

FOR CEO'S & BUSINESS LEADERS

AGED CARE RESIDENTIAL OPERATION



INSURANCE RISK REPORT.



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1. ABOUT LMI GROUP

LMI Group is an independent company specialising in risk assessment for the general insurance and wider business communities. The LMI RiskCoach research team has over 1,000 years combined experience in assisting businesses following losses. Using this enormous bank of knowledge the team has developed RiskCoach to assist businesses and their insurance advisers understand the specific risks in up to 14 classes of general insurance for their industry / occupation before a claim occurs. LMI believe that insurance should be considered as protection and not a cost. The cost of insurance, called a premium, is the cost of transferring the risk from the shareholders and their families to an insurer.

Should you have any questions about this report please discuss them with your insurance adviser or email expert@LMIGroup.com enclosing a copy of your report. If you need claims assistance, please email claims@LMIGroup.com for expert assistance.

2. PURPOSE OF THIS REPORT

The Insurance Risk Report has been designed to assist you in identifying significant exposures to a business operating in your industry. Contained within this report is a Hazard Index graph which considers both the likelihood and severity of losses over 14 insurable classes of insurance for your industry and rates them accordingly. This graph is complemented with a number of explanations giving rise to the factors considered when providing the rating. If it is not already included in this report, you may request your Insurance Professional to provide you with a list of significant exposures relevant to your industry. These exposures are useful to highlight the most likely and severe risks to your industry and potentially your business and to get you thinking about other areas that may be at risk.

Please note: These ratings have been developed using historical claims and loss data for a general business operating in this field. It is recommended that additional factors specific to your business be taken into account when assessing this information such as location and crime rates.

3. HAZARD ASSESSMENT

Identifying hazards in the workplace involves finding things and situations that could potentially cause harm to the organisation. The following chart is a graphical representation of the likelihood and severity of a loss occurring within any of the classes of insurance listed in the chart.



Fig 1: Hazard Index

Please note: These ratings have been developed using historical claims and loss data for a general business operating in this field. It is recommended that additional factors specific to your business be taken into account when assessing this information such as location and crime rates.

PROPERTY DAMAGE

57%

CLASSES OF INSURANCE

RISK SUMMARY

Business in this industry mainly engaged in providing residential aged care combined with either nursing, supervisory or other types of care as required (including medical).

The material damage exposure will generally be moderate. Aged care providers must comply with strict building codes and have well documented fire safety procedures, policies and good fire protection.

However, there are a significant number of ignition sources including kitchen and restaurant facilities (cooking fats, electrical ovens, toasters, open flames etc.), machinery/electrical equipment, resident's owned equipment (e.g. toasters) they brought to the facility and residents activities which may include cooking and illicit smoking. Welding, cutting, and brazing work in new construction/renovations work (if applicable) can create serious fire hazard. The fire load will be comprised of a large variety of furniture/soft furnishings, bedding materials, library materials/books, drapery, cleaning chemicals, clothing, waste, oxygen cylinders, medical supplies and so on. Possible build-up of lint in clothing dryers will create a serious fire hazard.

Buildings may vary considerably in age and the oldest may be heritage listed, the newest may be purpose-built, brand-new constructions. Some operations have converted buildings. Following a major loss/damage, time and cost taken to repair/reinstatement of such facilities can be considerable especially due to updated statutory regulations and hygiene rules.

Premises may have a medical treatment facility with expensive medical diagnostic and treatment equipment, which are highly sensitive and vulnerable to smoke/water damage. Most other machinery and equipment at the premises can be repaired/replaced without major issue.

Following an incident (e.g., accidental fire) fire brigade/fighting team's first reaction would be to the rescue of vulnerable people rather than firefighting. This may result in potentially greater property damage, which underwriter may take into account when assessing the exposure.

Some businesses may have an onsite safe or similar arrangement for safeguard resident's personal effects / valuable items, and therefore care, custody and control extension is important to consider.

General property cover will be required for any equipment taken off site, which could be of considerable value.

BUSINESS INTERRUPTION

60%

CLASSES OF INSURANCE

RISK SUMMARY

Moderate exposure. Aged care facilities are highly dependent on the location. They are often found in areas with high populations of retirees.

Industry firms will need to cater to the diversifying needs of an ageing population and most operations have specialised buildings and ground facilities. Therefore, for larger facilities, relocation may not be an option or, even if replacement space is available, an extended period of time might be needed to obtain the necessary government approvals. A partial loss of a building/structure is far more likely than a loss of the entire facility.

While a facility's reputation for quality care is without question vital, its location is also very important. Normally some close family members of most residents live close to the aged care facility, and they regularly visit the facility. This may also affect possible relocation options as relatives want the facility closer to their home and therefore any plan of moving to an entirely new location that is at any great distance from the original site may not meet with their approval.

Aged care operators with more than one facility can possibly manage short term interruption by transferring some residents to their other facilities whilst repair work is being completed at the premises.

In the event of a major loss, the insured could incur significant expenses for temporary relocation of residents, or face permanent loss of revenue or bonds, where the resident or their family decide that permanent relocation is required.

Public utility cover is important where possible power outages resulting in serious business interruption loss/exposure. Accounts Receivable cover is also important to consider.

Competition in the industry can be considered as low. Ageing population is projected to drive greater demand for industry services.

Business trend / other key external factors affecting the demand for this industry include e.g. population aged 70 and older; total government expenditure on aged care services; locating aged-care facilities in areas with convenient access to relatives and other visitors; ability to take advantage of government subsidies and other grants

Also refer to Property Damage section

CRIME

48%

CLASSES OF INSURANCE

Theft, Money, Surety / Fidelity

RISK SUMMARY

The Crime exposure for aged care facilities is moderate and includes: (a) loss of property belonging to the insured e.g. office and other equipment including computer/laptop computers, audio and video equipment, maintenance tools etc (b) possible theft of the stock of medical supplies including prescription medicines; (c) loss of or damage to property of residents if that loss or damage results from the negligence of the insured; (d) cash on the premises – in most cases this will be minimal given electronic payment arrangements; and (e) employee dishonesty/fidelity.

Claims will generally be low in severity. If the insured has pharmacy at the premises this will increase the potential exposure. Insured may have onsite safe for safekeeping valuables/personal effects belonging to residents and it is important to determine security and access control of the same.

Other major underwriting considerations include the location of the facility, internal control policies/practices and the quality of security and loss prevention programs.

MARINE (INCLUDING INLAND TRANSIT)

35%

CLASSES OF INSURANCE

Marine Cargo, Goods in Transit, Marine Consequential Loss, Commercial Hull, Carriers Insurance, Marine Liabilities

RISK SUMMARY

Aged care facilities will have a low to moderate marine cargo exposure. Depending on sale terms, exposures may arise in respect of incoming purchases of food and drink consumables, including alcohol, pharmaceuticals and medical supplies, cleaning materials, linen etc.

Loss or damage to incoming goods (alcohol, food and beverages) which can arise from: Theft, pilferage and non-delivery (alcohol products); Refrigeration breakdown or malfunction (food); Rough handling including during loading and unloading; and Vehicle accidents.

Also the operation may have occasional/incidental marine cargo risks which should be investigated such as: Occasional large movements of furniture, fittings, artwork, carpets and other materials for

the fitout of new wings, or refitting; Occasional shipments of replacement machinery and equipment; Home contents transit one off risks for residents moving in/out.

For such operations exposure/claims may arise from: Rough handling; Accidents during loading/unloading; Water, condensation and subsequent rusting and corrosion; Electronic/electrical derangement; and Vehicle accidents.

In most cases, the transportation will be handled by the service provider (e.g., commercial laundrette) or supplier (for consumables, pharmaceuticals, food, drink etc). However, the sale terms and party responsible for transportation of the goods should be investigated to determine whether the operation has any need for marine cargo cover.

Cover for marine consequential loss may be required in addition to the cargo cover for purchases of large items of plant and machinery or large shipments of furniture and equipment (if required).

EQUIPMENT BREAKDOWN

CLASSES OF INSURANCE

41%

Machinery Breakdown, Engineering, Mobile Machinery, Computers, Electronic Equipment, Machinery Business Interruption

RISK SUMMARY

Moderate exposure. The main items to be covered include the air conditioning and refrigeration systems, electrical system including generators, electrical switchboards etc, boilers, steam heating and hot water systems, refrigeration equipment, office machinery and computer equipment, kitchen machinery and equipment, laundry machinery (boilers, steam presses, washers etc), lift and escalator machinery and communications equipment.

Proper and continuous functioning of heating and cooling systems is crucial as residents in aged care facilities can be particularly susceptible to extreme changes in temperature. In the event of a possible failure of either system during a period of extremely hot or cold weather that may create serious health problems for residents. Proper and continuous function of water heating systems/boilers is also paramount important. Therefore, the particular mix of maintenance procedures adopted by operators needs to be determined with due regard to the risks and consequences of equipment failure.

Boiler explosion and potential damage to stock can be another issue.

Cover will be required for deterioration of goods in cold storage (pharmaceuticals, foods products) and stock values should be established together with the age and maintenance of the machinery.

Some operators have doctors' offices and/or medical treatment rooms on the premises and these may contain expensive medical diagnostic and treatment equipment (EEG machines, defibrillators, respirators etc).

Business should confirm proper function of backup generators to make sure that all medically necessary equipment and other key equipment will remain fully operational in the event of a power outage. Adequate service and maintenance of generators is therefore of paramount importance to avoid potential businesses interruption.

MOTOR

48%

CLASSES OF INSURANCE

Commercial Motor, Earthmoving Equipment, Motor Fleet, Heavy Motor

RISK SUMMARY

Low moderate exposure. Depending on the size and nature of the business operation, business may have one or two minibuses for resident excursions and small vans or wagons to run errands.

Delivery of larger quantities of supplies is likely to be organised through commercial transport operators, but many facilities will also source their own supplies of fresh produce. If individual residents want to visit relatives or other similar trips, they will either be organised with the family, or will be arranged with a taxi company, whilst trips involving larger numbers of residents will probably be outsourced to a bus or coach service provider. Conversely facilities that regularly transport residents to offsite locations in owned vehicles have much higher risk/exposure.

Electronic distractions such as navigational, communications devices/ two-way communication systems can be one of the major causes for vehicle accidents.

Drivers could become distracted by passengers' actions or movements. Also, driving at night, during bad weather conditions, driving while distracted (e.g., using a mobile phone) will create higher potential for vehicle accidents. Mostly, the insured's radius of operations will be local and will lie within areas that are familiar to drivers.

Sometimes, employees will use their own vehicles for business, this will potentially create vicarious liability exposure.

Some of the insured's vehicles could be specially equipped to accommodate passengers in wheelchairs. Also, some vehicles may be equipped with various medical and other equipment/ fittings and such nonstandard modifications will increase the value of the vehicles and the risk exposure.

If vehicles are stored in an open space, theft of vehicle parts, malicious damage and vandalism exposure could be an issue.

Many facilities have own mobile ground maintenance equipment such as ride-on lawnmowers – such items should be insured under (e.g. mobile plant and machinery covers) as they are unregistered.

PUBLIC LIABILITY

49%

CLASSES OF INSURANCE

Public Liability, Advertising Liability, Environmental Liability, Liquor Liability

RISK SUMMARY

The overall Public Liability exposure for aged care facilities is moderate. The public liability exposure obviously increases with the size of the premises and the number of residents (and therefore family visitors) and variety of services offered.

Although most of the injuries to visitors and residents will be minor (e.g., slips and falls), the ratio of injuries to claims is high and given the frailty of some of the residents, in some instances injuries could be severe. There is also the possibility of catastrophic losses involving large scale loss of life in fires, other natural disasters. The exposures are increased where the facility has a swimming pool, gymnasium, resident self service laundry facility, sports equipment or activities, serves liquor or is multi-level.

Other serious exposure is injury to residents in care (this may also be a professional indemnity claim, depending on circumstances). Various aspects to be considered should include:

- Some residents depend on mobility assistance devices (such as a wheelchairs, walkers, or canes) to help them get around.
- Residents with some health conditions (Parkinson's disease, Diabetes, dementia etc.) will face mobility challenges
- Elderly residents with poor vision and poor sense of balance are more prone to accidents. Due to their age and health conditions, they can suffer serious injuries even with a minor accident
- Use of facilities and physical activities at the premises (pool tables, swimming pool, tennis etc.)
- Planning, coordinating, and facilitating various special events – such as birthday parties, wedding anniversaries, and holiday celebrations, social gatherings, game nights etc

Residents with various health issues require special consideration, according to their disabilities. Centres should be equipped to care for individual disabilities and should have adequate staff to accommodate residents' specific needs.

Most centres impose few restrictions on visitors, trades persons and other services providers who frequently visit the centre. Hygiene practice at the premises and timely vaccination of staff and residents are important to minimise potential exposure to, and spread of infectious diseases etc.

A major fire in an aged care facility represents one of the most serious possible disruptions. Also, a fire will put many people in serious danger, and they need to be brought to safety as quickly as possible. This is made more difficult by the fact that many residents have limited mobility and are dependent on the help of third parties (staff and firefighters).

It is important to determine the details of any contractors and part time staff and the various activities performed by them.

Aged care operators conduct tours to the facility, educational and promotional events and such events attract considerable numbers of visitors.

Another area of exposure relates to privacy. The confidentiality of patients' records must be maintained.

There may be an Environmental Liability exposure arising from the disposal of medical or biological wastes and wastewater. Waste disposal practices needs to be investigated.

PRODUCT LIABILITY

CLASSES OF INSURANCE

56%

Product Liability, Product Recall, Product Guarantee, Extortion, Kidnap and Ransom

RISK SUMMARY

Product liability claims may arise primarily from the serving of food, beverages, and provision of medical supplies including prescription drugs (contaminated medication) and equipment (support crutches, wheelchairs, walkers, etc). Claims may arise from side effects and personal injury happening from the use of such equipment. Exposure will also arise due to provision of food and drink in business organized function and distribution of corporate giftware as well.

Residents could become ill from food poisoning possibly due to eating contaminated foods (e.g., listeria, salmonella, Escherichia coli, etc.). Residents with some health conditions might even develop serious, life-threatening complications.

The key to managing this risk lies in: (a) careful stock management/rotation; (b) the condition and maintenance of refrigerated units and cool rooms; (c) housekeeping and hygiene including pest control; (d) cooking and food preparation practices and (e) staff policies and procedures in relation to dispensing of medications and medical supplies.

PROFESSIONAL INDEMNITY

61%

CLASSES OF INSURANCE

RISK SUMMARY

The professional liability exposure for aged care facilities will be moderate to high. This industry is highly regulated. Claims typically relate to medication management, special therapy services, incidents and infection control, errors in prescriptions or medication, falls, swallowing incidents, assaults / elderly abuse (verbal, sexual, physical) , absconding of residents, failure to respond to a deterioration in a resident's condition, the use of restraints, failure to manage depression and anxiety of residents, privacy and security breach, mental or emotional counseling, physical therapy, failure to meet residents' unique dietary requirements, safety and security etc. Further, additional sources of claims could arise from the provision of other services such as sports instruction or supervision, gymnasias, swimming pools, massage therapy, financial services and advice etc.

If the insured's staff fails to identify a resident who is psychologically struggling and does not take steps to ensure that the person receives appropriate treatment (e.g., through medication, individual or group counseling, intensive psychiatric care at a mental health facility etc), then the resident could attempt suicide, which may result in a claim being filed by the victim's family alleging wrongful death.

Also claims of elder abuse will be an issue and judgments tend to favour the plaintiffs. Depression and anxiety can be common among the elderly and to deal with such issues some aged care facilities offer a variety of therapeutic services.

Operator's failure to maintain security of resident's personal and medical record may result in privacy breach / security breach claims.

Hiring of medical and other professionals who are not adequately qualified to perform the job for which they were hired may result in potential claims as well.

Negligence in providing or administering of relevant medications, failure to meet residents' unique dietary requirements may also result in potential claims.

Adequate risk management systems are essential for aged care facilities to control and minimise such exposures including covering areas such as medication, equipment, incidents and infection control, quality assurance, safety and security, pre-employment checks, internal policies, record keeping procedures etc.

MANAGEMENT LIABILITY

CLASSES OF INSURANCE

58%

Directors and Officers Liability, Employment Practices Liability, Statutory Liability, Crime, Cyber / Internet Liability, Taxation, Trustees

RISK SUMMARY

Moderate exposure to directors and officers, employment practices, statutory liability, cyber, crime and similar corporate/operational risks, which increase with the size and complexity of the operation. This industry is highly regulated with regulations governing facility accreditation, building standards/certification, compliance with operational and quality requirements, maintenance of resident's records, provision of ancillary services, accommodation bonds, fees/ charges and various other reporting requirements etc. Examples of possible claims / exposures under each insurance class may include:

- Directors and officers - false, misleading and deceptive conduct, not acting in the best interest of shareholders, breach of trust, misappropriation of company funds / trade secrets, errors and omissions in financial reports, breach of intellectual property rights, mixing personal and business assets, unfair treatment of shareholders, unfair trading activities, unfair competition, insolvent trading, mismanagement of cyber risk exposure , breach of contract, failing to provide adequate training and supervision/ a safe environment for work, environmental breach/prosecution etc.
Increased regulations have heightened the operating risk for businesses of all sizes. Furthermore, with a fast-changing regulatory environment, directors are often unaware of their full legal responsibilities. Directors and officers have duties and obligations, for which they are personally responsible, some of which may carry unlimited personal liability.
- Statutory Liability - breaches of legislation and non-compliance - e.g., occupational health and safety (OHS) laws, aged care act, regulations related to licensing, accreditation, quality of care, resident rights, environmental regulations, financial market misconduct, etc. Non-existence of adequate compliance and control measures can be an issue (if applicable). Businesses are exposed to hundreds of pieces of legislation and the cost to a business of a simple regulatory breach /investigation can be considerable.
- Crime - employee or third-party crime, including theft of money and property, fraud by internal collusion, employee fraud by collusion with suppliers, theft by contractors/consultants, fraudulent funds transfer, counterfeit fraud, forgery, credit card fraud, social engineering fraud etc. Higher exposure for businesses with inadequate controls in place.
- Employment Practice Liability - allegations of unfair/wrongful dismissal, workplace harassment, bullying, sexual harassment, discrimination (e.g., age, racial, sexual, religious, disability, etc.), failure to maintain a safe workplace / working environment, breach of contract / employment contracts etc. Other issues may include - possible presence of part-

time/ casual, trainee or temporary personnel, long working hours, inadequate level of supervision etc. Hidden costs of employment practice liability related problems include – negative publicity, damage to reputation and goodwill, loss of productivity, stress to both the employer and employee etc.,

- Cyber/Internet Liability - breach of privacy/security, inadvertent transmission of a computer virus, deleted or stolen data following hacking, damage to network, system or website, plagiarism, copyright infringement, publishing of a defamatory statement, cyber extortion / ransom demand. Inadequate privacy/security compliance through procedures and systems, poor management of large volumes of personal/corporate data are other common issues. These incidents can result in financial losses, reputational damage, and legal and regulatory consequences for the business.
- Taxation - non-compliance with taxation legislation / not meeting certain tax obligations, failure to keep records, poor accounting and monetary management, mistakes while filing tax returns of the business, asset misappropriation (physical and financial) etc. Potential costs for such breach include e.g., taxation and government audit investigation costs, penalties for breaches of taxation legislation.
- Trustees - inappropriate investment strategy, failure to monitor fund performance, failure to prevent fraud, failure to insure trust property, conflict of interest, incorrect advice, incorrect payments etc. Other common issues may include - failure by trustees to discharge their obligations to the required standard, not acting in accordance with the trust deed and common law and legislation, lack of or no established governance & risk management framework etc.

The range of lawsuits being pursued against business owners/operators by employees, shareholders, creditors, regulators, customers or others are on the rise and the cost to a business for a simple regulatory investigation can be substantial. Even the most trivial of cases can cost a great deal of money and time to defend. For many businesses, defence costs can be a significant financial burden.

It should be emphasised that Management Liability insurance is designed to meet specific needs of small to medium sized companies and not for very large organisations/publicly listed companies. Further insurance coverage and limits offered under each policy will vary from insurer to insurer.

EMPLOYER LIABILITY / WORKER'S COMPENSATION

45%

CLASSES OF INSURANCE

RISK SUMMARY

Moderate exposure. Risks to workers vary considerably with job function and it should be recognised that an aged care facility may, in addition to the core activities of providing

accommodation and care offer a wide range of additional services and amenities. Some of these may be run by other parties.

Some of the hazards, common injuries and risks/exposures face by employees may include: Slips, trips and falls; back, neck, and shoulder injuries from assisting elderly residents; exposure to Infectious diseases (viruses etc.); exposure to communicable diseases and bloodborne pathogens; injuries while operating lawn care equipment or handheld power tools; cuts and burns in dining hall kitchens; exposure to cleaning chemicals (eye, respiratory, skin irritation or rashes), burns and cuts from food preparation/kitchen equipment; falls from heights; electrical shocks; cuts, and lacerations, motor vehicle accidents. Administration/office employees will be exposed normal office hazards.

Other issues may include: Inadequate training; work-related stress; occupational violence; Bullying and harassment; Poor ergonomics; Inadequate access to protective clothing and safety equipment; labour shortages and high staff turnover; Impact of shift work and the disturbance of everyday life patterns; inexperienced or poorly trained volunteers, work overtime hours etc.

Most operators employ healthcare professionals (such as registered and enrolled nurses) and allied health professionals, qualified care providers (such as personal-care assistants) and care managers, general administration staff, skilled kitchen staff, food service staff, medical professionals, office workers, and general labour (such as cleaners, maintenance staff). The smallest operators may have less than 20 permanent staff, however larger operations could easily have more than 100 staff.

The underwriter/adviser should consider the risks inherent to each occupation separately in building up a picture of the overall exposure.

CYBER RISKS

41%

CLASSES OF INSURANCE

RISK SUMMARY

Low to moderate exposure. Exposure will be varied for each aged care facility depending on the size and nature of the business operation and the extent of business operations being computer controlled/connected to the internet.

Aged care operators are increasingly becoming dependent on digital technology/integrated IT systems. More and more industry operators have invested in new IT platforms over the years including new administration platforms, to improve operational efficiencies in staff rostering and fiscal management. New platforms are also being adopted to improve the quality of care delivered.

Also, some operators use innovative technologies, including virtual reality apps, biosensors and wearable devices, to assist with resident care. Electronic care management applications are being used to deliver more effective care, including using iPads to improve the accuracy of resident records. Similarly, electronic medication administration apps are being adopted to reduce errors and the risk associated with medication dosage.

Potential cyber exposures / claims may arise under this occupation include:

Aged care facilities keep large volumes of sensitive personal and corporate data including medical files, personal health care information, billing and insurance records, payment details etc. These important data can be a specific target for cyber criminals

External hacking attacks, internal negligence, deliberate acts, system glitches etc. are common threats and controlling issues face by the business.

Electronic data/software loss and replacement cost following a cyber-attack can be considerable.

Business interruption/increased cost of working following a cyber-attack is another possibility.

Cyber-threat from interconnected supply chain business partners/outsourced services providers can be a serious issue.

Internal control and other issues – e.g. non-segregation of sensitive data, inadequate user access control/password protection, outdated POS software applications, absence of up to date antivirus software/firewalls, unencrypted data/information, lack of end-to-end encryption;

Some aged care service providers keep default passwords on common computers and various medical devices, this practice also creates cyber-attack vulnerabilities.

Possible presence of older devices/medical devices/computer systems with outdated operating systems and unsupported software can be another issue.

Internal control issues - Inadequate training for employees on data security/privacy/cyber risk. No or inadequate background checks conducted on employees/various service providers/suppliers etc.;

Compliance and control issues - No or inadequate policies, procedures and protocols on cyber security and related matters (if applicable);

Lack of security measures including a combination of technology (e.g., IT security) and physical security at the premises. Security and access control lapses in computer and server rooms.

Extra expenses following a cyber incident can be substantial and include - forensic investigation costs, crisis management expenses, notification and monitoring expenses, remediation expenses and other extra expenses association with a loss. Brand and reputational damage following a cyber-attack/data breach can also be significant for the business.

CORPORATE TRAVEL

25%

CLASSES OF INSURANCE

RISK SUMMARY

Exposure will vary considerably depending on the various factors including - number of persons travelling in any given year, the frequency of travel, staff designations, the numbers travelling together (accumulation), destinations (local/overseas), reasons for travel / nature of work undertaken, issues/risks/hazards, that can affect an employee's health, safety and security whilst travelling, transport mode, staff's fitness to travel /work abroad, previous travel experience, specific health risks at the destination, availability of reliable emergency services etc. Therefore, given hazard rating to be further assessed, considering the above factors in mind. Other main risks for this industry category may include:

Aged care operator's staff will usually be visiting offices or attending conferences, training or trade events etc. they will travel various destinations and due to political, social and economic volatility/instability in many parts of the world they will face higher risks. They may possibly travel to developing countries/remote locations. Common issues such destinations will include e.g., non-availability of appropriate medical services, transport challenges with access during a medical emergency / evacuation difficulty / reduced access to adequate infrastructure for medical attention.

Pre-trip preparation, education and risk assessment is particularly important. High risks such as terrorist attacks, civil unrest/war, kidnap and ransom, harassment etc are high and common in certain destinations. There are serious health and safety concerns in various parts of the world including contagious disease, insect-borne diseases, human influenza, swine flu or bird flu, virus/ Infectious disease outbreak, there are many unknown health threats as well.

Other common issues face by travelling staff may include: they may fall ill while abroad, delayed flights, losing passport, accommodation mix-ups, local language barriers, as well as exposure to disease, natural disasters and technology failings.

Normally staff travel with company owned data carrying equipment. Loss or damage to such data carrying equipment, baggage, passport etc create serious difficulties for them.

Possible intentional or unintentional illegal activities by travellers (e.g. breaching local laws and customs, misbehaviour by travelling employees/ unethical conduct by employees, non-compliance with regulation) may pose legal issues as well as serious reputational damage to the business.

Road accidents are a common cause of death and injury of both local and overseas travellers. Flight/tour cancellation, flight delay, missing of a connecting flight, traffic accidents, poor safety standards of transport/public transport / self-driving immediately after long-haul flights all are possible transport related issues/concerns that travel staff may face.

Business travellers usually stand out from the local population as different, making them a target for criminals and terrorists.

Worldwide assist, search and rescue, overseas medical expenses are other costs that can be incurred with travel.

Also refer to Employer Liability/Worker's compensation.

4. WANT MORE CERTAINTY AROUND YOUR BUSINESS RISK...REACH OUT

4Sight Risk Partners was built on a singular truth – that no two clients' business are the same, yet all should feel confident in managing their business with knowledge and certainty around risk.

Our clients secure a strategic advantage from their qualified risk profiles and quantified risk appetite. They leverage our 75 years of global risk and insurance expertise, navigating uncertainties and opportunities with confidence. Operating within our 4Sight Risk Partners 'IQ-ARTA' framework, our clients implement effective tailored risk management solutions.

4Sight Risk Partners collective strength, choice, and value, along with Insurance Advisernet's network, constitutes our greatest asset. 4Sight Risk Partners give our clients confidence and greater clarity around risk and insurance, despite its complexity. We provide trusted advice and advocate for our clients as their valued business partner.

To find out more go to www.4sightrisk.com.au or reach out.



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