or electrical derangement except when caused by accidental external means.

6. Scratching or denting of musical instruments.

7. Loss or damage when the loss or damage resulting from a single occurrence is less than twenty dollars ($20).

How much does Extra Risks Cover cost?

The cost of Extra Risks cover depends on the type of cover purchased as outlined in the following table:

Type of Cover	Contribution Rate	To illustrate, $5,000 of cover will cost
Blanket Cover	2% per annum of Maximum loss level selected.	$100 + GST (if applicable) per annum
Specific Cover	1.5% per annum of the dollar value of cover provided.	$75 + GST (if applicable) per annum
Temporary Cover	Between 1% and 1.5% of the dollar value of cover provided depending on the level of risk assessed by RMS.	Between $50 and $75 + GST (if applicable)

What is the proper amount of cover for an item of equipment?

Each item of equipment should be covered for full replacement value which is the amount it would currently cost to replace it with a new identical or equivalent item.

How to apply for cover

To apply for Extra Risks cover complete the appropriate application form attached to this factsheet and return it to RMS. RMS will place the cover as soon as the form is received providing that all the required information is provided. Failure to provide all the required information may cause delay in the placement of the cover or may prevent RMS from placing the cover at all.

How do you make changes to your cover?

Church organisations can request changes to their Extra Risks cover at any time by contacting RMS using the contact details at the end of this factsheet and clearly outlining the changes required. RMS will not make any changes to the cover without express written instructions from the church organisation.

In addition Specific and Blanket Extra Risks covers will be shown on Property Renewal Notices and Property Certificates of Cover issued by RMS each year. Church organisations should review the Extra Risks cover at this time to ensure that the correct items of equipment are covered and the amounts of cover are appropriate. It is the responsibility of the church organisation to advise RMS of any changes that are required.

What to do in the event of a loss

In the event that equipment covered by Extra Risks is damaged or lost or an incident occurs that is likely to cause loss you should follow the steps outlined below:

1. Immediately notify RMS of the incident providing all available particulars of any damage or loss. IMPORTANT – failure to notify RMS within four weeks of the happening of any event giving rise to a loss shall provide sufficient reason for RMS to refuse payment under the Extra Risks cover (see also Limitation of Time Clause in the "Other Important Information about Extra Risk Cover" section of this factsheet).

2. Take all reasonable precautions to prevent further damage or loss.

3. Immediately notify the police of any criminal activity or if any items have been lost and fully cooperate with any

investigation. RMS will not process your loss until this has been attended to.

4. Do not dispose of any damaged equipment until RMS advises that it is no longer required or our assessment of the loss is complete.

5. Complete a "Loss Notification Form" (copy at the end of this fact sheet) and attach:

    a. Quotes or invoices to substantiate the cost to reinstate the loss suffered. RMS will not normally pay any loss for which quotes or invoices are not provided. If you anticipate any difficulty in meeting this requirement please contact RMS to ask for assistance. We are happy to pay the reasonable cost of a supplier providing a quote. If in doubt please check with us.

    b. Photos that show the damage to the equipment (where possible).

6. Send the completed Loss Notification Form and attachments to your Conference Office for countersigning (only necessary for churches and schools). Your Conference Office will forward it to RMS.

Once RMS is notified of the loss it will be registered in our system and the process of assessing the circumstances and quantum of the loss will begin. For large or unusual losses RMS may appoint a third-party loss adjuster to assist with the assessment of the loss.

When the assessment is complete RMS will finalise the loss by issuing payment (where appropriate) or advise the reasons why payment is not being made.

How much will RMS pay in the event of a loss?

In the event that an item of equipment covered by Extra Risks is damaged or lost, the amount that RMS will pay depends on a number of factors outlined below.

1. Where the item of equipment will be replaced or repaired RMS will pay the lesser of:

    a. The cost to repair the damaged portion of the item to a condition substantially the same as but not better or more extensive than its condition when acquired;

    b. The cost to replace the item with a similar item in a condition equal to but not better or more extensive than its condition when acquired; or

    c. The amount of cover in place for the damaged or lost item as shown on the certificate of cover that is current at the time of the loss or damage.

The church organisation may choose to replace, repair or restore the damaged or lost item in a manner suitable to its requirements (such as replacing rather than repairing or purchasing a larger or better replacement) however the amount that RMS will pay will not exceed the lesser of a, b or c above.

The work of repairing or replacing shall be carried out with reasonable dispatch, failing which RMS shall not be responsible for increased costs of repair or replacement occasioned by such delay.

Where the church organisation is entitled to claim an input tax credit for the GST paid in relation to repair or replacement of an item, RMS will use the GST exclusive cost to determine the amount payable.

2. Where a decision is made not to repair or replace the item of equipment RMS will pay the lesser of:

    a. An amount equal to the value of the property at the time of its damage or loss (the amount the item could reasonably be sold for on the second-hand market immediately before the damage or loss occurred) less any salvage value; or

b. The amount of cover in place for the damaged or lost item as shown on the certificate of cover that is current at the time of the loss or damage.

Is there an excess payable in the event of a loss?

No, there is no excess deducted from losses payable under the Extra Risks cover.

Other important information about Extra Risks cover

There is some other important information you need to know about the Extra Risks cover which is detailed below.

1. The Church organisation has a duty of care to, at all times, exercise reasonable care to safeguard the property against damage or loss.
2. LIMITATION OF TIME CLAUSE: In no case whatever shall RMS be responsible for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless a claim is being processed.
3. Extra Risks is not a suitable cover for registered motor-vehicles, motorcycles or other road going equipment. However, certain types of mobile plant used only on private property can be covered subject to approval by RMS.
4. RMS reserves the right to vary the terms and conditions of Extra Risks cover at any time including the right to vary the cover for all participating church organisations or to apply special conditions to any individual church organisation based on their loss experience.

Need to know more or need to contact RMS?

Phone	(02) 9847 3375
Fax	(02) 9489 7428
Email	info@rms.org.au
Web	www.rms.org.au
Mail	Locked Bag 2014
Street	148 Fox Valley Road WAHROONGA NSW 2076

EXTRA RISKS SPECIFIC & TEMPORARY PROTECTION REQUEST FORM

Risk Management Service

Conference/Institution ....

Address ....

....State...............................Postcode..

Cover required from ....

Cover required to (for temp cover only)...

Existing certificate? Yes ☐ .... No ☐

(Indicate Certificate No.)

ITEM NO	PROPERTY TO BE COVERED	DATE OF PURCHASE	MAKE / MODEL	SERIAL NUMBER	REPLACEMENT COST
				T O T A L =	

1. Usual location of items ....
2. Who will be using items ....
3. Purpose for which items will be used ....
4. Places other than usual location where items will be used...

....

SIGNED .... Date ....

(PLEASE PRINT NAME HERE) ....

This Page has been intentionally left blank

Extra Risks Blanket Cover Protection Request Form

Risk Management Service

Conference/Institution ....

Address ....

....State.................................... Postcode..........................

Cover required from ....

Cover required to (for temp cover only)..

Existing certificate? Yes ☐ .... No ☐
(Indicate Certificate No.)

Note:
Any level of cover may be chosen up to a maximum of $5,000 per incident without needing to specify the items but the cover for loss or damage per item will not exceed 25% of the level of cover chosen.

	Maximum Loss Cover	Maximum Per Item Cover (25%)	Tick One Box
	$ 5,000	$ 1,250	☐
	$ 4,000	$ 1,000	☐
	$ 3,000	$ 750	☐
	$ 2,000	$ 500	☐
	$ 1,000	$ 250	☐
Other	$ ________	$ ________	☐

1. Usual location of items ....
2. Who will be using items ....
3. Purpose for which items will be used ....
4. Places other than usual location where items will be used ....

....

SIGNED.. Date ....

(PLEASE PRINT NAME HERE) ....

148 Fox Valley Road
Locked Bag 2014
Wahroonga NSW 2076
Telephone (02) 9847 3375
Fax (02) 9489 7428
Email info@rms.org.au

This Page has been intentionally left blank

LOSS NOTIFICATION FORM

Risk Management Service

Certificate Number (if applicable) ____________________

Name / Organisation ____________________

Phone Number ____________________ Fax Number ____________________

Postal Address ____________________

____________________ State ____________________ Postcode ____________________

Email Address ____________________

Date of Incident ______ /________ /20 ________ between ________ am/pm and ________ am/pm

Where did event occur? *(i.e. Specific room/building)* ____________________

____

What happened, how did it happen and why? (Provide as many details as possible) ____________________

____

If loss due to criminal activity please answer:

If claim for loss by burglary or theft, describe method of entry ____________________

Please indicate whether there is/was an operating security alarm system installed in section of building from which loss occurred. YES NO

Name/s and address/es of person/s, if any, responsible ____________________

____

Have police been notified? ________ If so, what station? ____________________ Date ____________

(Note: Police must be notified in all instances involving criminal activity) Report Number ____________

Describe action taken to reduce this loss ____________________

____

Describe action taken to prevent similar losses in the future ____________________

____

Are you the sole owner of the property which was damaged or lost? ____________________

Is there any other insurance on the property which was damaged or lost? If so, please supply details ____________

____

FOR AUSTRALIAN ORGANISATIONS ONLY

1. Please indicate your ABN ____________________
2. Are you entitled to claim an input tax credit for the GST on your contributions/premiums? Yes ☐ No ☐
   If you ticked 'Yes' and your entitlement is less than 100% of the GST please indicate % of the GST. ______ %
3. Are you entitled to claim an input tax credit for the GST on the costs which are the subject of this claim? Yes ☐ No ☐
   If you ticked 'Yes' and your entitlement is less than 100% of the GST please indicate % of the GST ______ %

DECLARATION

We do hereby declare that the foregoing answers are true and correct to the best of our knowledge and belief and that the information detailed in the Schedule is a true and faithful account of the actual loss sustained, and hereby undertake to notify the RMS immediately if any of the lost or stolen property is subsequently recovered, and at the option of the RMS to return the property or refund the amount of money received by way of compensation in respect thereof.

Signed .... Official Title .... Date ..../............./..........

Please forward to your Conference, Union, Division or institution CFO for countersigning

Countersigned .... *(Officer of Conference or Institution)*

NOTE: *Take care to complete all details including schedule on the next page* of this form

Seventh-day Adventist Church (Division Services) Limited
A.C.N. 113 941 307

Schedule of Property Damaged or Lost

Item	State if lost or give details of damage	Serial No. and/or Year Acquired	Cost to Replace *		Cost of Repairs *		FOR **RMS** OFFICE USE ONLY	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

FOR **RMS** OFFICE USE ONLY		
Total of Damage/Loss		
Less Excess (if applicable)		
TOTAL after excess		

*** IMPORTANT ***

Attach a receipt, invoice or quote for *EVERY* item

NOTE: Take care to complete all details including schedule on the next page of this form