



## INSURANCE EXCESS LIABILITY POLICY

Policy number	ESO017	Version	V1
Drafted by	Ian Simpson	Approved by Board on	3 March 2014
Responsible person	CEO	Scheduled review date	1 March 2017
<b>Status</b>	<b>Public</b>		

### INTRODUCTION

AKA Ltd (“AKA”) takes out and maintains various policies of insurance (the “Policies”) which provide specific insurance cover for AKA Ltd, its State/Territory bodies (“Ordinary Members”), affiliated kart clubs (including their respective officials and office bearers) (“Club/s”), officials, office bearers, competitors and other specified persons.

Subject to the provisions of the Policies, the Ordinary Members and the Clubs may be indemnified under one or more of the Policies in the event that a claim is made against them.

One of the provisions of the Policies is that each claim is subject to a payment, to the insurer, of an excess, the quantum of which may vary from term to term. The 2014 excess is currently set at \$15,000 per claim.

### PURPOSE

The purpose of the Insurance Excess Liability Policy is to establish the circumstances upon which AKA may consider it reasonable to require the Ordinary Member/s and or the Clubs to pay the excess or a portion thereof that is applicable to a claim made under the terms of any of the Policies.

### Objectives

The objective of this policy is to encourage those persons responsible for making decisions, with respect to the sport of karting in Australia, to properly and reasonably consider their decisions and subsequent actions, particularly in circumstances where such decisions or actions have the foreseeable potential to result in a claim under one or more of the policies of insurance taken out and maintained by AKA Ltd.

### POLICY

1. In the interests of good governance, AKA has determined that if it is required to pay an excess in circumstances which an unreasonable act or an unreasonable failure to act by an Ordinary Member and or Club/s (including respective officials and office bearers), resulted in a claim being made, then that Ordinary Member and or Club/s shall be liable to reimburse AKA Ltd by an amount equal to the excess paid by AKA Ltd.
2. A failure to reimburse the excess within 21 days of the date of a written demand by AKA Ltd to do so may result in the suspension of that Ordinary Member or Club’s authority to conduct AKA sanctioned activities and events, including but not limited to conducting kart racing meetings, until such time as the reimbursement is made. It should be noted that any suspension of authority to conduct AKA sanctioned



events shall also result in suspension of insurance cover for the period that the authority to conduct is suspended.

3. The determination of what is an unreasonable act or an unreasonable failure to act and or whether the whole or part of the excess shall be required to be reimbursed to AKA and the enforcement of the provisions of this policy shall be at the sole and absolute discretion of the Board of Directors of AKA. There shall be no right of appeal to any such determination.

### **Delegation**

The Board of Directors of AKA Ltd may delegate the power of determination referred to in paragraph 3 of this Policy to the Chief Executive Officer of AKA.

### **Advice**

It is strongly recommended that in circumstances of doubt regarding decisions made and any subsequent act or failure to act, state/territory bodies and clubs should seek their own independent legal advice.

### **Insurance Policies**

As at the date herein the following policies have been taken out by AKA:

Public Product and Professional Liability

Management Liability

General personal Accident Insurance

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### **Policy Manager**

Manager – CEO