

TCIS COVERNOTE

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The Editor
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TCIS Overview

It's TCIS newsletter time again. We have had a name change "TCIS Cover Note" just to be a bit more original. Firstly I take this opportunity to thank those clients for their favourable feedback to our first edition, I can tell you it made me feel a lot more relaxed as this is my first attempt into this genre, so once again THANK YOU.

Easter has come and gone and we are now all settled back into the footy season, hopefully your teams have started well, I'm still being optimistic with my team.

Something within the industry we are trying to be optimistic about is the predicted rise in premiums. A recent survey within the Insurance Industry has confirmed what many Australia clients have already discovered at renewal, premiums are increasing. The survey found rises happening in both personal lines (house & Car) 8% and commercial lines 4%.

A survey of 535 company executives found an average premium increase of 6.4% in 2009, above the 1-5% increase forecast in last year's survey.

The Australasian Risk Management Benchmarking Survey forecasts further increases this year.

The survey gives further credence to the claims of most insurers, who have been telling the market for some time that premium rates are increasing.

The rate rises are understandable, recent severe storms in Perth and Melbourne raising tens of thousands of claims for damage to homes, vehicles and commercial properties have added to the previous year's natural disasters of the Victorian bushfires and Queensland floods.

With insured losses set to top \$2 billion this week, a modest increase in insurance rates is an obvious outcome, however at the moment there's very healthy competition in the commercial and corporate market. Insurers are competing for new business and are keen to hold onto their existing business, so they are looking to match the market, and that should hopefully keep premium increases at modest levels.

www.tcis.com.au

Products & Services Available

TCIS can provide quotes for commercial properties of all sizes and usage types

Over covers include:

- ★ Industrial Special Risk for properties with values in excess of \$2 million
- ★ Business packages where property insurance is combined with various other business covers
- ★ Fire and perils where lower value buildings are insured in isolation
- ★ Specialty products exist for strata and community title properties and those high risk occupations such as fibre glass fabricators

Please [email](#) us your contact details, we will have one of our commercial brokers contact you to discuss your needs.

Prior to entering into any insurance contact please refer to the relevant Product Disclosure Statement (PDS)

Products Available:
Commercial Motor
ISR
Liability
Domestic Insurance
Tailored Insurance
Products – Income
Protection, Liability
& Marine

Recognizing a Stroke:- Something we should all be able to do:

The '3' steps. STR. Read & Learn!
 Sometimes symptoms of a stroke are difficult to indentify. Unfortunately, the lack of awareness spell's disaster. The stroke victim may suffer serve brain damage when people nearby fail to recognize the symptoms of a stroke. Now doctors say a bystander can recognize a stroke by asking three simple questions:

S "As the individual to SMILE

T "Ask the person to TALK and SPEAK A SIMPLE SENTENCE (coherently)

R "Ask him or her to RAISE BOTH ARMS.

If he or she has trouble with any one of these tasks, call emergency number IMMEDIATELY and describe the symptoms to the dispatcher.

News Sign of a Stroke – Ask the person to Stick out his or her tongue. If the tongue is crooked, if it goes to one side or the other, that is also an indication of a stroke.

Remember 3 simple steps for recognizing a stroke-

S - smile

T- talk/speak

R- Raise both arms

GOOD FOR A LAUGH

The Benefit of Insurance & a Good Lawyer

Best Lawyer story of the year, decade and probably the century:-]]

Charlotte, North Carolina, USA.

A lawyer purchased a box of very rare and expensive cigars, then insured them against, among other things, fire. Within a month, having smoked his entire stockpile of these great cigars and without yet having made even his first premium payment on the policy, the lawyer filed a claim against the insurance company.

In his claim, the lawyer stated the cigars were lost 'in a series of small fires.' The insurance company refused to pay, citing the obvious reason, that the man had consumed the cigars in the normal fashion. The lawyer sued and WON!

(Stay with me.)

Delivering the ruling, the judge agreed with the insurance company that the claim was frivolous. The judge stated nevertheless, that the lawyer held a policy from the company, which it had warranted that the cigars were insurable and also guaranteed that it would insure them against fire, without defining what is considered to be unacceptable 'fire' and was obligated to pay the claim!

Rather than endure a lengthy and costly appeal process, the insurance company accepted the ruling and paid \$15,000 to the lawyer for his loss of the cigars lost in the 'fires'.

NOW, FOR THE BEST PART

After the lawyer cashed the cheque,

the insurance company had him arrested on 24 counts of ARSON!!!

With his own insurance claim and testimony from the previous case being used against him, the lawyer was convicted of intentionally burning his insured property and was sentenced to 24 months in jail and a \$24,000 fine.

This is a true story and was the First Place winner in the recent Criminal Lawyers Award Contest

ONLY IN AMERICA.....?

DIRECTORS & OFFICERS INSURANCE

Threats facing Australian directors and officers are growing amid shareholder activism and a clampdown by financial regulators in foreign jurisdictions.

A conference held in Sydney last week was told that Australia is the "most challenging D&O market internationally" due to its high cost of claims and relatively low premiums.

The speaker said shareholders are also learning to speak up using a rising number of class actions.

"Once-passive shareholders are now realising they have a voice, and lawyers are helping them exercise this new-found strength."

He says the recent high-profile case of Rio Tinto executive Stern Hun – who is now serving 10 years in a Chinese prison for stealing commercial secrets and receiving bribes – demonstrates the risk of running foul of the law in a foreign country.

D&O cover must consider circumstances where a company executive is detained overseas.

"We are seeing governments becoming more aware of the insurance tax implications regarding international programs," he said.

"Would a director or officer want to find out that their global D&O policy cannot pay for their defence costs from a government claim in China, Mexico or Brazil after they have already been arrested?"

"Directors and officers must be cognisant of the fact that they are at risk from governments beyond their home government, which can cause many issues."

Mr Schiavone says emerging areas of risk for directors and officers are climate change and pollution.

"There are a number of government resolutions dealing with how companies must deal with disclosure to shareholders on their carbon footprint.

"Companies need to start addressing climate change issues or shareholders and third-party activists will do it for them."

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STOP PRESS –

TRAVEL INSURANCE

Existing travel policies do cover delay caused by the recent volcanic ash in Iceland but with immediate effect the majority of insurers will be removing the cover from new covers issued therefore it is imperative that you read thoroughly your policy wording/PDS or discuss the matter with your insurer, travel agent and or Broker to ensure that the cover is adequate for your needs.

Pleasure Craft Insurance

Unlike motor vehicle registration which includes compulsory third party bodily injury insurance (Green Slip in NSW), your boat registration does not. Further any liability cover attaching to your home and contents insurance excludes any claim arising for the use of any powered watercraft.

End result, registering a boat does not protect you as the owner; against a potential uninsured claim should an incident occur involving a Third Party where you are found liable neither does any other insurance policy.

The only way to get the liability cover you need is to insure your boat.

We strongly recommend, even if you think your boat or jet ski is not worth insuring, you take out a policy, if for no other reason than to give you peace of mind knowing the liability aspect is covered

Remember, your maximum loss is not the value of your boat; it is the damages which may be awarded against you, if you injure someone else.

Give us a call for an obligation free boat quote.

**TCIS NEWSLETTER
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