

INTRODUCTION

We are pleased to present our Insurance Renewal Report for the Model Aeronautical Association of Australia (MAAA) for the insurance year 31st May 2012 to 31st May 2013.

This Report outlines the premium terms and a summary of coverage of the policies that we are recommending. The actual insurance coverage is subject to the full terms and conditions of the relevant policies, which are to be agreed in due course and sent to you when they have been finalised.

There are four current policies that are due for renewal on 31st May 2012:

- Sports Injury and Personal Accident
- Public & Products Liability / Professional Indemnity
- Association Liability
- Corporate Travel

Important points relating to this Report

Please note the following important points relating to this Report:

- This Report has been based on the information you provided to us and on which we have relied. If you have not provided to us all material information or you discover that the information you have provided is inaccurate or has changed, please advise us immediately so that we can reconfirm terms with insurers. You should also read our Important Notices (last section of this Report), which explains in detail your duty of disclosure, as well as a number of other issues relevant to these insurance products including what to do if you need to make a claim.
- It is important you review this Report to confirm that the recommended policies accurately reflect the coverage, conditions, limits and other terms that you require. If the quotations of terms and coverage are not in accordance with your instructions please advise us immediately.
- This Report should not be construed as providing any confirmation of actual insurance cover or any commitment by the insurers to provide insurance cover.
- Willis has no agreement with the insurers referred to in this Report to only provide and recommend their terms.
- The quotations in this Report are valid for 1 day expiring on 31st May 2012 after which insurers may withdraw or vary them.
- These quotations are conditional upon there being no new claims or claims notifications between the date of this Report and the inception date of cover.
- It is important we receive your confirmation of acceptance as soon as possible. We must advise you that Willis will not be responsible for any consequences that may arise from any delay or failure by you to respond to us by 31st May 2012.

The Financial Services Reform Act may require certain disclosures in respect of some of the insurance policies included in this Report. Typically these policies will be domestic, motor, travel, personal accident, or other personal property insurance policies. You should review the relevant schedule contained in the section headed 'Summary of Insurance Program' and consider whether the cover, conditions and other terms of the insurance meet your requirements (including your needs, objectives and financial situation). Please also refer to the relevant Product Disclosure Statement attached to this Report or previously provided to you for this insurance when making your decision.

We thank you for the opportunity to present this Report to you and look forward to receiving your final instructions in due course.

SPORTS INJURY AND PERSONAL ACCIDENT INSURANCE

Who Is Insured Under This Policy?

MAAA, state associations, affiliated clubs, all members, Display & Flight Line Directors, employees, instructors, inspectors and voluntary workers and/or subsidiary and/or related Corporations as defined under Australian Corporations Law and/or financiers and all parties for whom the Insured undertakes to insure for their respective rights, interests and liabilities.

What Is The Period Of Insurance?

From: 4.00pm 31 May 2012 to: 4.00pm 31 May 2013
Both Local Standard Time at the Insured's head office

What Cover Applies?

This policy covers injuries resulting from an accident (not illness). It does not include any disease, injury or condition that existed before the accident.

What Is The Scope Of Cover?

- a) Competing in official club, state and national events.
- b) Organised training or practice sessions for activities as described in (a) above.
- c) Travelling directly between activities in a) or b) above, and your residence or place of employment or the premises of the MAAA or its affiliated Associations or Clubs.
- d) Staying away from your home district during a tour for the purpose of participating in sanctioned activities.
- e) Engaging in voluntary, administrative or organised social activities of the MAAA or its affiliated Associations or Clubs.

Where Are You Covered?

Worldwide

What Are The Age Limits?

2 to 100 years. Coverage limitations apply for the over 75 year olds.

What is the Summary of Benefits?

There are 9 main benefits under the Personal Accident policy as follows:-

1) Death and Permanent Injuries

The following benefits are paid for accidents resulting in permanent injuries;

INJURY RESULTING IN THE FOLLOWING PAYABLE CONDITION	COMPENSATION AS A DOLLAR AMOUNT OF THE CAPITAL BENEFIT
1. Death for over 18's to 75 year olds	\$100,000
1a. Death for under 18's and over 75 year olds	\$20,000
1b. Capital Benefits for under 75 year olds	\$100,000
1c. Capital Benefits for over 75 year olds	\$20,000
1d. Quadriplegia & Paraplegia for under 75 year olds	\$175,000
1e. Quadriplegia & Paraplegia for over 75 year olds	\$175,000
2. Quadriplegia	\$175,000
3. Paraplegia	\$175,000
4. Permanent total loss of sight of both eyes Permanent total loss of sight of one eye	\$100,000 \$50,000
5. Permanent total loss of hearing two ears Permanent total loss of hearing one ear	\$75,000 \$25,000
6. Permanent total loss of use two arms Permanent total loss of use one arm	\$75,000 \$35,000
7. Permanent total loss of use of two legs Permanent total loss of use of one leg	\$75,000 \$35,000
8. Permanent total loss of use of two + fingers Permanent total loss of use of two fingers Permanent total loss of use of one finger Permanent total loss of use of one thumb	\$40,000 \$14,000 \$4,000 \$5,000
9. Permanent total loss of use of two + toes Permanent total loss of use of two toes Permanent total loss of use of one toe	\$40,000 \$14,000 \$4,000
10. Permanent total loss of use of two kidneys Permanent total loss of one kidney Permanent total loss of spleen Permanent loss of liver Permanent total loss of two testicles Permanent total loss of one testicle Permanent total loss of sexual function	\$75,000 \$30,000 \$25,000 \$70,000 \$40,000 \$6,000 \$45,000
11. Permanent total disfigurement Permanent total shortening of leg by at least 5cm	Up to \$45,000 \$7,500
12. Permanent Total Disablement or permanent total Loss of Use of any body part not shown above will be compensated at a percentage of the lump sum benefit as determined at Our absolute discretion. Such determination will not be inconsistent with the benefits provided under Insured Events 1-11 inclusive.	Up to \$90,000

13. Becoming HIV positive but cover for this Insured event is only provided if the infection was as a direct result of playing or participating in the Sport.	\$10,000
14. Broken bone benefits caused directly and solely by injury a. Neck or spine (full break) b. Hip, pelvic c. Skull, shoulder blade d. Collar bone, upper leg e. Upper arm, kneecap, elbow f. Lower leg, jaw, wrist, cheek, ankle, hand, foot g. Ribs h. Finger, thumb, toe Limit of liability any one accident	\$5,000 \$500 \$200 \$200 \$150 \$100 \$100 \$50 \$5,000

2) NON-MEDICARE MEDICAL EXPENSES

This covers insured persons for NON-MEDICARE MEDICAL Expenses. The policy is for reimbursement only. That is, the member must pay the account and then claim reimbursement under this insurance cover.

NOTE: Only NON-MEDICARE items are claimable (i.e. The "Medicare gap" is not claimable due to government legislation).

The most common "Non Medicare" expenses include:-

Private Hospital Accommodation and Theatre Fees, Dental, Ambulance, Chiropractic, Physiotherapy, Osteopathy

Medical expenses that are covered by Medicare (i.e. not covered by this sports injury policy) include:-

Doctor's Fees, Surgeon's Fees, Anesthetist's Fees, X-rays

BENEFIT

Reimbursement up to 100% of Non Medicare medical costs, up to \$4,000 per injury

EXCESS

\$50 excess applies to each injury. There is a nil excess if a member belongs to a private health fund.

CONDITIONS

- If a member belongs to a private health fund, they must claim from that fund first.
- Non Medicare Medical costs are only reimbursed by this policy if incurred within 52 weeks from the date of injury.

IMPORTANT NOTES

1. Cover under this section is limited. We strongly recommend that insurer persons consider taking out private health insurance.
2. Make sure your insured persons understand there could be a shortfall ("gap") in the rebate they receive from Medicare. Due to government legislation, this "gap" cannot be insured. Each Centre of club should decide who is responsible for this gap. i.e. The centre/club or the participant. Make sure all insured persons are made aware prior to an injury occurring.
3. Medical expenses will only be reimbursed by this policy if they are incurred within 52 weeks from the date of injury.

3) Loss Of Income

This benefit provides cover for insured persons who are disabled from an injury relating to events covered and are unable to work.

Benefit

80% of your net weekly income up to a maximum of \$1,000 per week, whichever is the lesser.

Excess

The first 7 days income from the date of injury is excluded.

Benefit Period

52 weeks from the date of injury.

4) Student Assistance Benefit

Pays \$500 per week for cost actually incurred for tutoring, travel costs etc to assist full time student.

Excess

The first 7 days from the date of injury are excluded.

Benefit Period

52 weeks from the date of injury.

5) Domestic Help Benefit

Pays non-wage earners up to 100% of cost to a maximum of \$500 per week being for reimbursement of actual costs incurred for cooking, ironing, washing, cleaning, and child minding expenses as a result of injury.

Excess

The first 7 days from the date of injury are excluded.

Benefit Period

52 weeks from the date of injury.

6) Parents Inconvenience Allowance

Pays up to 80% of costs to a maximum of \$300 per week, whilst the child is hospitalised to off set costs incurred for baby-sitting, taxi fares etc.

Excess

The first 14 days from the date of injury are excluded.

Benefit

52 weeks from the date of injury.

7) Funeral Benefit

Where an Insured Person suffers death as a result of an accidental bodily injury, the insurer will reimburse the reasonable expenses incurred for burial or cremation or the cost of returning the Insured Persons body or ashes to his/her home town up to a maximum of \$5,000.

8) Home and/or Motor Vehicle Modification Benefit

If the event that an Insured Person suffers Accidental Bodily Injury resulting in the payment of a Capital Benefit under Event 2, Permanent Total Disablement, we will reimburse the costs incurred by the Insured Person for the necessary Home and/or Vehicle modification deemed reasonable and necessary by the attending qualified Physician to a maximum Sum Insured of \$10,000.

9) Broken Bones Benefit

Pays up to \$5,000 for broken bones (as per schedule in the Policy Wording)

PUBLIC AND PRODUCTS LIABILITY INSURANCE

Who Is Insured Under This Policy?

MAAA, state associations, affiliated clubs, all members, Display & Flight Line Directors, employees, instructors, inspectors and voluntary workers and/or subsidiary and/or related Corporations as defined under Australian Corporations Law and/or financiers and all parties for whom the Insured undertakes to insure for their respective rights, interests and liabilities.

What Is The Period Of Insurance?

From: 4.00pm 31 May 2012 to: 4.00pm 31 May 2013
Both Local Standard Time at the Insured's head office

What Is The Scope Of Cover?

This policy provides protection for members that are held liable for a negligent act that results in property damage or bodily injury anywhere in the world excluding USA & Canada.

What Are The Insured Activities?

Administration, promotion, organisation and participation in MAAA activities including sanctioned training sessions and training camps, coaching, the rendering of first aid, provision of food and drink, publication of newsletters, sale of merchandise, property owners or property occupiers liability, social activities including awards presentations, fundraising, BBQs and other social gatherings.

Where Are You Covered?

Anywhere in the world, except the United States of America and Canada.

What Are The Limits Of Liability?

Public Liability

\$20,000,000 in respect of any one occurrence arising out of the one event during the period of insurance.

Products Liability

\$20,000,000 in respect of any one occurrence during the period of insurance.

Property in Physical or Legal Control of Insured

\$100,000 in respect of any one occurrence during the period of insurance.

What Is The Excess?

\$5,000 each and every occurrence.

What are the Policy Extensions?

- **Products Liability** Protecting your Legal Liability arising from the supply of food and drink, sports wear and trophies and the like.
- **Care, Custody and Control** Cover for property not owned by the insured but in their care, custody and control. This could include any legal liability arising from loss or damage to property such as visitors/members/employees clothing, borrowed equipment etc.
- **Member to Member/
Cross Liabilities** Members are covered in respect of claims made against them by any other insured person whilst participating in an event or scheduled training activities.
- **Medical Aid/
First Aid** Relating to liability arising from the rendering of first aid or medical treatment by an insured person. This extension excludes such first aid or medical advice rendered by a professionally qualified medical or paramedical person.
- **Tenants Liability** Public Liability relating to premises leased or rented by the insured.
- **Property Owners Liability** Public Liability relating to owned premises of the insured.
- **Car Parks** Covers legal liability arising from the operating of a car park, used in connection with and by the Insured.
- **Sporting Participation** The policy provides coverage for liability resulting from sporting participation.
- **Molestation Cover** A sub limit of either \$100,000 or \$250,000 would be provided on renewal if the MAAA chose to effect this option *

* Please note that Molestation cover will be specifically excluded from the policy if the coverage options put forward by Willis are not effected by the MAAA.

PROFESSIONAL LIABILITY INSURANCE

Who Is Insured Under This Policy?

MAAA, state associations, affiliated clubs, all members, Display & Flight Line Directors, employees, instructors, inspectors and voluntary workers and/or subsidiary and/or related Corporations as defined under Australian Corporations Law and/or financiers and all parties for whom the Insured undertakes to insure for their respective rights, interests and liabilities.

What Is The Period Of Insurance?

From: 4.00pm 31 May 2012 to: 4.00pm 31 May 2013
Both Local Standard Time at the Insured's head office

What Is The Scope Of Cover?

This policy provides indemnity to a coach or official if they are held liable for an error or incorrect advice which results in injury or property damage to a third party.

Where Are You Covered?

Anywhere in the world, except the United States of America and Canada,

What Are The Limits Of Liability?

\$5,000,000 any one period of insurance

What Is The Excess?

\$5,000 each and every occurrence.

ASSOCIATION LIABILITY INSURANCE

Who Is Insured Under This Policy?

Directors and officers of the MAAA, including all affiliated bodies including State and Territory Associations and clubs and appointed sub committees.

What Is The Period Of Insurance?

From: 4.00pm 31 May 2012 to: 4.00pm 31 May 2013
Both Local Standard Time at the Insured's head office

What Is The Limit Of Indemnity?

\$ 2,000,000 anyone claim, \$2,000,000 in aggregate during the period of insurance

What Is The Excess?

Insured Persons	\$nil
Professional Indemnity	\$1,000
Association Indemnity	\$1,000
Association Reimbursement	\$1,000
Association Liability	\$2,500
Employment Practices	\$1,000
Trustee	\$1,000
Crime	\$2,500
Taxation Investigation	\$1,000

What Is The Scope Of Cover?

Association Liability is essentially made up by 4 covers: -

1. Directors & Officers Liability

Directors and Officers insurance is intended to provide cover for honest mistakes made by directors, secretaries and other officers concerned in the management of the affairs for the organisation. Indemnity is provided for loss as a result of a claim arising out of an insured director's "wrongful act".

Cover is for damages and legal costs incurred in defending an action brought against an insured director or officer. In addition, coverage is provided for legal costs incurred in the successful defence of criminal proceedings.

The definition of "wrongful act" includes any error, misstatement or misleading statement, act or omission or neglect or breach of duty of an insured director or officer in the conduct of his or her duties – in short, everything an insured individual does or fails to do.

2. Professional Indemnity

Liability arising from the breach of professional duty whether such duty is owed in contract or otherwise in respect of the Insured's legal liability arising from negligent acts, errors or omissions whenever or wherever committed or alleged to have been committed in connection with your organisation.

3. Employment Practices Liability

Employment Practices Liability insurance means any of the following practices directed against any employees, contract worker, temporary workers or any applicant for employment by the named insured: -

- Wrongful refusal to employ an applicant for employment
- Wrongful failure to promote an employee
- Wrongful demotion, negligent evaluation, negligent reassignment or disciplinary action.
- Unlawful discrimination which may include discrimination

4. Fidelity Guarantee

(sub limited to \$500,000)

Provides cover against any loss of money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes belonging to the insured or for which the insured is legally liable, where such loss is sustained in consequence of any dishonest or fraudulent act or omission of any insured.

Where Does Cover Apply?

The indemnity provided under this policy shall extend to a wrongful act occurring anywhere in the world but shall not include any claim made in, or determined pursuant to the law of the USA or Canada.

CORPORATE TRAVEL

Who Is Insured Under This Policy?

Model Aeronautical Association of Australia (MAAA) and/or subsidiary and/or related Corporations as defined under Australian Corporations Law and all parties for whom the Insured undertakes to insure for their respective rights, interests and liabilities.

What Is The Period Of Insurance?

From: 4.00pm 31st May 2011 to: 4.00pm 31st May 2012
Both Local Standard Time at the Insured's head office

What Are The Policy Benefits?

Per Person	Benefit
Personal Accident & Capital Benefits:	\$500,000
(Children up to 18 years)	\$20,000
Temporary Total Disablement (85 % up to a maximum of)	\$2,000
Medical Expenses	\$Unlimited
Emergency Medical Evacuation	\$1,000,000
Repatriation of Mortal Remains	\$50,000
Cancellation / Curtailment	\$Unlimited
Personal Liability	\$10,000,000
Luggage, Personal Effects, Travel Docs	
Money and Credit Cards	\$10,000
Specified Items;	
- Money and Credit Cards	\$5,000
- Portable Business Equipment	\$5,000
Alternative Employee or Resumption of	
Assignment Expenses	\$10,000
Rental Vehicle Collision Damage &	
Theft Excess	\$5,000
Missed Transport Connection	\$5,000
Extra Territorial Workers Compensation;	
- Weekly Benefit	\$500
- Common Law Limit, any one accident	\$500,000
Political Evacuation & Natural Disaster	\$20,000
Extra Territorial Workers Compensation	\$500,000
Kidnap & Ransom & Extortion	\$500,000
Political Evacuation & Natural Disaster	\$100,000
Aggregate Limit of Liability	\$5,000,000

Interest Insured

Directors, Executives, Managers, Coaches, Authorised members, Australian and State teams and their accompanying spouses and/or partners and dependent children, whilst engaged on authorised business travel provided travel by rail, motor vehicle or passenger steamer exceeds 100 kilometres from point of departure to the intended destination, including associated holiday travel and overseas leisure travel

Journey

180 days, maximum length of travel covered