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Our Ref: HRA – Kairn – Insurance Tender

1 February 2016

Dear Prospective Tenderer

Harness Racing Australia – National Insurance Program Tender

Harness Racing Australia (HRA) is the peak organisation representing the harness industry in Australia.

We have a proud history of providing the industry with a national insurance program of comprehensive public liability and personal accident insurance for almost a decade.

This program has developed over time in a collaborative approach between insurers, underwriters, industry participants and HRA Members, to be an important cornerstone of HRA's operations.

The current program expires on 31 August 2016 and we are seeking submissions from suitably geared, interested and innovative organisations to continue to provide our industry with excellent insurance coverage for the 2016/17 to 2018/19 racing seasons.

The attached tender document provides the program design and assessment criteria upon which we will be basing our decisions. However, if you have any queries, please feel free to contact HRA's Operations Manager, Mr Gary Kairn, at anytime on 03 9227 3003.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Andrew Kelly', written in a cursive style.

Andrew Kelly
Chief Executive



Harness Racing Australia Insurance Broking & Risk Management Services Tender Document

Introduction

The principle objective of this tender is to establish the most suitable provider of Insurance Broking, Claims Management and Risk Management services for *Harness Racing Australia*

It is incumbent upon each tenderer to acquaint themselves with the business, operations and activities of *Harness Racing Australia* and its related risks, exposures, insurance and risk management requirements.

Harness Racing Australia is the peak body for the enhancement and furtherance of the sport. It is a not for profit, member based organisation, with the members being the State Controlling Bodies and the Principal Racing Clubs. Harness Racing Australia has its office in Melbourne.

We provide service to our members and the harness racing industry generally in the following areas:

- Representation on national forums;
- Creation, maintenance and keeper of the Stud Book;
- Updating of HRA website and HRA on-line;
- Naming and importing of horses;
- Administration of DNA testing for parenting determination;
- Product testing and safety;
- Industry Insurance
 - Licensed Persons Personal Accident;
 - Licensed Persons Public Liability;
 - Harness Racing Club Public Liability;
- Making submissions on behalf of the harness racing and standardbred breeding industry to all levels of Government;
- Undertaking projects and investigations on a pro-active basis.

The sport of harness racing is an exciting spectacle that is conducted in all States of Australia but not in the Northern Territory. The majority of the industry participants class themselves as being hobbyists however this does not negate the importance to operate in a safe environment where the safety of the participants and racing animals is paramount.

Full details of our operations, including our corporate structure, rules of association and other pertinent information can be found at our website:

<http://www.harness.org.au/hra/hranational.htm>

General Terms and Conditions of Tender

Confidentiality

All information contained in this document and its attachments is strictly confidential and may not be reproduced in any form or communicated to any other person, firm, company or other third party without the written consent of *Harness Racing Australia*.

Contact Information

All enquiries, correspondence and other communication pertaining to this tender must be directed to:

Gary Kairn – Operations Manager

Telephone: 03 9227 3003

Facsimile: 03 9227 3030

Mobile: 0429 925 364

Email: gkairn@hra.harness.org.au

Proposed Tender Timetable

Activity	Date
Request for tender issued to tenderers	1 February 2016
Questions and requests for information from tenderers to be concluded by	21 February 2016
Tender closing time	10 March 2016
Short-listing process completed	1 April 2016
Tender presentations	15 April 2016
Intended completion of evaluation	30 April 2016
Intended formal notification of successful tenderer	15 May 2016

Tender Lodgement

Attention of	Gary Kairn
Address	Level 1, 400 Epsom Road Flemington Vic 3031
Number of copies	5 hard copies 1 soft copy (via email)
Latest Date and Time	5:00pm on 10 March 2016

Harness Racing Australia reserves the right to accept the late submission of a written tender response if, in the opinion of *Harness Racing Australia*, the late submission is due to factors beyond the control of the tenderer.

Tender Costs

The tenderer accepts all liability for costs associated with the preparation and submission of their tender and their attendance at meetings, presentations or such other site visits as may be required in connection with this tender.

Reservation of Rights

Harness Racing Australia is not bound to accept the lowest submission offer and any submission shall not be deemed to have been accepted until a formal written agreement is executed.

Harness Racing Australia reserves the right to:

- amend the nature, scope, terms, conditions and requirements of this tender without notice at any time
- discontinue to engage or negotiate with any tenderer without notice at any time and is not under any obligation to disclose the reason(s) for its decision to do so
- enter into post-submission discussions or negotiations with tenderers on any matter prior to the selection of the successful tenderer
- abandon or postpone the tender process at any time before or after the receipt of written and/or oral submissions from the tenderers
- make inquiries of any person, company or organisation regarding the tenderer and/or its written and/or oral representations
- take any other action it considers necessary or appropriate in the relation to this tender

Written Tender Response

Each Tenderer is required to provide a written submission comprehensively addressing the requirements of the Conforming Tender Specification outlined in this tender document.

Oral Presentation

If an oral presentation is requested by *Harness Racing Australia*, the personnel who will be responsible for delivery of the tenderer's services to *Harness Racing Australia* (i.e. Account Chairperson and Account Executive) will be expected to actively participate in the oral presentation

Insurance Market Contact

Under **no** circumstances are tenderers permitted to approach or engage with any local, national or international insurance markets concerning *Harness Racing Australia* or this tender. Any attempt to do so will disqualify the tenderer from further participation in the tender process. This restriction does not apply to the incumbent broker in the course of day-to-day account management activity.

Conforming Tender Specification

Scope

Each Tenderer is required to provide a written submission which concisely addresses the following key topics:-

- Insurance Program
- Service Delivery in respect of Insurance Broking Services, Claims Management and Risk Management Services
- Broker Remuneration and Disclosure
- Broker Credentials and Capabilities
- Transitional Arrangements

Insurance Program

Harness Racing Australia has a unique club and driver's insurance program in place. This insurance is broken into three broad categories. At a minimum this will be the level of insurance required. The three parts of the program are Licensed persons personal accident insurance, Licensed persons public liability insurance and Harness Racing Club liability insurance.

Harness Racing Australia is also interested in looking at other innovative programs that can add value to the harness industry. This may be in the form of, but not limited to, private health insurance, farm pack insurance, equipment insurance and other items that the industry may consider.

Service Delivery

Insurance Broking

Please provide a comprehensive outline of the insurance broking, placement and technical services which your company considers to be relevant to *Harness Racing Australia* and the manner in which your company proposes to deliver these services to *Harness Racing Australia*.

Such broking services should include but not be limited to:

- Assistance in the development of appropriate underwriting data and specifications for renewal negotiations
- Preparation of marketing submissions to insurers
- Advice and recommendations of the adequacy or otherwise of the insurance program including evaluating *Harness Racing Australia* exposure to insurable risks and significant self-insured risks
- Advice and assistance in the placement of the insurance program
- Invoicing and payment of premiums and duties to insurers
- Day to day management of insurance program issues

- Evaluating and reporting on the financial stability of insurers
- Provision of loss control advice appropriate to *Harness Racing Australia* risks – general advice only.
- Day to day management and recording of above deductible claims
- Provision of other services normally required of an insurance broker.

Claims Management

Tenderers are required to detail the following in respect to the delivery of claims management services:

1. How the Tenderer proposes to manage claims
2. Details of the Tenderer's capabilities to manage claims
3. Samples of likely claims reports to be produced
4. Performance Standards and how these will be assessed and delivered
5. A clear process to demonstrate how under deductible claims management will be handled
6. Clear methodology as to how feedback will be made to injured persons.

Risk Management Services

Harness Racing Australia has in place continuous improvement processes to minimise risk. These include testing processes for wheels and sulkies, as well as utilising current standards relating to vests and helmets. Harness Racing Australia continues to look at ways to minimise risk and is keen to introduce innovative ways to achieve this.

Tenderers are required to specify the risk management and loss control services and initiatives which your company would recommend to *Harness Racing Australia* and the rationale behind those recommendations.

Tenderers should outline the methodology the Tenderer proposes to adopt in the implementation of the proposed risk management program.

Service Team

Tenderers are required to nominate the individuals comprising the proposed account servicing team and, in respect of each, provide a brief resume of their role, responsibilities, qualifications and experience.

Tenderers are also requested to provide an indication of where the service team will be located and how they will operate.

Service Agreement

Tenderers are required to provide a full copy of the proposed Service Agreement specifying the terms and conditions upon which your company proposes to provide its services to *Harness Racing Australia*.

Broker Remuneration and Disclosure

Broker Remuneration

Harness Racing Australia preference is to remunerate its insurance and risk management service provider on the basis of a fee for service.

Please provide a service fee proposal for the Insurance Broking, Claims Management and Risk Management services which your company proposes to provide and ensure that any applicable GST is shown separately.

Broker Remuneration Disclosure and Transparency Standards

Please state whether or not your company receives, or in the future may receive, contingency commissions (volume bonus and/or profit share) or any other form of remuneration from the insurer(s) with whom your company proposes to place *Harness Racing Australia's* insurances. If such commission or other form of remuneration is received please outline the level of such income.

Please advise if the relationship between your company and any insurer with whom you transact business has the potential to conflict with your company's responsibilities to *Harness Racing Australia* as its appointed insurance broker and risk management consultant.

Tenderers are required to identify all revenue which would be earned by the tenderer or its associated, subsidiary or parent companies, reinsurance partners or the like which would arise from your representation of *Harness Racing Australia's* insurance program.

Please outline your company's general approach to transparency and conflict of interest.

Broker Credentials and Capabilities

Company Profile

Please provide an outline of your company's corporate structure including (if applicable) details of its parent and/or subsidiary companies.

Client and Industry Experience

Please provide a schedule of your company's major corporate clients including those within the same industry segment as *Harness Racing Australia*.

Outsourcing

If any component(s) of your company's service offering to *Harness Racing Australia* is to be outsourced to any third party, please advise those component(s) together with full details and the credentials of the third party organisation(s) to whom it will be outsourced.

Professional Indemnity

Please provide details of your company's Professional Indemnity insurance with particular reference to the name of the insurer(s) and the limit(s) of indemnity and deductible(s) applicable in the terms of the policy.

Insurer Security

Please provide an overview of the procedures and methodologies that your company employs to monitor the solvency of insurers, underwriting agencies and other risk carriers with whom your company transacts business in Australia and elsewhere in the world.

Referees

Please provide the name and contact details of three of your company's clients to whom we may refer as reliable referees in connection with this tender.

Transitional Arrangements

(Not applicable to incumbent broker)

Please advise the procedures and protocols that your company would implement to ensure an orderly transfer to you of service provider responsibilities in relation to *Harness Racing Australia's* insurance and risk management affairs.

(Applicable only to incumbent broker)

Please advise the procedures and protocols that your company would implement to ensure an orderly transfer from you of service provider responsibilities in relation to *Harness Racing Australia's* insurance and risk management affairs.

Decision Making

Weighting of the Assessment process:

Harness Racing Australia, as part of assessing the successful tenderer, has given the following weightings to the main areas of the program scope. The aim is to ensure transparency in the process and allow each tenderer the opportunity to appreciate and understand the important areas.

- Insurance Program – 40% overall broken down as
 - Actual program 30%
 - Cost of program 10%
- Service Delivery in respect to Insurance Broking Services, Claims Management and Risk Management Services – 35%
- Innovation and Future development – 5%
- Broker Remuneration and Disclosure – 5%
- Broker Credentials and Capabilities – 10%
- Transitional Arrangements – 5%

Harness Racing Australia wishes to thank all prospective tenderers for undertaking this process.