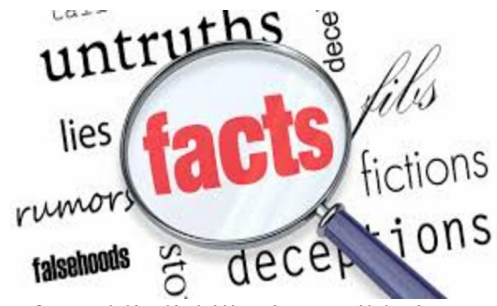


FACT SHEET

The WIA Club Insurance Scheme



It has been stated that the WIA's Club Insurance Scheme for public liability is possibly in breach of the Financial Services Act, by the WIA acting as an unlicensed agent or broker for the clubs.

Those statements also alleged that the breach of the Financial Services Act was the reason why QBE insurance failed to reinsure the WIA back in 2014.

The implication is that the existing insurance cover is illegal, and that clubs are not covered as intended under the policy. This is untrue.

This particular discussion came up initially in early 2014 between the WIA, represented by Ted Thrift VK2ARA, and the Managing Director of the Annis Group, the WIAs insurance broker.

The broker informed that QBE Insurance made a decision at the time not to reinsure the WIA as a Group Purchasing Body, in preparation for proposed changes to the licensing and managed investments provisions of the Corporations Act.

In association with Ted Thrift and Chris Platt (a WIA Director at the time), the Annis Group made a determination that there was no concern for the way the policy was being managed and operated given the proposed changes to the Act. The policy was then transferred from QBE to Miramar, who continue to provide the cover.

Naturally, any suggestion of a possible problem with the insurance cover for WIA Affiliated Clubs is very concerning for the Board and, in the circumstance of conflicting information, the President directed that a written response be obtained from the Annis group, and from Miramar.

In an email dated 10th October 2016, the Annis Group advised the WIA as follows:

ASIC decided to again extend the relief provide to Group Purchasing Bodies under Class Oder CO 08/1. This relief was due to expire on 30 June 2016, but ASIC extended until 30/06/2017. The class order gives eligible Group Purchasing Bodies relief from the licensing and managed investments provisions of the Corporations Act. This includes the relief from the requirement to hold an Australian financial services (AFS) licence for providing the following financial services in relation to risk management products:

- *Dealing (other than issuing);*
- *Providing custodial or depository service; and*
- *Giving financial product advice by providing certain general information when arranging for a person to be covered by a risk management product.*

Based on the current situation where premiums are negotiated between Annis Group (AG) and the Insurer, then confirmed with WIA once the overall Club and Member numbers are

received. WIA then performs administration duties on behalf of the Clubs and collects the premiums from the Clubs to forward to AG in bulk payment. AG then organise the issuance of certificates of currencies (for the individual Clubs) and policy documentation including PDS, which I believe are readily made available on the WIA website.

Under the current conditions of the regulatory guidelines, your situation is not contrary to the relief order made available by ASIC.

We believe the WIA are eligible for the relief order as none of the following are satisfied:

- The Group Purchasing Body does not carry on a business of issuing risk management products other than interests in its own risk management scheme.*
- If the Group Purchasing Body does not provide any financial product advice other than advice in relation to an insurance product or an interest in a risk management scheme operated by the Group Purchasing Body.*
- Either, the Group Purchasing Body is 'independent' and receives no financial benefit for arranging the insurance or the Group Purchasing Body's activities in providing financial services are 'incidental' to its not-for-profit activities.*

A copy of the regulatory guide from ASIC directly in relation to Group Purchasing Bodies for Insurance and Risk Products was attached to the Email. Page 15 of it sets out the three key points in identifying eligibility for relief, all being met by WIA.

On the 12th October 2016 the WIA received an email, forwarded via the Annis Group, from the Senior Liability Underwriter at Miramar Insurance.

The email states:

I have heard back from our compliance manager and in principle he is in agreement with the approach Annis Group has taken.

In its simplest sense WIA have appointed Annis Group to act as their broker.

Please note the above does not constitute formal advice and should that be required we recommend you seek professional legal advice.

The information received from the insurance broker, supported by the insurance company, informs the WIA insurance cover provided to Affiliated Clubs is legal and valid. Changes to the structure of the scheme may be required in the future, depending on future changes to the Corporations Act. The WIA continues to consult the insurer and the Annis Group.

The WIA, its directors and officers, cannot give formal legal advice. Information about the insurance cover provided is in the policy document.

Further information can be found at: asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-195-group-purchasing-bodies-for-insurance-and-risk-products.