

## P40 INSURANCE EXCESS LIABILITY POLICY

Scheduled Reviewed Triennially or as required

Date of Board Approval 3 March 2014 Updated: 30 November 2023

### Introduction

KA maintains various policies of insurance (the “**Policies**”) which provide specific insurance cover for AKA Ltd, its State/Territory bodies (“**Member States**”), affiliated kart clubs (including their respective officials and office bearers) (“**Club/s**”), officials, office bearers, Drivers, Competitors and other specified persons.

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

Each claim is subject to a payment to the insurer, of an excess, the quantum of which may vary from term to term. The 2023/2024 Liability excess is currently set at \$10,000 per claim.

### Purpose

The purpose of this policy is to delineate a clear and equitable framework for managing financial responsibilities associated with claims made against AKA Ltd Public and Products Liability including Professional Indemnity Insurance.

This policy aims to ensure that the burden of the excess in such claims is allocated in a manner that reflects the principles of accountability and compliance with AKA Ltd.'s established Rules and policies. By defining the circumstances under which the Affiliated Club and/or the Member State are required to pay the excess, or a portion thereof, the policy seeks to promote a culture of responsibility and adherence to standards, particularly in areas of safety, risk management, and club affiliation.

### Objectives

- 1. To Assign Financial Responsibility**  
Establish clear guidelines for determining who bears the financial burden of the excess in insurance claims, thereby ensuring that parties are aware of their potential liabilities.
- 2. To Encourage Compliance and Diligence**  
Incentivise Affiliated Clubs and Member States to adhere strictly to AKA Ltd.'s Rules and policies, including those related to safety, risk management, and club affiliation, by linking compliance to potential financial implications.
- 3. To Enhance Risk Management**  
Foster a proactive approach to risk management among Affiliated Clubs and Member States by making them partly or wholly responsible for the financial consequences of negligence or non-compliance.
- 4. To Ensure Fair and Equitable Treatment**  
Ensure that decisions regarding the payment of excess in claims are made fairly and equitably, with AKA Ltd. retaining the discretion to determine responsibility on a case-by-case basis.
- 5. To Protect AKA Ltd.'s Financial Stability**  
Safeguard the financial resources of AKA Ltd. by sharing the burden of claim excesses, particularly in instances where negligence or non-compliance by an Affiliated Club or Member State is evident.



## 6. To Promote Transparency

Establish a transparent policy framework that clearly communicates the criteria and process for determining financial responsibility in insurance claims, thereby building trust and understanding among all stakeholders.

By achieving these objectives, the policy aims to create a balanced and responsible environment that upholds the integrity and financial sustainability of AKA Ltd., while also fostering a strong culture of safety and compliance among its affiliated entities.

## Policy

1. Initially, the responsibility to pay the excess in a claim against the AKA Ltd Public and Products Liability including Professional Indemnity Insurance is assigned to the Affiliated Club and/or the Member State, from whence the claim originated unless AKA Ltd opts to intervene at its own discretion. This responsibility particularly applies if the claim arises due to either:
  - a. an unreasonable act or failure to act by a Member State and/or an Affiliated Club, including their respective officials and/or office bearers, or
  - b. negligence, potential negligence, or a failure to comply with AKA Ltd.'s Rules and policies. These rules and policies cover a range of areas, including but not limited to Safety, Risk Management, and Club Affiliation responsibilities.
2. There may be circumstances and occasions in which AKA Ltd, at its absolute discretion, may deem it appropriate not to require the Member State and/or the Affiliated Club to bear some or all of the excess associated with a claim under any of the Policies. In such circumstances, the decision of AKA Ltd will be final.
3. In the first instance, as the Policy provider, AKA Ltd may be required to pay any excess to the Insurer and will in such case pass all costs along to the member State and/or the Affiliated Club for reimbursement to it.
4. Failure to reimburse the excess within 21 days of the date of a written demand by AKA to do so may result in the suspension of that Member State or Club's authority to conduct KA 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 KA sanctioned events shall also result in suspension of insurance cover for the period that the authority to conduct is suspended.
5. The determination of what is an unreasonable act or an unreasonable failure to act or what is as a result of negligence, potential negligence, or failure by a Member State and or an Affiliated Club (including respective Officials and/or office bearers) to adhere to AKA Ltd.'s Rules and policies or whether the whole or part of the excess shall be reimbursed to KA and the enforcement of the provisions of this policy shall be at the sole and absolute discretion of AKA Ltd.

## Insurance Policies

- Public Product and Professional Liability
- General Personal Accident Insurance