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SLOPES - JLT Insurance Program 2018 - Current renewals

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Dear SLOPES Members

Clubs who participate in the JLT Insurance Program recently will have received their renewal notices for the year ahead.

We understand Clubs will have noticed an increase in their premiums compared with last year.

JLT have included in the material sent to Clubs a Renewal Report which sets out in detail relevant factors impacting the renewal terms this year.

In addition to the usual "Key Market Trends" and "Property" components, this year the "NSW Emergency Services Levy 2017" (ESL) and the "NSW Small Business Stamp Duty Exemption" have had an impact.

The JLT representatives at the SLOPES AGM last November commented on some of these factors.

Given the increase in premiums this year we asked JLT for some further background.

In response JLT comments:

In the meantime, and to further clarify the situation, the premium increase passed on from the insurer was 5%. This was negotiated down from the 10% increase they were requesting. As mentioned in the renewal information document, we are heading into a hardening insurance market and have been seeing increases from 25%-500%.

The Emergency Service Levy (ESL) is causing what appears to be the "substantial premium increase". At the beginning of last year, the ESL was gradually reduced over the period towards the date the Government intended to abolish the charge which is why the clubs only paid 10% last year, they then did an about face at the very last minute. If we take out last year, every year prior attracted rates from 31.5% to 34%. The GST and Stamp Duty are also then affected as they are calculated on the base premium and the ESL combined.

This is not a charge mandated by the underwriter. The underwriter is required to collect and meet its statutory ESL obligations. Whilst we undertook a marketing exercise this year, moving insurers will not change the ESL charge.

This year the Emergency Services Levy component (ESL) is material because of the dip that occurred through Government action in 2017.

In summary the ESL this year is 36% of the base premium; last year it was 10%; in previous years it ranged from 31.5 to 34%.

So, as JLT notes:

For a true comparison of the total premium payable by each club, they need to review this renewal against the 2016-2017 period premium when the clubs were paying the full ESL rate rather than focusing on the 2017-2018 period plus take into consideration the 5% increase on the base premium. They also need to take into consideration any increases in the sum insured during the last period (especially following the valuations that were carried out).

The JLT contact is:

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If participating Clubs have any questions regarding their renewal please contact Danielle.

Clubs that do not participate are welcome to join at any time - again please contact Danielle to discuss that.

Regards

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President
SLOPES