



Welcome

Dear subscriber,

Welcome to the July–August edition of *Insurance Insight*.

Time is flying by and we are now into the new financial year. As you gather your paperwork for tax-time, it's a good opportunity to review your insurance to make sure the cover still meets your needs.

A report by Sum Insured has found the cost of replacing home contents has escalated in the past ten years. The report says it would cost almost \$15,000 more to replace the contents of a typical home now than it would have done in 2007. It also revealed there has been a notable increase in the past 12 months, with replacement costs rising by \$1,458 between June 2017 and June 2018. Make a new financial year resolution to review your [Home and Contents](#) and [Business Insurance](#) to make sure the sum insured figures are adequate.

End of financial year is historically a time when cash flows are strained for many businesses, particularly Small to Medium Enterprises. Late and non-payments are perennial problems, too often exacerbated by debtors becoming insolvent. But it is a financial burden that can be in some way allayed by protecting your business with Credit Insurance. We explore why businesses should consider this cover.

For many of our Workers' Compensation clients, 1 July was when new statutory entitlements took effect. We provide a rundown of key dates and also changes that have been made.

With the new financial year, a number of changes to superannuation come into effect. Those aged 65 or over will be able to pay \$300,000 from the sale of their family home into super accounts – the 'downsizing contribution' will not count towards contribution caps and can still be made if the individual has a super balance greater than \$1.6 million. Any voluntary contributions first homebuyers have been making to their super will be accessible from 1 July to use towards a deposit on a home. There are rules around these incentives, so seek the advice of an EBM [Financial Planner](#).

Looking beyond the 1 July changes, in our Financial Planning column we detail the proposed changes to super that were announced in the Federal Budget 2018-19 which may soon come into play.

We welcome your feedback and invite you to **contact us** to help ensure you have the right insurances in place to meet your needs today and into tomorrow.

Ward Dedman, Managing Director (Group Operations)
Steve Sparkes, Managing Director (Corporate Broking)

WORKCOVER UPDATES

WorkCover Western Australia

Increased compensation for dependants

On 14 June 2018, the *Workers' Compensation and Injury Management Amendment Bill 2017* passed Parliament. The Government of Western Australia released a media statement advising:



“The Workers’ Compensation and Injury Management Amendment Bill 2017 significantly increases the lump sum payable to dependants and more than doubles the child’s allowance payable to each dependant child. This lump sum will increase from \$308,339 to \$570,767, indexed annually from 1 July, and is two and a half times the maximum compensation payable for a non-fatal injury.

The child’s allowance will increase from \$58.90 a week to \$135 a week, indexed annually from 1 July. As children will also receive a portion of the lump sum, the Bill gives far greater financial support for the care and maintenance of children than ever before.

Other changes will see de facto partners of workers given the same access to compensation as married spouses.

The new laws came into effect on 1 July 2018.

New Prescribed Amount

Injured workers in Western Australia have a range of statutory entitlements available to help them recover from their workplace injury and return to suitable and sustainable employment. There is a maximum amount (Prescribed Amount) an injured worker can receive in terms of weekly payments for loss of earnings during the life of their compensable claim. The Prescribed Amount is indexed annually and is based on changes in the Wage Price Index.

A new Prescribed Amount came into effect on 1 July 2018, and sets a ceiling of \$228,307.00.

Changes to entitlements include:

- Weekly Compensation Payments: the prescribed gross weekly compensation amount is \$2,665.70 (maximum weekly entitlement).
- Medical and Hospital Expenses: these are capped at a maximum of 30 per cent of the Prescribed Amount (or \$68,492) for reasonable expenses.
- Vocational Rehabilitation: this is capped at a maximum of seven per cent of the Prescribed Amount (or \$15,981) for approved vocational rehabilitation providers to assist workers with their functional capacity.
- Vehicle Running Expenses: \$0.46 per kilometre is the prescribed rate for reasonable expenses.

More information is available in the [Prescribed Amount Schedule as of 1 July 2018](#) – for injured workers who have a claim under the Western Australian Workers’ Compensation Scheme.

WorkCover Victoria

Key policy renewal dates

Employers looking to renew their Workers' Compensation policies in Victoria should note these key dates for 2018-19, as advised by WorkSafe Victoria:

Key Date	Action
12 July 2018	Employers can access their premium renewal notifications for 2018-19.
1 August 2018	Last day to take up the excess buy-out option.
6 August 2018	Due date for annual premium payment (five per cent discount).
1 October 2018	Due date for annual premium payment (three per cent discount). Due date for first premium instalment (for those paying monthly or quarterly).
30 October 2018	Employers to certify their Rateable Remuneration for 2017-18 (if remuneration for 2016-17 was greater than \$200,000).
1 November 2018	Due date for annual premium payment (without discount).
31 March 2019	Employers to complete Declaration of Rateable Remuneration (if remuneration for 2016-17 was \$200,000 or less).

Further information is available on the WorkSafe Victoria [website](#).

New indexation rates

WorkSafe Victoria has confirmed the new indexation rates for all new claims.

As of 1 July 2018:

- Employer Excess: up to \$707 for medical and like expenses (as well as the first 10 days of weekly benefits).
- Maximum Weekly Benefit: capped at \$2,310 gross per week.

If you have any queries about the new rates, or any other Workers' Compensation questions, please [contact our team](#).

WorkCover Queensland

Key policy renewal dates

Employers looking to renew their Workers' Compensation policies in Queensland should note these key dates for 2018-19, as advised by WorkCover Queensland:

Key Date	Action
1 July 2018	WorkCover Queensland to issue renewal notices early July 2018, including the certificate of currency. Wages can be declared online as of 1 July 2018.
31 August 2018	Wage declarations due.
16 September 2018	Due date for annual premium payment (five per cent discount). <i>Note: Discount premium cannot be less \$200 and wages must have been declared by 31 August 2018.</i>
30 September 2018	Full premium payment due (if not paying by a payment plan).

Further information is available on the WorkSafe Queensland [website](#).

Return to Work South Australia

Key policy renewal dates

Employers looking to renew their Workers' Compensation policies in South Australia should note these key dates for 2018-19, as advised by Return to Work South Australia:

Key Date	Action
9 July 2018	Employers can submit online: <ul style="list-style-type: none">• Reconciliation Statement for 2017-18; and• Remuneration Return for 2018-19.
31 July 2018	20 per cent loading will be applied to an estimated remuneration, if the above information is not submitted by 31 July 2018.

Note: Due dates for paying insurance premium will be noted on the tax invoice or adjustment note.

Further information is available on the Return to Work South Australia [website](#).

icare New South Wales

Amended renewal process

icare have announced the following amendments to the renewal of Workers' Compensation Insurance policies, as well as the method for the calculation of premiums for employers in New South Wales.

Renewal Process

The renewal process has now been streamlined for medium to large employers in New South Wales – those with Workers' Compensation Insurance policies with an average performance premium (APP) in excess of \$30,000.

icare has advised:

- Policies will automatically renew from 1 July 2018 and will be based on expiring wages and business activities.
- Estimated wage declarations will no longer be required to be completed prior to renewal.
- Changes to the wages and business activities can be advised after the policy renews on 1 July 2018.

Premium Calculation

To assist employers understand the calculation of premiums, icare have provided the following premium updates for 2018-19:

- Catastrophic claims contribution
Fatality claims will no longer be included in the claims experience for your premium. In the unfortunate event of a fatality, there will be a one-off contribution.
- Cap on experience premium changes
A 30 per cent cap has been introduced on experience premium changes for employers. If you qualify for capping, this has been automatically applied to your premium.
- Changes to the Mine Safety Levy (MSL)
The levy has increased from 0.917 per cent to 1.0879 per cent.
- Late payment fee (prescribed rate)
The late payment fee rate for 2018-19 has increased from 0.779 per cent to 0.808 per cent per month, which is compounded monthly. Due dates will be advised by icare and are noted on your premium notice.

Further information is available in your icare-issued renewal pack or on the icare [website](#).

Workers' compensation can be complex and EBM is here to assist you with any queries you may have with the above changes to your New South Wales Workers' Compensation Insurance policy.

New South Wales Coal Industry Employers

Workers' Compensation changes

The *Coal Industry Amendment Bill 2018* was recently passed in New South Wales' Parliament, with the changes in effect from 1 July 2018.

A new definition of "employer in the coal industry" has been included and is defined as "any employer whose employees work in or about a coal mine".

What does this mean for workers' compensation?

- Coal Mines Insurance (CMI) is the specialised workers' compensation scheme for the New South Wales coal industry.
- Prior to 1 July 2018, the requirement to obtain Workers' Compensation Insurance from CMI only applied to employers directly engaged in the coal industry. The Amendment Bill requires all employers whose employees work in or about a coal mine to obtain Workers' Compensation Insurance from CMI.
- A transition period from 1 July 2018 to 30 September 2018 is in place for employers who operate in New South Wales and undertake any activities connected to coal mining to arrange a policy with CMI.
- Employers may need to maintain dual policies should they require both a New South Wales Workers' Compensation Insurance policy with icare, as well as a policy with CMI.

Further information is available on Coal Services' [website](#).

If you have any queries, please contact EBM's Sydney office on (02) 9276 6999.

EBM's specialist Workers' Compensation team

EBM can assist you with every aspect of your Workers' Compensation and Injury Management policy, please [contact us](#) to see how we can help.

If your business is faced with a Workers' Compensation claim, [EBM's Injury Management Team](#) is here to help you with advice and support throughout the claims process.

CREDIT CRUNCH?

With business conditions remaining mixed it might be time to consider Credit insurance.

'Cheque's in the mail' has become 'payment's in the cloud' – the refrain may have changed but the message is the same.



Many businesses constantly struggle with getting paid for their goods and services – whether it is because customers are holding off payment or because other businesses prioritise their own cash flow over settling their debts.

Add to that the looming possibility that it will be harder to obtain credit in the wash-up after the Royal Commission into banking practices. Consumer confidence is waxing and waning (the Westpac Melbourne Institute Consumer Sentiment Index for Australia increased by 0.3 per cent in June, following a 0.6 per cent fall in May), and almost daily media reports talk about another business going into administration, and the outlook can be less than positive for business cash flows.

Consumer confidence and cash flow were identified in Dun & Bradstreet's latest *Business Expectations Survey* as the top two short-term business concerns. "In the current environment, with an ongoing banking Royal Commission and the related fallout, localised house price weakness potentially becoming a national issue, and stubbornly low wage growth, it is no surprise businesses are primarily concerned with staying liquid and consumers' capacity to buy products and services," the survey noted.

According to The Invoice Market's *SME Cash Flow Crisis Report*, Australia's two million SMEs are owed \$76 billion in outstanding invoices at any one time. On average each SME is owed more than \$38,000 (40 per cent of SMEs typically have more than 11 invoices outstanding).

Four in five SMEs ask to be paid within one month, but 75 per cent do not get paid for up to a month beyond the agreed terms, and three per cent have to wait more than three months after the due date.

Contrary to popular belief, it is not big businesses that keep SMEs waiting, but other SMEs – with 85 per cent of SME debtors being other SMEs!

It also revealed that companies in IT, electricity and mining suffer the longest wait before their bills are paid, while schools have the lowest rates of delinquent debts followed by the health sector and banking.

While late payment of debts is rife, of more concern is non-payment.

Despite Atradius forecasting that insolvencies in Australia would be down six per cent in the March 2018 quarter, ASIC's quarterly insolvency statistics for the third quarter of FY18 shows a quarterly increase of 0.2 per cent in the number of companies entering external administration. Appointments totalled 1,813, compared to 1,809 the previous quarter. And the quarterly total was 5.6 per cent higher than in the March 2017 quarter. Insolvencies continued to be led by failures in the construction, accommodation and food services, and retail trade industries.

The reality is that if a business with which you trade becomes insolvent, chances are you will be considered an unsecured creditor. And the likelihood that you will get your money is not high.

As an example, in Western Australia alone, construction industry insolvencies in FY17 cost the economy between \$337 million and \$654 million, according to the June 2018 Department of Mines, Industry Regulation and Safety discussion paper. And in 86.7 per cent of the insolvencies, unsecured creditors received none of the money they were owed (collectively unsecured creditors were owed \$237.8 million to \$505.5 million). In the 10 per cent of cases where unsecured creditors salvaged anything, most received less than 11 cents in the dollar.

There are measures businesses can put into place to help address the issue of invoices not being paid such as setting clear payment terms, having a debt collection enforcement policy, offering multiple ways to settle an invoice to offering incentives or discounts for early payment.

For the more serious issue of insolvencies of trading partners, businesses can look at [Credit insurance](#), which offers protection for insured debts following the insolvency of a debtor. Contact your EBM Account Manager to find out more.

HIGH FLYER

Rising star Christopher Traill, an Executive Account Manager in EBM's Southport, Queensland office, is soaring high after being named a winner in a coveted national insurance industry training program.

Young Eagle program winner soaring high.

EBM Executive Account Manager Christopher Traill has been named a winner in the 2018 Allianz Young Eagle Program.

Now in its eighth year, the program brought together the industry's young guns, who were selected from nominees across Australia, to participate in the intensive two-day training event in Sydney.

The program of interactive simulations involved teams of five or six members from each state creating mock insurance companies which were confronted with a range of challenging market scenarios. The team which achieved the greatest profit over a simulated seven-year period was named the winner.

Christopher said the teams had to make up a name for their company and appoint senior executives including a CEO, CFO and Head of Underwriting.

"We had to develop business strategies to deal with scenarios from large-scale accidents and natural disasters, to positive market opportunities such as a strongly rising share market. Then build a market strategy and develop a PowerPoint presentation to deliver our plans and business forecasts to the Allianz Board of Directors," he said. "We started at seven o'clock in the morning and went through to five or six each night, the pressure was really on."

Christopher took on a range of responsibilities including making the pitches to the board, due to his presentation skills developed over the past five years with EBM.

"The program of interactive simulations was a great learning experience in gaining a much better understanding of how an insurance company works and what are their key business drivers," said Christopher. "It was also great for networking."

In his 'real job' back at EBM Southport, Christopher manages a relationship with the Management Rights industry body ARAMA on behalf of EBM. In this role, he makes regular presentations at conferences, industry and educational forums on the sector's specialised insurance needs in areas such as Public Liability and Professional Indemnity, which assisted him greatly throughout the program.

Christopher also provides insurance solutions for corporate broking clients and deals with the equine industry – mainly for larger-scale organisations such as riding for the disabled centres and pony clubs, where cover for areas such as personal injury is critical.

While proud of his new eagles' wings, Christopher is looking forward to a new high in August when his wife Danielle gives birth to their first child, a daughter.



FINANCIAL PLANNING

Federal Budget 2018-19 has proposed more changes to superannuation. What do you need to know?

Super trouper



Chances are, if you know the Abba song 'Super Trouper', you're at an age where your superannuation is stepping into the spotlight (the lights are 'gonna find' you). And with retirement on the horizon (or hurtling towards you like a grey nomad in a caravan!), the proposed changes to superannuation and retirement in the Federal Budget 2018-19 are worth knowing about. There are also key proposals that could make a big difference to those for whom retirement is a little further away.

At this time, the proposed Budget changes will not come into effect until they are passed by both the House of Representatives and the Senate. And the sweeping changes that came into effect on 1 July 2017, which affect the amount of wealth that can be stored in super accounts, do still apply.

Key proposals for superannuation announced in the Budget:

- **Ban on exit fees**
From 1 July 2019, funds will be banned from charging exit fees when a member switches funds. The move is expected to save members around \$70. In FY17, \$52 million was paid out in exit fees.
- **Inadvertent concessional cap breaches prevented**
To avoid exceeding the concessional contribution cap (\$25,000 p.a.), high income-earners (those earning over \$263,159 p.a.) who have multiple employers will be able to nominate that their wages from certain employers are not subject to the Superannuation Guarantee (SG) from 1 July 2018.
- **Contribution work test change**
Currently, retirees aged 65 or over can only make most voluntary contributions to super if they have worked at least 40 hours in any 30-day period. It is proposed that from 1 July 2019, those aged between 65 and 74 will be able to contribute for the financial year after retirement without having to satisfy the work test if their total super balance is less than \$300,000. The most that can be added to the super balance will be \$125,000 (\$25,000 annual concessional cap and \$100,000 non-concessional cap). It should be noted that those over 65 will still not be able to access the 'bring forward' arrangements for non-concessional contributions.
- **SMSF members to rise**
From 1 July 2019, the maximum number of members allowable for a self-managed super fund will increase from four to six.
- **Three yearly audits for SMSFs**
Three yearly (instead of annual) compliance audits for SMSFs with a history of good record-keeping and compliance will be introduced from 1 July 2019.
- **Fee capping**
Annual administration and investment fee charges will be capped at a maximum of three per cent on low balances (those under \$6,000). Treasury estimates there are around six million inactive accounts owned by four million members.
- **No forced life insurance for under-25s**
Super funds will no longer be able to force under-25s, those with low balances (under \$6,000) or any inactive accounts to pay for life insurance policies. Instead, from 1 July 2019, under-25s (who begin to hold the super account on or after 1 July 2019), and those with low balances and inactive accounts will need to 'opt in' to cover.

- **ATO to find lost super**
The ATO will be charged with being 'proactive' in returning lost and unclaimed super to its owners. All inactive super accounts with balances under \$6,000 will be transferred to the ATO, which will then use its data-matching technology to reunite the super with its owners. The tax office will be given increased powers to consolidate inactive accounts worth less than \$6,000 and combine them with active accounts (currently the account holder needs to find lost super and apply to have the funds transferred). As at 30 June 2017, there were more than 6.3 million lost and ATO-held super accounts worth nearly \$18 billion.
- **Improved integrity over deductions for personal contributions**
From 1 July 2018, the ATO will be charged with improving the integrity of the Notice of Intent (NOI) processes for claiming personal superannuation contribution tax deductions. Currently, despite being required to do so, some individuals receive deductions on their personal superannuation contributions but do not submit a NOI, which results in their super funds not applying the appropriate 15 per cent tax to their contribution. As the contribution has been deducted from the individual's income, no tax is paid on it at all. The ATO will develop a new compliance model, and undertake additional compliance and debt collection activities.

Key proposals for retirement announced in the Budget:

- **Pension work bonus increase**
The pension work bonus will increase from \$250 to \$300 per fortnight from 1 July 2019, allowing pensioners to earn more under the Age Pension income test before their pension is reduced. This is in addition to the income free area (currently \$172 a fortnight for a single and \$304 combined for a couple). The Bonus will also be extended to self-employed individuals, who will be able to earn up to \$7,800 p.a. without reducing their pension payments. Around 88,000 pensioners are expected to benefit.
- **Pension Loan Scheme opened up**
Eligibility for the scheme (essentially a government-run reverse mortgage) will be extended to all pension-age retirees, not just those who qualify for the Age Pension, from 1 July 2019. The maximum allowable combined Aged Pension and Pension Loan Scheme income stream will increase to 150 per cent of the Age Pension rate. Retirees will be able to borrow against their house (unlock equity) to receive a fortnightly income equivalent to one-and-a-half times the maximum Age Pension. Combined with the Age Pension, retirees will be able to receive an income of up to \$35,397 per annum for singles and \$53,360 as a couple. It should be noted that interest (currently 5.25 per cent p.a.) applies to this loan scheme, as does an age-based loan to value limit.
- **Retirement income covenant introduced**
The covenant will be introduced into the *Superannuation Industry (Supervision) Act 1993* to require super fund trustees to offer comprehensive income products for retirement (CIPRs). Funds will be required to formulate a retirement income strategy for their members and develop a product that will provide income for life, no matter how long their members live.
- **Age Pension means testing of pooled lifetime income streams**
From 1 July 2019, Age Pension means testing of pooled lifetime income streams will be changed. A fixed 60 per cent of all pooled lifetime product payments will be assessed as income, and 60 per cent of the purchase price of the product as assets until age 84 (or a minimum of five years), and then 30 per cent for the rest of the person's life. Pooled income streams purchased before 1 July 2019 will be grandfathered.

- Changes to regulatory anomalies in TTRs
A bill has passed Parliament to streamline the rules around what happens to a Transition to Retirement plan when a super fund member dies.
- National register of EPAs to be introduced
A nationally consistent legal framework will be developed and a National Register of Enduring Powers of Attorney will be established.

With the superannuation and retirement landscape constantly changing, it's important to be on top of changes that may affect your long-term financial security. Engaging the services of a Financial Planner is an effective way to ensure you stay in the loop and are ready to take advantage of any changes that could help you bolster your retirement savings or enjoy a more comfortable post-work lifestyle. Talk to an [EBM Financial Planning](#) professional planner to chart your retirement investment roadmap.

EBM Financial Planning Pty Ltd is an Authorised Representative of Financial Wisdom Limited ABN 70 006 646 108, AFSL 231138. The advice provided is general in nature. It does not take into account your financial circumstances and objectives. You should consider talking to a financial adviser before making a financial decision.

EBM NEWS & EVENTS

Celebrating milestones, recognising team members, raising money for charity, representing our industry on a global scale and chatting with Ministers about insurance – EBM have been busy bees!

CoverLink turns five

May marked the fifth anniversary of EBM's CoverLink division.

Established back in 2013 as a managing agency, with a core focus to negotiate cover and pricing at a portfolio level for the benefit of our clients.

Starting out with one product, one supplier and two employees, the goal was to offer five insurance products within five years. But the team has well and truly surpassed that ambition – today we offer 16 products and work with 16 suppliers, and our 14 employees negotiate more than 14,000 policies!



CoverLink General Manager Chris Lane spoke about the evolution of the division and thanked industry suppliers for their support, while Executive Chairman Alan Bishop congratulated the team on their achievement and reiterated his belief that the division would continue to go from strength to strength.

Stars shine bright

The winners of RentCover's inaugural Star Awards have been announced.

The Star Awards acknowledge employees who have made an outstanding contribution to RentCover's Vision, Purpose, Goals, Behaviours and Values.

And the latest winners are...

- *Rising Star Award* – **Kaila Webb** (State Manager – WA Relationship Management)
- *Leadership Award* – **Karlee Halliday** (National Relationship Manager)
- *Commendable Award* – **Steven de Santa-ana** (RentCover Technical Services Analyst)
- *Executive Choice Award* – **Susan Lam** (Office Manager)
- *Group Services Award (team)* – **Brad Stenton** (National Manager – Finance) **and the Finance Team**
- *Group Services Award (individual)* – **Aleksandar Kachelov** (IT Support Officer)

Steven de Santa-ana was greeted with cheers as he was awarded *RentCover Employee of the Year*.

Congratulations to all the winners!



EBM Executive Chairman Alan Bishop congratulates Steven de Santa-ana on becoming the 2018 RentCover Employee of the Year.

Coming up roses

EBM team members Alyce D'Ortona, David Fullwood, Kirra Abbott, Louise Carruthers and Tracsell Mathanda volunteered at the head office of Cystic Fibrosis WA to wrap roses for 65 Roses Day in May.

More than 100 volunteers pitched in to wrap more than 15,000 blooms. The beautiful tributes were then sold by community supporters and businesses throughout Perth to raise much-needed funds for the charity.

65 Roses Day is a highlight of Cystic Fibrosis Awareness Month. Funds raised support vital home care services for patients and fund world-class research projects.

Cystic Fibrosis is the most common, life-threatening genetic condition affecting Australians today. It is caused by a build-up of thick mucus and can result in repeated infections and irreversible lung damage.



The team from EBM volunteered to help wrap thousands of roses for the annual fundraiser for Cystic Fibrosis WA.



More than 15,000 blooms were wrapped for 65 Roses Day.

Gonna run for you

Donning their joggers, a team from our Perth office hit the track to raise money for the Cancer Council in May.

The Cancer Council's Relay for Life is a 24-hour marathon, where participants can walk, run, jog, skip or go around the track to raise money for cancer research, prevention and support services.

Braving the elements, some of the team camped out overnight to ensure the baton (a decorated wooden spoon) kept moving around the track throughout the night.

Team organiser Kerin Dockerty said: "Relay for Life was a fun and moving overnight experience – a great team-bonding event for a great cause!".

The team completed an amazing 334 laps (81.83kms) in 24 hours. Their total of \$2,624, was a great contribution to the event's grand total of \$362,904 raised by the 120 teams.

“I had heard of Relay for Life but didn’t really know anything about it. It is such a brilliant event, raising funds and awareness for cancer and cancer research, a disease that impacts so many lives. It was a privilege to take part and we were lucky to have such a wonderful team. Looking forward to being a part of it again next year,” said Chloe McIntosh.



Looks like team spirit! L-R: David Freakley, Harold Kuan, Kirra Abbott, Nick Edwards, Katie Postlewaite, Natasha Williams (front), Kerin Dockerty (behind), Liam Fynn (front), Mike Yates (behind) and Louise Carruthers.



Thumbs up! Kerin Dockerty and Chloe McIntosh kept the baton moving through the night.



In fine weather... L-R: Kerin Dockerty, Katie Postlewaite, Chloe McIntosh, David Freakley, Liam Fynn and Louise Carruthers.



...and in poor. A spot of precipitation didn't dampen the team's spirits. Nick Edwards donned a weather-proof poncho and hit the track.

Networking with our neighbours

Australia was represented by EBM's Alan Bishop, Ward Dedman and Jane Barry at the Asia Australasia Alliance (AAA) Conference in New Zealand in May. Hosted by PIC Insurance Brokers, the conference attracted participants from Australia, Hong Kong, Indonesia, Malaysia, Singapore and Thailand. All members presented a report on their company and home country trends, regulations, economy and present market conditions.

Representing most of the leading insurance broking companies in the Asia-Pacific region, the [AAA](#) brings together a network of insurance broking firms to create a resource that benefits clients through the expansion of professional links and provides a forum for all members to contribute to the development of the industry.

The alliance was formed in order to improve clients' access to professional insurance solutions that go beyond options available in their home countries or meet local legislative or other needs. Members of the AAA collectively handle annual premiums in excess of USD500 million and employ over 750 staff across eleven countries and territories, with the capability to arrange and manage quality insurance programs for clients throughout the Asia-Pacific region.



Alan Bishop and Ward Dedman met with colleagues from across the Asia-Pacific region for the AAA conference.

When Ryan met Christian

When Federal Budget 2018-19 was announced in May, amongst those in lock-down was our Executive General Manager, Ryan Cameron.

As a guest of Attorney-General, the Hon Christian Porter, Ryan watched the Budget being handed down in the House of Representatives and met several senior government ministers, including the Hon Josh Frydenberg, Minister for the Environment and Energy, and the Hon Kelly O'Dwyer, Minister for Revenue and Financial Services.

Ryan had the opportunity to discuss the Commonwealth Government's Northern Australia Insurance Premiums Taskforce response to the issue of lowering insurance premiums in areas subject to high cyclone risks, being able to speak with authority on the matter given EBM's experience arranging and managing insurance covers for our clients in Western Australia's cyclone-prone North West, out of our own EBM Karratha office.



The Hon Christian Porter with EBM's Executive General Manager Ryan Cameron on Budget Night.

NEWS IN BRIEF

Mircosoft Office 365 and phishing

The latest data breach insights from Beazley have revealed that the number of business email comprises has accelerated, especially for companies using Office 365. As more organisations move applications, email or infrastructure to the cloud, the risk of falling victim to phishing hacks increases, noted the report. To protect your business against cyber threats, speak to your EBM Account Manager about risk mitigation strategies and [Cyber Liability](#) cover.

CBA to sell off general insurance unit

The Commonwealth Bank of Australia has announced it is offloading its general insurance unit. The deal is expected to be worth more than \$1 billion. A number of major insurers have expressed interest in acquiring the business.

ATO claws back \$2.7 billion from multinational companies

In just under a year, a taskforce has clawed back \$2.758 billion in unpaid taxes from multinational companies operating in Australia. A total of 318 multinationals are now under active audit or review by the ATO over potential tax avoidance. ATO data also revealed a further 44 companies have moved their locally-based sales revenues back onshore in response to the Multinational Anti-Avoidance Laws passed last year.

SBOs trading on eBay at risk

Despite almost one-third of small business owners selling their products online through platforms like Amazon and eBay, 31 per cent of those SBOs don't have Product Liability insurance, according to Insureon. While only two per cent of those surveyed had received a customer complaint over a product that caused an illness or injury, the cost of those lawsuits ranged between \$4,000 and \$190,000. It was also found that 74 per cent of SBOs were underinsured, while 40 per cent were completely uninsured. Talk to one of our [Liability Risk](#) experts to discuss your needs.

GST crackdown on online sales

From 1 July, international online marketplaces will be required to collect GST and remit the monies to the ATO. The requirement has been extended to include retail sales of goods costing \$1,000 or less. ATO research found there were 3,200 international electronic distribution platforms selling goods to Australians that should be registered to pay GST on low-value goods. Failure to comply may result in targeted audits, liability for uncollected GST and penalties.

Businesses to employ cheaper overseas workers

A new Federal Government plan to ease labour shortages will see employers able to hire foreign workers on salaries up to 10 per cent below standard rates for skilled migrants on 457 visas. Launching in Darwin, the plan is set to extend into other areas suffering from a lack of skilled workers across dozens of job categories including childcare workers, disability carers, mechanics, bricklayers, office managers, carpenters, chefs and nurses. *The Australian* reported that concessions on skills and qualifications will be considered if companies prove they desperately need the foreign workers because they cannot find the same skills locally.

Traveller forced to provide €18,000 surety before being treated

A Brisbane man was forced by a Spanish hospital to pay €18,000 (around \$28,000) upfront before he could be operated on. Each year around 1,700 Australian holidaymakers are admitted to hospitals overseas – and it is not uncommon for the medical facilities to insist the patient prove they can pay for treatment beforehand. If the patient doesn't have Travel Insurance, they will often be required to provide cash.

Fraudsters get their comeuppance

A Sydney lawyer has been convicted of faking a \$700,000 insurance claim over a car crash. He faces potential jail time after being convicted of dishonestly obtaining financial advantage by deception for making false claims in relation to a car accident.

An elderly couple have been arrested by Strike Force Ravens after allegedly defrauding the Compulsory Third Party insurance scheme. The couple from south-west Sydney were charged with one count of conspiring to cheat and defraud after allegedly submitting \$280,000 of fraudulent CTP insurance claims relating to a car crash in 2015.

A Perth man has been sentenced to five years in jail after he was found guilty of deliberately setting a Welshpool commercial building ablaze in 2017 as part of a failed \$20 million insurance scam.

US insurers & Ticketmaster UK hacked

Aflac and Continental American Insurance Company (CAIC) announced the email accounts of several of their independent contractor sales agents had suffered a data breach, potentially exposing clients' personal data. The cyberattack is suspected to have occurred sometime between 17 January and 2 April and the company is notifying individuals whose private information may have been compromised due to their communication with the affected sales agents. Ticketmaster UK has also alerted customers to the possibility that their personal and payment details may have been stolen in a hacking incident. Around 30,000 customers in the UK were identified as being affected by the data breach that resulted from malicious software on a customer support product hosted by a third-party supplier. Australian businesses looking to protect their finances and reputations against data breaches should speak to their EBM Account Manager about [Cyber Liability](#) cover.