



## Unimutual: Your partner in risk protection

An alternative to traditional insurance, tailored to the specific needs of the higher education and research sector.







## WELCOME LETTER

# A message from your Chairman

Since 1990, Unimutual has been part of the University and Higher Education sector existing solely to protect our Members' reputations, assets and liabilities, and bottom lines.

Core support for teaching and research is provided through broad sector-specific cover combined with market-leading service, evidenced by our Members most recently rating us with a Net Promoter Score (NPS<sup>1</sup>) of 83<sup>2</sup>.



Our focus on risk management, loss prevention and damage restitution is fundamental to the wellbeing of the sector. With more than 25 years of only servicing the higher education and research sector, Unimutual has unrivalled deep and specialised knowledge of the challenges faced by universities, colleges, research institutions and associated entities on a day-to-day basis.

At a time when the only certainty is that in the short term funding will remain under pressure, Unimutual is continuing to work quietly behind the scenes with our Members. Through market-leading scope of cover, competitive pricing and a range of complimentary risk services, we help prevent and minimise the impact of potential reputational and financial shocks that are associated with the significant asset and liability risks to which Member institutions are exposed. It's our contribution to maintaining and building the resilience of the sector.

We look forward to continuing to work with existing Members and welcoming new Members to Unimutual.

Yours sincerely,

**Martin Griffith**  
Chairman

<sup>1</sup> NPS is an assessment of how likely our Members are to recommend Unimutual. NPS is an internationally recognised and reliable measure of loyalty and predictor of future growth.

<sup>2</sup> This compares to the average NPS for Australian insurers of -11 (Source: 2016 research by PureProfile)



INTRODUCTION

# Why Unimutual exists

Unimutual is **not** another insurance company.

In fact we are not an insurance company at all. This is because the cover we provide to Members is discretionary. Discretion is exercised by the Board and extends to admission of Members and payment of claims. In its 28 year history, Unimutual has never refused a valid claim for protection. Discretion has been used to admit claims that fall outside the wording or in grey areas.

***We are part of the higher education sector, established and owned by our Members; a group of Universities, research institutions, and student accommodation providers. We operate on a not for profit basis.***

Unimutual exists solely to protect the interests of our Members, thereby allowing them to focus on what they do best. We support them in risk protection and management through:

- Comprehensive coverage tailored to the unique risks faced by the higher education sector
- An experienced, dedicated management team that fully understands Members' sector-specific needs and concerns
- Collaboration and sharing of cumulative loss prevention knowledge within the Member group through consultations, special interest groups and helpful resources
- Focusing on providing value to Members

With Unimutual, you can expect a different experience, **an experience that puts you first.** In fact, many of our Members have been with us since the beginning, a testament to the value we provide.



*If you apply the stereotypes of what you expect from an insurance company, **Unimutual doesn't compare.** They don't keep you waiting on the phone. They visit their Member sites and undertake a **proper and thorough assessment** of their potential risk. They **provide advice on risk mitigation** and how to keep Member contributions down. They are **very responsive.** They work with you to settle any claims. They share both Member and specialist knowledge. **They don't fit the mould.***

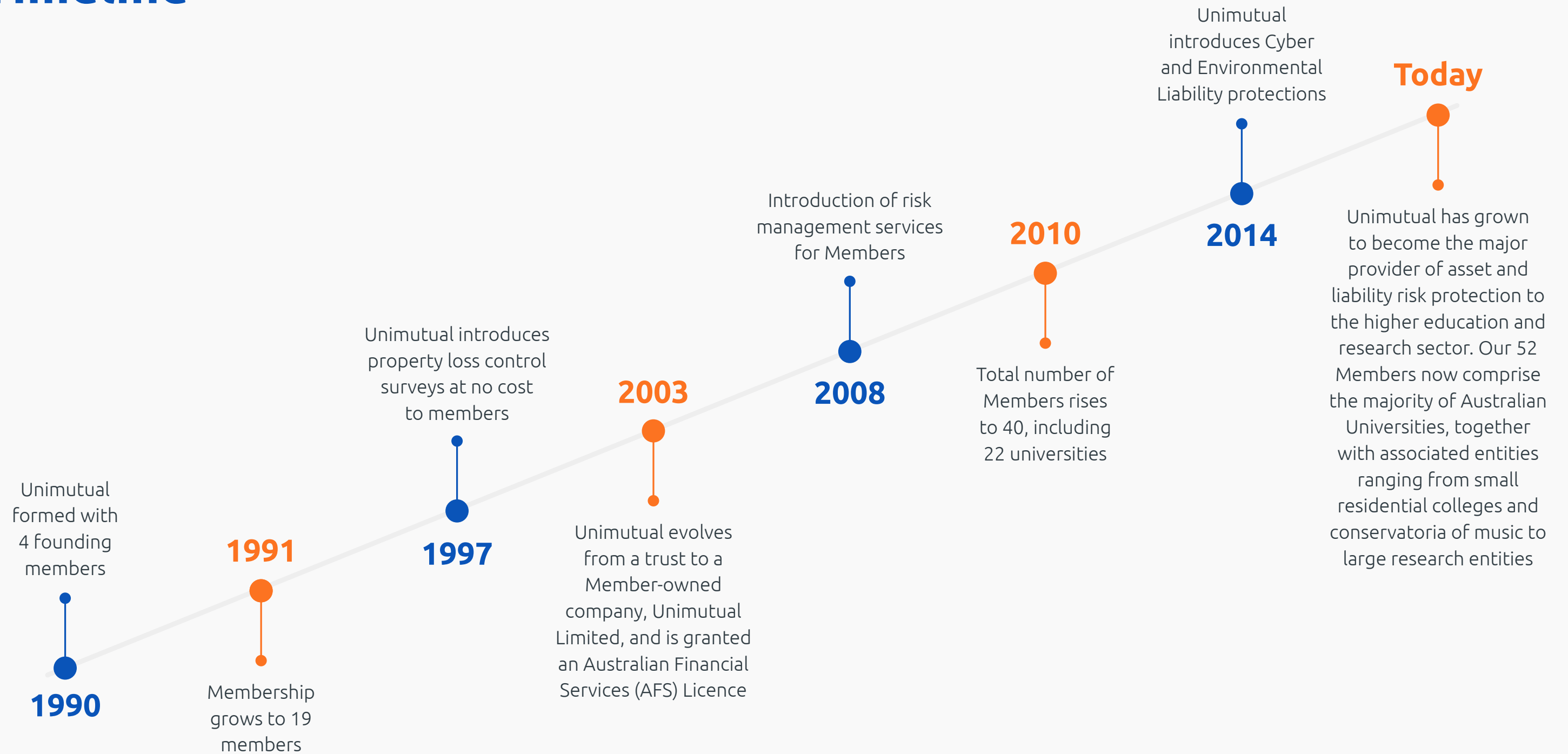
**Sean Portelli**

Business Manager

University College, The University of Melbourne

OUR HISTORY

# Timeline



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HOW WE OPERATE

# Corporate Governance

*As we operate on a non-for-profit basis, Unimutual's focus is the benefit of our Members rather than profit. We do this through a combination of our corporate governance structure and approach to risk management, which is outlined below.*

We take our responsibility to our Members seriously and have implemented a rigorous corporate governance framework.

Our approach to corporate governance means that Members always remain represented and in control through the election of a maximum of eight Directors from the Membership. To ensure we're meeting our obligations, up to four independent Directors are elected to provide strong corporate governance.

The Governance & Risk Committee, a subcommittee of the Board, meets regularly to ensure we're abiding by the responsibilities in our Corporate Governance Principles and Charter, the Corporations Act and under our Financial Services Licence.

Running a discretionary mutual requires all the core disciplines of running an insurance company with specialist underwriters, claims handlers, finance team, operational staff and systems. Management of the day-to-day operations of Unimutual is outsourced to Regis Mutual Management Pty Ltd ([www.rmml.com](http://www.rmml.com)). Regis is a specialist in the management and operation of discretionary mutuals with a dedicated team allocated to Unimutual.

Unimutual is audited annually by Deloitte. A copy of the Annual Report and Statement of Accounts is provided to every Member.

## HOW WE OPERATE

# Risk pooling

*Unimutual utilises a broad range of high quality reinsurance capacity to protect its exposure beyond its risk retention parameters, for example exposure to very high value claims or an accumulation of smaller claims.*

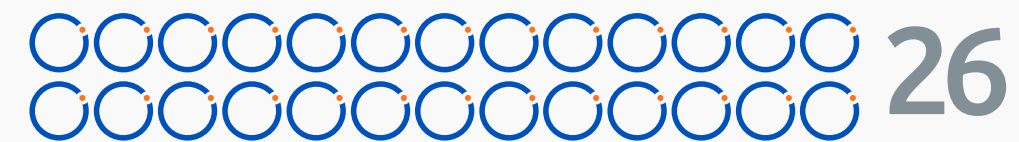
Unimutual operates through pooling Members' risks and transferring high level and accumulation risks to the reinsurance market.

By pooling risk amongst Members within clearly defined parameters and within their collective capacity to retain risk, Unimutual is able to offer market-leading scope of protection at competitive rates, and to combine this with risk management and a range of other services for Members.

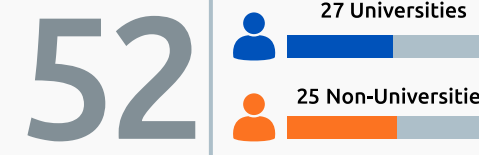
The retention of risk in this manner requires significantly less capital than would be the case if Unimutual was structured as a conventional non-mutual insurance provider.

## By the Numbers

Years in Operation



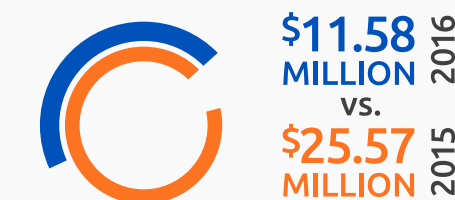
Members



Total Number of Claims

151

Cost of Claims



Surplus

\$1.7 Million

Value-add Services  
Provided to Members

\$1 Million +  
Estimated value

Checklists Issued ✓

32  
(including 5 issued in 2016)

Members  
Events



45

Free Reserves

\$14 Million



## PROTECTION

# What our Members are protected for



## Property Protection

Covers the loss of or damage to assets such as buildings, plant, machinery, stock and merchandise, and personal property, and also extends to claims for protection for loss of revenue, increased cost of working, loss of rental income and additional expense resulting from interruption or interference to the business.



## Protection in action

In 2013, the newly refurbished great lecture theatre and graduation hall at a Member University was subjected to an arson attack by a student desperate to hide his failure to graduate from his unsuspecting parents.

The impact of the fire on the university went far beyond physical loss. The capital works team, who had poured their hearts and souls into getting the hall ready in time for graduation, were devastated. The loss seemed particularly cruel as 60 per cent of graduates are the first in their family to receive a university education, making the graduation experience all the more poignant. It was evident to Unimutual that remedying the damage must include a strong focus on staff and student morale. The mutual kept in touch with affected staff, attending weekly meetings during the rebuild.

To meet the graduation deadline and complete the restoration in time for the university's 25th anniversary, Unimutual expedited the process through the weekly meetings and dialogue thereby avoiding delays and ensuring that necessary approvals were granted quickly. Graduations were able to take place in the hall that year and the complete repair and refit was completed within five months – in time for the university's anniversary celebrations.

PROTECTION

# What our Members are protected for



Unimutual offers the most comprehensive cover for the sector, including risks that others do not cover. Unimutual tailors cover specifically to meet the changing needs of our Members as well as to address emerging risks.

## Liability Protection

### General and Products Liability Protection

Covers legal liabilities arising from personal injury (including death), other injury and property damage caused by a protected event during the protection period.

### Professional Liability Protection

Covers legal liabilities to pay damages as a result of claims arising out of any negligent act, error or omission in relation to the Member's professional business.

### Malpractice Protection

Covers legal liabilities to pay damages as a result of claims made for bodily injury (including death) arising out of any negligent act, error or omission in relation to the provision of medical and/or veterinary services.

### Clinical Trials Protection

Covers legal liabilities for damages or compensation and claimants' costs and expenses for bodily injury to any research subject arising from an occurrence in respect of any clinical trial undertaken.



## Protection in action

One of our Members, a regional university, faced a lawsuit from a visitor to the campus who sustained a broken leg after slipping on the wet grass of a football oval. The claimant, after parking her car, opted to walk down the slippery grass to get to the bottom of the oval rather than using the road. Based on expert reports it was determined this was a vexatious claim and Unimutual, on behalf of our Member, made the determination to defend the claim and seek costs. Unimutual defended the claim vigorously, and stuck to its philosophy of providing its Members with a strong defence of unmeritorious third party claims.

Eventually a settlement was reached, with a decision for the university awarded and no costs order. Although we had to pay legal costs, we felt protecting the reputation of our Member and ensuring they weren't open to further vexatious claims was more important, which our Member greatly appreciated.



## PROTECTION

# What our Members are protected for



## Cyber Protection

Covers claims arising out of an actual or alleged breach of personal or corporate information held by the Member, including claims arising where the data has been passed to an outsourced provider.

Examples include the contamination, destruction, modification or corruption of data, denial of access, theft of access codes, unauthorised access and use, cyber extortion, network interruption, defence costs, data administrative fines, investigation costs, forensic services and reputational repair support.

A base level of Cyber protection is automatically provided to all Members who take up property and liability classes with Unimutual.

## Protection in action

(Hypothetical)

A Unimutual Member discovers that an unauthorised third party has gained remote access to a server that contained medical records of customers of the University's medical facility. The third party posts a message on the network stating that the information will be released unless a ransom payment is made.

The Member immediately notifies Unimutual and legal advice is promptly provided on the best way to proceed. Unimutual's lawyers and Member liaise with local law enforcement and determine that payment of the ransom will not breach any laws and accordingly a decision is made to pay the ransom to prevent the release of this sensitive information.

The protection covers the ransom payment and also extends to cover Forensic Services, Reputation Repair, Data Administrative Fines, Data Security Liability and Defence Costs.

## PROTECTION

# What our Members are protected for



## Environmental Liability

Whereas the property and liability covers will respond to pollution caused by a sudden release, Environmental liability cover responds to losses arising from gradual release over an extended period, including resultant claims, remediation and legal defense costs.

A base level of Environmental Liability protection is automatically provided to all Members who take up property and liability classes with Unimutual, with a number of cover enhancements available as priced options:

- Pre-Existing Pollution Conditions, 1 – Year Retroactive Date, Business Interruption, Underground Storage Tanks, Crisis Management, Contractors Pollution Liability Extension, Construction Work, Contractors
- Pollution Liability Extension – Asbestos & lead abatement program, Transportation Coverage, Asbestos coverage caused by a protected peril, Asbestos coverage for BI & PD only



## Protection in action

(Hypothetical)

At a rural campus, agricultural research requires the spraying of crops with pesticides. All care and precaution is taken to ensure safety when using the pesticides. However over a period of time, there is a gradual leaking into the river which flows down to a neighbouring property and is used for water supply for cattle.

The cattle become unwell and it is alleged that the pesticides gradually leaking into the river are to blame. The farmer makes demands against the Member. Further, the matter comes to the attention of the Environment Protection Authority, which issues a clean-up notice requiring the Member to rehabilitate the watercourse. The Member advises Unimutual.

Following notification, an investigation is commenced by Unimutual and it is confirmed that the loss is as a result of the pesticides gradually flowing into the river. Upon agreement of a genuine loss, the Environmental Liability protections extend to cover the Member in respect of the civil compensation claim by the farmer, including legal costs, and also the costs to rehabilitate the river in compliance with the clean-up notice.



PROTECTION

# What our Members are protected for



## Active Assailant

Provides cover for loss and expense associated with violence as a result of premeditated malicious physical attack by an Active Assailant who is physically present and armed with a Hand-Held Weapon; that affects three or more people. Cover includes:

- Public Relations consultancy costs by a Mutual-approved consultant
- Relocation expenses for the Member
- Counselling and/or psychiatric expenses incurred by the Member
- Other Medical expenses incurred by the member

## Management Liability

Unimutual also arranges Management Liability Insurance, including Directors and Officers Liability Insurance, underwritten and issued by Chubb Insurance.

## Protection in action

(Hypothetical)

A disgruntled student was suffering mental health issues when he devised a plan to come onto the campus, armed with a hunting knife and randomly attack students. Sadly, during the attack three students were wounded.

The following benefits would be available for the Member holding Active Assailant cover. Medical expenses for injured students would be provided to a maximum of AUD 10,000 per person incurred for up to 30 days after the attack. Counselling and/or psychiatric care would be provided for anyone who was physically present for the attack for up to AUD 10,000 per person for up to 24 months after the attack. Public relations and consultancy costs for work provided by an approved consultant for up to 90 days after an attack.

Additional benefits include job retraining, recruitment costs, security costs and any other costs incurred with the prior written consent of the Mutual.

## BENEFITS

# Financial benefits which flow to Members

- Competitively priced comprehensive cover driven by Unimutual's understanding of the sector's risk profile, collective strength and not-for-profit operation.
- Reduced risk of loss events occurring as Members are kept informed of emerging risks and guided through implementing effective risk management e.g. in excess of 50 emerging risk reports distributed to Members and available on our website.
- With no external shareholders all surpluses are returned to Members in the form of lowered contributions, reinvestment in development of additional cover or services such as risk management. Any excess surpluses belong to the Members and at the Board's discretion can be returned.

## Did you know?

Unimutual also arranges Management Liability Insurance, including Directors and Officers Liability Insurance, underwritten and issued by Chubb Insurance.

### 01 Well-governed

We are managed professionally by Regis Mutual Management Pty Ltd ([www.rmml.com](http://www.rmml.com)), audited by Deloitte Australia and have an independent, Member-elected Board of Directors

### 03 ASIC regulated

Unimutual is regulated by the Australian Securities and Investments Commission (ASIC) as a financial services provider of miscellaneous mutual risk products

### 05 Claims driven

We have accepted over \$200 million in claims over the past 10 years

### 02 Profits flow to members

Financial benefits flow to Members through competitive pricing and superior value-driven services

### 04 AFS Licence holder

Unimutual has held an Australian Financial Services Licence since 2003





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## ADDITIONAL BENEFITS

# Membership unlocks additional benefits

In addition to financial protection, Members receive these benefits at no added cost:

### 1. Avoid and minimise risk:

#### Risk management consulting and advice

Because of Unimutual's deep understanding of the unique risks faced by the higher education sector and commitment to sharing collective knowledge, we provide:

- Tailored practical risk management and loss prevention guidance and advice
- Risk engineering and loss control surveys targeting major perils
- Construction and building specification and design reviews
- In-person and online seminars, interest groups and annual conference exclusively for Members
- Regular on-site visitations and University Risk Days where assessments are conducted and advice is provided
- Access to helpful resources on risk management such as timely emerging risk reports, articles, checklists and newsletters



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ADDITIONAL BENEFITS

## Membership unlocks additional benefits



### 2. Better customer experience:

We ensure every experience is personal, with no call centres and face-to-face visits every time

Because of Unimutual's deep understanding of the unique risks faced by the higher education sector and commitment to sharing collective knowledge, we provide:

- All Unimutual staff are highly experienced in risk and/or the higher education sector and will guide Member staff in risk mitigation
- Unimutual has dedicated account managers who understand Member's needs
- Web-based data collection tools for renewals and risk management functions which reduce staff workload and time
- Online systems for claims management.



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ADDITIONAL BENEFITS

## Membership unlocks additional benefits

### 3. Build resilience and financial robustness:

#### Collaboration and cumulative knowledge

- • Peer-to-peer discussion and networking are facilitated for the sharing of knowledge and insights, allowing Members to learn from each other's experiences
- • Our experience in the higher education sector and collective knowledge gained over 28 years in operation is shared with Members, making them more resilient
- • Unimutual's Annual Conference brings Members together to learn, share knowledge and data and create connections that then enable them to better protect their institutions



*Unimutual provides a **personal service**, quite simply they understand the university sector better than anyone else, they also understand that **insurance knowledge across the Membership varies**, and requires some nurturing.*

**John Da Fonte**

Procurement Manager

University of Wollongong

### 4. Count on support when you need it:

#### Tailored claims handling

- Claims are handled in a speedy and sympathetic manner
- Unimutual operates within the framework of a protection wording. Members can expect that claims arising within the protection wording will be fairly and appropriately handled. Claims outside the wording may also have the opportunity to be considered at the discretion of the Board, which is elected by Members
- Easy, convenient online claims management system which reduces staff workload and saves time

WORKING WITH US

# Join your peers

University Members



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Unimutual's **willingness to listen to its Members** and adapt accordingly is second to none. A commercial insurer just would not be able to respond in such a useful and direct way.

Louise Hope

Insurance Services Manager

The University of Queensland



Non-University Members





## PARTNERSHIP

# Partnering with specialist brokers

Whether working with Members directly or via their preferred specialist broker, Unimutual is committed to an inclusive, bipartisan approach. For brokers, we can:

- Help scope the right protection
- Save you time through facilitating claims handling and liaising directly with the Member when appropriate
- Supporting you in delivering excellent service to your clients through knowledge sharing and willingness to find the right solution







JOIN US

## How to become a Unimutual Member

Membership is available to Universities, other higher education and research institutions or entities associated with higher education or research. If you are unsure whether you are eligible for Membership either ask your broker to contact us, or contact us directly.

Applications for Membership are granted at the discretion of the Unimutual Board. Since we operate on a mutual basis, we ensure each Member meets high standards with regard to risk management.

Upon application, each organisation is individually rated according to its risk profile, individual claims history and pays contributions accordingly for the protection provided. All Membership applications are assessed with fairness and transparency. Potential new Members will need to provide details on the types and levels of protection required.

Ask your broker to talk you through this, or contact us directly at **(02) 9247 7333** or **[service@unimutual.com.au](mailto:service@unimutual.com.au)**







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