

# AUSTRALIAN FERTILISERS SERVICES ASSOCIATION PRESENTATION

AUGUST 2009  
TONY WALKER:

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# Agenda Topic

# Using Insurance

To

# Minimise Business Risk

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# AGENDA

- INSURANCE MARKET
- ROLE OF AN INSURANCE BROKER
- BUSINESS OBJECTIVES
- BUSINESS OPTIONS
- INDUSTRY RISKS
- RISK MANAGEMENT PROCESS
- ABOUT OAMPS

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# AUSTRALIAN INSURANCE MARKET

- \$25B Annual Premium
- \$18B Claims
  - Weather losses – 30% of all claims last year
- \$ 8B Expenses
  - Claims , R/I
- Under Insurance
- Insurance Taxes
- Premiums will rise

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# INSURANCE BROKER ROLE

- Represent the client not the Insurer
- Need to understand your business
- Identify the risks and potential for loss
- Provide options to protect the business
- Assist you in making those decisions
- Arrange placement of risk
- Support you when a loss does arise

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# BUSINESS OBJECTIVES

- Continue to grow and be profitable
- Continue to support the community
- Adapt to changing market conditions
- Protect the assets of the business
- Protect against possible liabilities
- Protect your income
- Protect your people and family

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# BUSINESS OPTIONS

- Take out full insurance
- Self Insure part or most of the risk
- Risk Transfer - contract out of the exposure
- Avoid the risk – no longer part of the business
- Captive or Discretionary fund - pooling
- No Insurance – rely on handouts

Need to strike a balance

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# ICA SURVEY

- What business thinks
  - 93% insured correctly or over-insured
  - 67% have good knowledge on insurance policies
- What ICA Facts are
  - 1 in 6 SME business are not insured
  - 70% of Business fail after a major loss
  - 80% have heard of BI cover but only 35% have it
  - 83% of replacement values are incorrect



# Risk Management Process

- Risk Identification
- Risk Evaluation
- Risk Reduction
- Risk Control

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# Risk Identification

- Carry out walk through site inspections
  - Identify potential hazards that can cause injury or loss
- Review your Occupational Health & Safety policy
  - Consult with employees on safety issues
- Review current policies and procedures
  - Review previous records of incidents / accidents
  - What is your vehicle maintenance programme
- What are your Legal and Regulatory requirements
  - Chemical Handling Procedures

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# Risk Evaluation

- Property Loss – self Inspection
  - Fire & Security systems
  - House keeping and Maintenance
- OHS Compliance
  - Safe Operating procedures
  - Training programmes
- Inventory Levels
  - Storage facilities
  - Financial Cost

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# Risk Reduction

- Pinpoint weaknesses in the operations
- Measure the effectiveness of any change
- Establish priorities and timetable
- Identify the financial costs involved
- Engage industry & government consultants
- Fertcare Accreditation Programme

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# Risk Control

- Risk Management Team
- Annual Audits
- Incident reporting process
- Hazard Reporting process
- Staff Training

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# ABOUT OAMPS

- Founded in 1976
- Part of the Wesfarmers group
- Over 850 insurance professional brokers
- 28 Branches throughout Australia
- Specialist in SME and Affinity business
- Working with over 120 Associations

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# CONTACT OAMPS

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