



INSURANCE & RISK IN THE SPORTING & LEISURE INDUSTRY

Honan.

Having the right people on your team, in your corner, supporting your success, is fundamental to all great achievements.

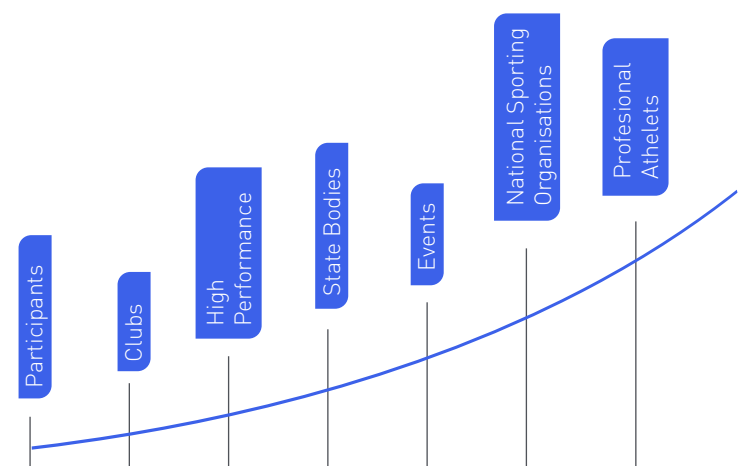
Insurance for sports and leisure.

Sport is one of life's most rewarding activities. It has the power to unite and presents incredible opportunities to individuals and businesses alike.







Great sportspeople, administrators, clubs, sporting communities and sporting bodies know that making the most of these opportunities and achieving success, is the sum of many parts, including having the right people in your corner.

Sports insurance is no different. A winning formula requires specialist sports risk and insurance advice to set you on a path to success - a risk partner to work with you on designing and evolving a considered risk management plan truly tailored to your needs. **With Honan on side, you'll have the confidence to focus on what you do best - unlocking the potential of sport.**

SOLUTIONS FOR PARTICIPANTS TO PROFESSIONALS



POLICIES TO COVER:

-  Public Liability
-  Management / Liability
-  Personal Accident
-  Property Insurance
-  Corporate Travel
-  Cyber

TRENDS

What's happening in the world of sport and sports insurance?

AN OUTLOOK OF RECOVERY AND GROWTH

From grassroots to elite arenas, the sports industry is set to face vast opportunities and threats alike in coming years. According to a recent global sports survey, average industry growth is projected to increase slightly from 5.5% to 6.6% over the coming 3-5 years, with Australia slightly better¹. As the sports industry recovers from the impacts of COVID-19, operational efficiency and risk management has never been more critical for the sustainable growth of sporting bodies, associations, and clubs - their future depends on it.

1. PwC's Sports Survey 2023

OPPORTUNITIES THREATS & RISKS

- Growth of women's sport
- Enhanced digital media fan experience
- Creation and monetisation of digital assets
- Innovation in media rights packaging and distribution



- The rise of cyber crime and access to members' personal information
- Reduced financial resources to invest/innovate
- Dominance of major tech firms as gateway to content
- Threat of economic slowdown
- Tightening regulatory controls

GROWTH OPPORTUNITY: THE RISE AND RISE OF WOMEN'S SPORT

more than
70%
of respondents anticipate double digit growth in the next 3-5 years.

Major barriers to growth include a lack of funding at all levels and underrepresentation in senior leadership roles across sporting codes.

Source: PwC's Sports Survey 2023



Insurance trends.

LEADING AND INCREASING INDUSTRY RISKS

IMPLICATIONS OR ACTIONS FOR BODIES, ORGANISATIONS &/ OR CLUBS



Abuse exposure risk

Bodies can proactively educate administrators and members on associated responsibilities and implement simple, clear policies to meet relevant State legislation. All coaches and staff with contact to children must have current Working with Children permits and follow associated guidelines.



National Redress Scheme (NRS)

An extension of abuse exposure, insurance implications pertain to the adoption of the National Redress Scheme. **Organisations must understand their exposure to ensure their cover is adequate, and risks can be proactively managed where possible.**



Extreme weather events

With increasing frequency and severity of losses from extreme weather events sporting associations and clubs **need to consider the adequacy of insurance coverage for events such as floods, cyclones, hail and severe storms.** Coverage for these events is most often limited and requires additional risk management solutions.



Increase to portable items and open-air property

With the rise of portable tech such as laptops, tablets, phones, biometric and data-tracking devices, **organisations must ensure their policies cover the removal of such hardware from stored locations.**

LEADING AND INCREASING INDUSTRY RISKS	IMPLICATIONS OR ACTIONS FOR BODIES, ORGANISATIONS &/ OR CLUBS
 Minor injuries	<p>A rise in minor injury claims is placing an increasing burden on organisational resources for claims submissions.</p>
 Rising costs awarded for injuries	<p>Thanks to rising out-of-pocket medical costs across the board, insurance premiums and coverage for personal accident cover is climbing. Organisations should revisit their safety procedures and policies to identify opportunities for improved efficacy.</p>
 Shifts to shared service models	<p>Many national sports organisations are adopting shared service models in order to optimise financial, legal, marketing and insurance resources, and share policies and coverage with National and State bodies.</p>
 Continued evolution of directors and administrators' exposure	<p>If you sit on the board of a sporting body, it's critical to understand your personal liability around obligations and decisions made, and their associated risks. For example, if safety issues have been raised, but not addressed, a future related incident will expose office-bearers. Ensuring your insurance is truly fit-for-purpose is key to mitigating personal liability risks.</p>
 Trampoline parks & inflatable coverage	<p>Trampoline parks and inflatable attractions pose a higher risk for accidents and injuries compared to other businesses. The nature of these activities involves physical exertion, jumping, bouncing, and potential falls, increasing the likelihood of accidents and liability claims. Insurers often perceive these risks as a challenge to mitigate, making coverage harder to obtain.</p>
 Sport Exhibitions & conferences	<p>Exhibitions and conferences often attract large crowds, potentially increasing the risk of accidents or property damage. Requiring stall holders to have their own insurance helps ensure they have liability coverage in place. If someone is injured or their property is damaged as a result of the stall holder's activities, insurance can provide financial protection and cover legal expenses.</p>
 Qualified Coaches Vs 3rd Party Coaches	<p>With more and more specialised coaches in the industry (i.e. strength and conditioning), organisations must ensure all third party service providers are covered with the correct level of insurance.</p>
 Rise of female participation in sports	<p>With greater physical contact has come an increase in claims in this area – be sure to update policies accordingly.</p>

TRENDS

What does the future hold for sport & leisure in Australia?

In partnership with the Commonwealth Scientific and Industrial Research Organisation (CSIRO), research conducted by the Australian Sports Commission (ASC) identified **six sports megatrends that may redefine the sports sector over the next 20 years**. The following megatrends will be key to shaping long-term policy, investment, and strategic planning across government, the sport sector and broader community.

From community clubs to national bodies, all sporting organisations will benefit from being familiar with these future market dynamics and associated opportunities and threats, in planning for sustainable.

Understanding the opportunities, threats and managing the associated risks will be the key to sustainable, long-term success.



A PERFECT FIT

Personalised sport for health & fitness

As busy, time-fragmented lifestyles become the norm, sport is being tailored to meet personal needs. Health, rather than competition, will become a major driver for participation. Maintaining relevance to support participation rates and community engagement will be an ongoing consideration for organisations.



FROM EXTREME & ALTERNATIVE TO MAINSTREAM

The rise of lifestyle sports & esports

Lifestyle, adventure, and alternative sports are becoming increasingly popular, with participation driven through widespread digital media. Esports for example is the world's fastest-growing sport. Considering the rapid growth of Australia's current esports audience and multi-billion dollar revenues, how traditional sport embrace esports into the future is both an opportunity and an important consideration in a fast-evolving landscape.



MORE THAN SPORT

The attainment of health & community via sport

The broader benefits derived from participation in sport, including physical and mental benefits, crime prevention and social inclusion, continue to increase in focus.



EVERYBODY'S GAME

Demographic, generational, & cultural change

The types of sports Australians play are likely to shift in line with changing demographics, including cultural landscapes. Sports organisations will be challenged with capturing the interest and involvement of diverse cultures that often have different sporting preferences. Australians are also embracing sport in older age, resulting in the need for sport to cater for senior citizens.



NEW WEALTH, NEW TALENT

Economic growth & sports development in Asia

Population growth in developing countries, specifically Asia, increases athlete competition within the sport landscape. This may result in emerging new sporting markets for television, social media, sports equipment, services and events.



TRACKSUITS TO BUSINESS SUITS

Market pressures & new business models

Market forces are likely to put pressure on sport in the future, drawing athletes away from sports with lower salary bases. In addition, the administration of sport may transition from community-based organisations to corporate structures as they face increased accountability.

RISK MANAGEMENT

A modern, match-fit approach for clubs, associations, and players.

In the early 2000s the Australian Sports Commission (ASC) commissioned an insurance review of Australia's National Sporting Organisations (NSOs)*. The key finding was that, generally, NSOs and affiliated clubs were poorly informed as to their insurances, levels of cover, and exclusions.

More than 20 years on, Honan's experience suggests that insurance insight and awareness of key risks still has room for improvement across the industry. **There is a clear opportunity for sporting organisations to better protect their people, participants, members, clubs and assets, by proactively and regularly addressing the following:**



Do you have guidelines on what insurances and policy terms your sport requires?

For instance, a checklist to ensure 'member to member' liability is included.



Is your risk management program easy for local and club levels to understand and implement?

Noting resource and time constraints are significant at these levels.



Do you have an effective, documented risk management program covering all levels of your sport?

This is one of the leading actions a sporting organisation can take to reduce its premiums.



Do you provide training and education in respect of insurance issues?

This must cascade right down to the operating level.



Does your National Sporting Association follow a national scheme to ensure all levels are adequately covered?

If not, this presents a clear opportunity to explore.



Do you work with your broker to ensure our insurers have a strong understanding of our sport?

Including help to dispel any misconceptions around risk, as required.



Do you regularly update your risk management standards and programs to mitigate future reoccurrence of incidence?

Regularly reviewing claims incidence supports this process.



Do you work with your broker to understand what policies and practices could be implemented to aid in reducing premiums?

Maintaining an open dialogue with your broker year-round and not just at renewal is optimal.



Do you collect, analyse and evaluate data including claims, in order to measure the effectiveness of your risk management programs?

Records must contain details of all injuries and claims including conditions leading to the claim and associated outcomes.

*Source - Australian Sports Commission Insurance Report - 2003 conducted by Ernst & Young.

How can Honan help?

Honan history is steeped in sport – supporting it, playing it, and learning from it. From local to national and club to elite, we partner with sporting organisations of all sizes to create holistic risk programs truly fit for purpose, and ready to perform.

To keep you ahead of the game, we start with cost control. Through robust, current data and analytics, we work with you on an ongoing basis to understand what's driving claims and incidence. At all times, our sports practice group remains in close contact to ensure we are attuned to your changing circumstances, risk profile, and insurance needs.

OUR DUE DILIGENCE:

- Insurance liability review
- Risk profiling and analysis of effectiveness of existing insurance solutions
- Benchmarking your existing programmes against best practice
- Guidance to ensure you have the right level of cover
- Recommend optimum risk transfer solutions, including estimated costs
- Structure bespoke insurance solutions using Honan's specialist expertise and buying power
- Analysis of risk awareness within your company, including insurance, risk management and operating structure
- Review contractual agreements and advise on related insurance and liability issues, as well as indemnification provisions
- Assessment of self-retention programmes



OUR RESOURCES & TECHNOLOGIES:

- Cloud based document sharing insurance hub to reduce administration burden, from policy wordings and contract reviews to claims lodgment and contacting our service team
- Cyber Risk Management App – Real Time Threat Intel - offering targeted push notifications where our partners have identified threats pertinent to their business
- Guides on ransomware safeguards, stress tests and self-assessment surveys



OUR EDUCATION & INSIGHTS OFFERING:

- Provision of market leading content on insurance and regulatory market updates, legal, compliance and regulatory changes
- Training and education to ensure a strong risk culture is embedded across your organisation
- Webinars and one-on-one discussions with leading cyber legal and technical practitioners from our partners Clyde & Co.

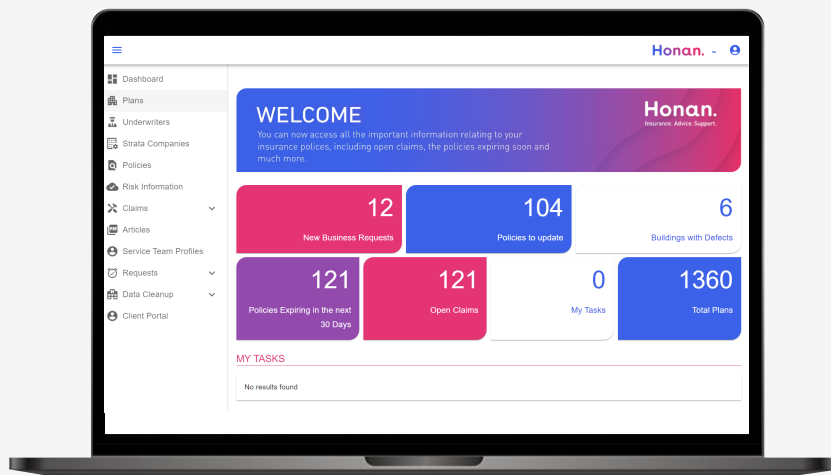


OUR CLAIMS SERVICE:

- Legally qualified, highly experienced claims team with specialised sport industry capabilities
- Dedicated claims manager for the lifecycle of a claim
- Analysis and policy response to ensure a smooth claims experience
- Data driven recommendations for an evolving insurance program in line with your changing risk profile, inclusive of management programs and standards to mitigate future incidence and optimal claims outcomes
- Cutting-edge data and analytics capabilities that provide valuable insights into your claims performance, empowering you to proactively manage and limit risks



Winning Off The Field

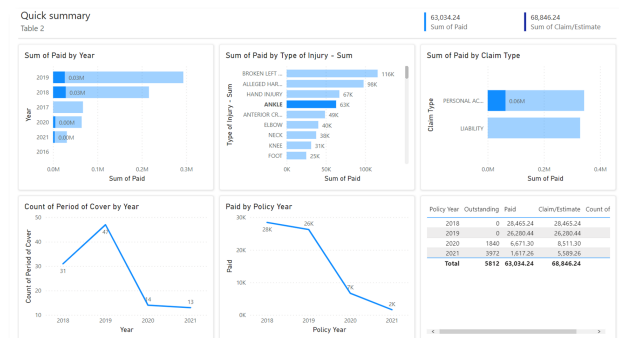


Our new Honan Sport website reduces the administrative burden for sporting bodies by enabling individuals to access customised certificates of insurance, providing timely claims handling updates and facilitating centralised policy document storage.

Outcomes

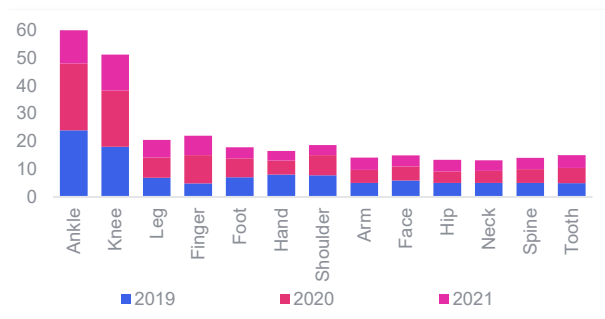
- Integrations with many of Australia's best known sporting organisations
- Data-driven breakdown of injury claims by type to provide bespoke insurance coverage
- Interactive claims dashboard to enable continued assessment of claims, coverage requirements and premiums
- Bespoke online portal and personal lodgement forms

Interactive Claims Dashboard



Risk Management Services & Analytics

Injuries by Type by Year
(figures presented are illustrative only)









Cost of Injuries by Injury Type
(figures presented are illustrative only)

Injury Location	Non Medicare	Loss of Income	Reserve	Total
Ankle	30,000	4,000	20,000	50,000
Arm	1,000	-	2,000	5,000
Back	1,000	-	-	1,000
Calf	1,000	-	-	1,000
Face	-	-	-	-
Fingers	5,000	2,000	2,000	7,000
Foot	100	-	2,000	1,000
Hand	1,000	-	-	1,000
Knee	60,000	23,000	8,000	90,000
Leg	1,000	1,000	3,000	6,000
Shoulder	2,000	4,000	-	7,000
Teeth	400	-	-	400
Grand Total	102,500	34,000	38,000	980,400

What sets us apart?

We provide an all of sport solution:

-  National
-  State
-  Local / Club
-  Service Providers
-  Venues and Facilities
-  Sports merchandise and apparel companies

Our capability in the sporting and leisure arena is not only built on our vast experience supporting grassroots and professional sporting associations alike, but our company-wide passion for sport. Our sports sponsorship program spans community to elite sport, and our employees - both Australia and offshore - are active sports players, members and fans. We know that physical activity across one's lifespan is paramount to enjoying a happy, healthy, and well-lived life.

AUSTRALIAN FOUNDED INDUSTRY LEADER

Established in 1964, and with over 450 staff and growing, we're the largest independent broker in Australia. We understand the local market and legislative frameworks.

ESTABLISHED NETWORKS

The TechAssure network underpins our market-leading risk management tools and information to technology clients.

SPECIALIST KNOWLEDGE, DATA- DRIVEN DECISIONS

We're known for our placement of unique and complex risk profiles, and drawing on data to make timely, informed decisions.

REGIONAL SOLUTIONS

With offices in Australia, New Zealand, Singapore and Malaysia, we're deeply rooted across Asia-Pacific.

INNOVATION

Winner of Insurance Business Specialist Broker of the Year (2022), Top Brokerages (2023), 5 Star Innovation Award (2023).

CLAIMS SOLUTIONS

With our in-house claims division lead by industry and legal experts, we know how facilities management, services policies and coverages will respond.

FULLY INTEGRATED SOLUTIONS

Holistic risk and insurance solutions; from program placement and claims management, to risk consulting.

CARRIER MARKET LEVERAGE

Placing over \$500 million in insurance premiums annually, and partnering with over 130 insurance companies globally, we bring exceptional buying power to every engagement.

GLOBAL REACH & INSIGHTS

We help clients navigate the challenges and opportunities of a global market, while providing market-leading local expertise.

DIVERSITY AND INCLUSION

is a key focus for Honan, both within our organisation and through supporting community organisations as captured in our inclusion charter.

PROVEN TRACK RECORD

Combatting rising premium costs – after an in-depth review of our new client's claims over an extended period, Honan identified the opportunity to save the client significant money around their personal accident policy without compromising coverage. Through transitioning to an aggregate deductible structure, the sporting association reclaimed more ownership of their program, empowering them with optionality around how much risk they wanted to retain, mitigating being at the mercy of the insurance market, and incentivising member clubs to prevent loss through being pro-active with risk management.

Cyber incident – one of Honan's sporting clients experienced a cyber-attack via a phishing email. The incident saw personal data, including bank details, compromised. Through the client's cyber policy Honan had recommended – the client was able to rapidly access a cyber security advisor to quickly diagnose and remediate risks, including a stepped plan to tighten network security. The rapid response ensured damage was minimised with little adverse publicity or impact to members, importantly maintaining their confidence in the organisation.



How can you team up with Honan?



INSURANCE HEALTH CHECK

To assess your risk exposures and insurance needs, we'll conduct a thorough insurance healthcheck.



TRANSITION YOUR INSURANCE

Once approved, we'll transition you to your new insurance programme.



SITE VISIT & TEAM INTRODUCTION

We are passionate about being a true partner, taking the lead as advisor and educator, and thinking creatively about solutions that give you the best business outcomes.

Industry experience and expertise.

To find out how we can support your growth, please get in touch.

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