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Contributions to *riskmatters* on any subject relating to insurance, risk management or procurement can be forwarded via email to trmf@treasury.tas.gov.au.



Claims assistance

The Fund's Fund Administration Agent Marsh Pty Ltd should be contacted for all claims assistance.

Welcome

Welcome to the August 2010 edition of the Tasmanian Risk Management Fund newsletter, *riskmatters*, published by the Department of Treasury and Finance.

The Fund provides cover for the identified insurable risks of participating agencies through a combination of insurance and self-insurance arrangements. In this edition we look at the Fund's history as it progressively took on responsibility for agency risks and moved towards self-insurance. See page 3 for this feature.

While the Fund self-insures most categories of risk, cover for marine hull and travel continue to be purchased from the market and are subject to specific requirements. See page 3 for details.

Also included in this edition are reminders that procurement requirements must be considered when managing claims under the Fund and Marsh must be notified whenever a major works building or construction contract is entered into (page 4).

Di Hope
Editor

Fund news and updates

Renewal of insurances for 2010-11

Marine hull and corporate travel insurance have been renewed in the market for 2010-11. Notification of TRMF contributions including marine hull and corporate travel are expected to be sent to agencies in October/November.

Thank you for your promptness in providing the information required by the Fund's broker to place cover.

Workers compensation information session

Agencies interested in recent changes to the *Workers Rehabilitation and Compensation Act 1988* attended an information session arranged by Marsh on 14 May 2010. At this session, Paul Turner from the Office of the Director of Public Prosecutions discussed the changes to the legislation, and Paula Rose from Injury Prevention & Management discussed the requirements of the Return to Work and Injury Management Model.

Copies of their presentations can be obtained by contacting Martin Broad at Marsh Pty Ltd on 6281 3133 or emailing Martin at martin.d.broad@marsh.com.

Treasury visits to agencies

Agencies are reminded that members of the Procurement and Risk Management Unit of Treasury are happy to meet with agencies to discuss any issues that have arisen relating to the Fund.

Individual or group information sessions for new agency employees can also be arranged.

Please email trmf@treasury.tas.gov.au or call Hattie Turner on 6233 5440 to arrange a time for a meeting.

Thank you for participation - survey of the FAA

Thank you to those of you who completed a survey to help Treasury evaluate the performance of the FAA in its dealings with agencies. We had a 75 per cent response rate which was very pleasing. Responses will be summarised and discussed with Marsh.

Farewell

Kim Hudson, the Assistant Director for the Procurement Risk and Contract Management Unit, has left to take up another position in Treasury. We wish her all the best and thank her for her valuable support.

Welcome

Greg Hill has recently replaced Kim Hudson as the Assistant Director. Welcome Greg.

A frequently asked question

What cover is available to employees of participating agencies who, as part of their employment, serve as board members for not-for-profit entities?

If the entity is established under legislation, there may be a provision ensuring that board members are immune from personal liability. If not, cover through the Fund for any personal liability arising from the employee's participation on the Board will be provided if the employee is granted indemnity pursuant to *Ministerial Direction No 8 – Indemnity against Legal Process*.

Safe Work Tasmania week

This year Safe Work Tasmania Week will be held from Sunday 24 October to Saturday 30 October 2010.

Safe Work Week aims to get people talking about and acting on workplace health and

safety issues which are everyone's responsibility.

For further information visit the WorkCover Tasmania website at www.workcover.tas.gov.au.

A potted history of the Fund's transition towards self-insurance

The transition to self-insurance for identified agency risks began from 1 January 1999 with the establishment of the Tasmanian Risk Management Fund.

Prior to 1999, agencies purchased insurance from the private sector for a relatively small number of risks and met the costs associated with uninsured risk from their budgets.

The Fund was established to provide a centralised approach to the management of agency risks.

From 1 January 1999, agencies progressively transferred their risks to the Fund as and when cover fell due, and the whole of each risk was placed with the private sector by the Fund.

A transitional period allowed for the phased in transfer of existing agency insurance arrangements to the Managed Fund.

During this initial period, the Fund only managed the risks for which agencies had private cover. For all other risks, agencies continued to meet costs in accordance with established Budget protocols.

From 1 July 1999, cover for centrally managed risks became compulsory for participating agencies.

1 July 1999 marks the beginning of the Fund's centralised approach to the management of

identified risks. From this date, all participating agencies were required to purchase cover through the Fund for liability (excluding medical liability), motor vehicle and personal accident even if they had not purchased cover for these risks in the past.

The Fund also continued to manage risks (through private sector purchase) where agencies had selective cover.

Cover continued to be purchased through the private sector.

The range of centrally managed risks progressively expanded.

By 2000-01, the Fund was purchasing centralised cover for all identified agency risks except property, business interruption and medical liability cover.

Self-insurance and the expansion of the Fund to include all identified agency risks dates from 1 July 2001.

The most significant period for the Fund began on 1 July 2001. From this date, the Fund and the Tasmanian State Service Workers Compensation Scheme merged; all identified agency risks including property, business interruption and medical liability (post 1 July 2001) were covered by the Fund; and the majority of claims costs were being met directly from the Fund.

By 2002-03, cover for medical liability claims post 1 July 2001 had been included and the only cover being purchased from the market were marine hull and corporate travel.

The broad scope and structure of the Fund have been maintained since 2002-03.

Purchased insurance

The Fund self-insures most categories of risk, but two risk categories, marine hull and travel, are currently insured through the private sector: the former due to cost efficiencies, the latter in order to benefit from a worldwide 24-hour emergency assistance scheme.

Corporate travel

The Fund has purchased corporate travel insurance for 2010-11 from Accident & Health International.

It is a requirement under the policy that any loss or damage to baggage, property, money or travel documents be reported to either the police or transport carrier, otherwise cover may be refused by the insurer.

If you are travelling overseas on agency business, make sure that you know the Tasmanian Government policy number and the number to phone for assistance. Your TRMF agency representative will be able to provide these.

For further information on travel cover, including the name of your agency representative, visit the TRMF website at www.treasury.tas.gov.au/trmf.

Marine hull

Insurance for marine hull for 2010-11 has been purchased from Associated Marine Insurers.

Cover is provided on the basis of a schedule provided to the insurer annually. The insurer, through Treasury and the Fund Administration Agent, needs to be kept informed of changes which will affect the policy.

Only vessels listed on the schedule provided to the insurer are covered. Therefore, it is important to ensure that Treasury is advised of any change to the schedule.

Procurement requirements for work covered by the Fund

Procurement requirements must be considered when managing claims under the Fund.

Agencies are reminded that procurement undertaken by the agency relating to repairs and building works covered by the Fund, including scoping the work, preparing documentation and the works themselves, must be undertaken in accordance with government building and construction procurement guidelines.

Where there is insufficient time to undertake the appropriate procurement process due to factors outside your agency's control, an exemption should be sought from the Department of Treasury and Finance.

Refer to the 1200 series of the Treasurer's Instructions for more information.

Contractor insurance requirements – major works

It is a requirement that agencies notify Marsh whenever a major works building or construction contract is entered into.

It is mandatory that contractors obtain insurance through Treasury's nominated insurance broker, Marsh Pty Ltd, for all major works building and construction projects valued at \$100 000 and above.

To ensure that Marsh has all the information it requires to follow up insurance requirements with successful contractors, a pro forma has been developed and should be completed by agencies whenever a building or construction contract has been entered into and forwarded to Marsh.

See Treasurer's Instruction 1221 'Contractor Insurance Requirements for Major Works: building and construction, roads and bridges'.

Training

Procurement and Contracting for Construction (new course)

This new course, which was held for the first time on 20-21 July 2010 in Hobart, recognises the specialised nature of procurement for building and construction projects. It provides participants with a comprehensive introduction into the procurement process for building and construction (including roads and bridges), an overview of Government procurement policies and guidelines, and the management of subsequent contracts. The course is highly interactive with a mix of scenarios, discussion and group activities.

For further information on future courses, contact The Training Consortium by email at ttc@dpac.tas.gov.au or phone 6232 7511.

Meetings and notices

TRMF Steering Committee

The role of the TRMF Steering Committee is to serve as a consultative forum through which agencies can provide input into the operations of the Fund and feedback to Treasury, the Fund Administration Agent and the Actuary.

The Steering Committee is representative of the agencies participating in the Fund.

The next meeting will be held on Tuesday, **28 September 2010**.

Procurement Reference Group

The role of the Procurement Reference Group is to facilitate agency input into the development of procurement policy, training and tools.

Each agency is represented on the Reference Group by an officer nominated through their Head of Agency.

The next meeting is scheduled for Wednesday, **29 September 2010**.

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