

The Abbeyfield Observer

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From the chairman's desk: Gay Gardner AM

Dear Abbeyfielders

The biennial National Conference of Abbeyfield Australia took place on 20th November in Melbourne. It proved to be a very successful day, when almost all local societies round Australia were represented. Each Society representative gave a report on their House. The reports were very positive not only in relation to the main stream housing for older residents but also the Houses that accommodate younger residents who are mildly intellectually disabled.

Our three hostels, Charingfield, Mortlake and Williamtown simply go from strength to strength. Not only are they providing excellent care for their residents but two of them are in expansion mode.

During the National Conference I informed members and friends about our most important strategic plan for the future of Abbeyfield in Australia. The Abbeyfield Australia Board plans for the expansion of Abbeyfield so that a broad range of people including those of independent means may be accommodated in Abbeyfield Houses designed to suit their needs.

It is very much recognised that the cost of constructing houses is significant and not something which Abbeyfield Australia can take on alone. We are seeking therefore to collaborate with government, commercial partners and philanthropic organisations to achieve our goals. In attaining these goals Abbeyfield Australia will become financially secure and viable and have a sustainable business model.

We have a most exciting future in front of us but much work must be done to achieve these goals. I will keep you informed of our progress as developments take place.

I would like to pay tribute to two retiring members of the Abbeyfield Australia Board, viz. Mrs Wanda Edmund and Mr Francis Duffy.

Wanda was a foundation member of the Babinda Abbeyfield Local Society. She played a leading part in establishing the magnificent House at Babinda and has continued to play a most significant role in the running of the House. Wanda is currently Chairman of the Babinda Local Society. She has been able to provide first hand information in relation to Babinda which has a number of unique characteristics being situated in far North Queensland. Wanda has been a most helpful and supportive member of the Abbeyfield Australia Board.

Francis Duffy came to the Abbeyfield Australia Board with a depth of knowledge of Abbeyfield as he has been a director on the Charingfield Board for a number of years. His knowledge of Charingfield has been invaluable to our Abbeyfield Australia Board. His lively and positive contribution to the work of the Abbeyfield Australia Board will be greatly missed.

On behalf of Abbeyfield Australia I thank Wanda and Francis for their contribution to the work of the Board. Their work has been greatly appreciated.

May I wish you all a very happy Christmas and prosperous New Year.

Gay Gardner AM, Abbeyfield Australia Chairman

News from Glenorchy Abbeyfield Inc.

At the annual general meeting of Glenorchy Abbeyfield Inc. Mr Steve King was elected as chairman, and all committee positions were filled.

Five people (all being foundation committee members) were presented with life membership of the society.

Mrs Anne Gunn, Mrs June Flood, Mrs Merle Diakovsky, Mr Max Maynard, and Mr Leo Hurst were surprised and honoured to be acknowledged in such a way.

Mr Leo Hurst is also a director on the Abbeyfield Australia Board.

Pictured: Mr Leo Hurst (left) with the Chairman Mr Steve King.



Happenings at Orange (NSW)

In November Orange Abbeyfield was presented with a memorial plaque in remembrance of the late Amanda Selden who took the first step towards the establishment of the Orange Abbeyfield House. Amanda was impressed with the Abbeyfield model while living in England in 1984 and wrote to her father, Peter Selden, with information on Abbeyfield. Peter was the CEO of the Orange Base Hospital and started the ball rolling enlisting the help of people interested in housing options for the elderly. Seven years later, in 1991 our house was opened.

Members of Amanda's family and the community were there to witness the unveiling of the plaque and the planting of a rose in the garden - over forty people attended. Mayor, John Davis, welcomed the guests. Marlene Farrell gave a short history of the House. Amanda's father, Peter, then addressed the gathering speaking of Amanda's work in the setup of the Orange House.

Afternoon tea was a fitting finale with people sharing their memories of Abbeyfield over the past 19 years. The event was published in the three local papers with many photos - all in all a successful event with good publicity for Abbeyfield.

In December, our energetic housekeeper, Janelle, organised a successful garage sale raising in excess of \$300.00. Two committee members and our casual housekeeper Beryl helped on the day. The residents were involved, with our 94 year old Raynor suitably attired as Supervisor. This event helped raise the profile of Abbeyfield with buyers asking for information and some requesting to be shown through the house.

We also held an impromptu fire drill in December! When Janelle returned from shopping the fire alarms went off. Not being able to locate the source Janelle phoned the fire brigade who responded quickly. It emerged that a faulty alarm in the laundry was the culprit and an electrician was called and is investigating further. Protocols need to be set in place if a similar incident occurs in the housekeeper's absence. All's well that ends well.

Marlene Farrell

A Short report on the National Conference

The National conference celebrated the strength and diversity of Abbeyfield in Australia. Most Houses were represented, and reports were received about their activities. Keynote speakers addressed a variety of topics from community housing to types of Abbeyfield housing to insurance issues. (An article about insurance is included below.) Feedback from delegates to the conference was positive, and will assist in the planning of future events.

The Consequences of Under-Insurance

Bring up the subject of insurance at any gathering of four or more people and you will hear at least two horror stories of insurance claims which went wrong. The stories are told with relish for the gory details of deception and betrayal and always end with an adamant declaration that insurers rip-off the general public, make huge profits from so doing and are in the business of not providing the outcome that the buyer paid good money for.

The first statement has truth. Every dinner party discussion about insurance I have ever heard goes this way. However, the assertion of the ultimate declaration is, unfortunately, largely untrue and construed out of a misunderstanding of the product purchased. The difficulty is that no-one likes to admit that they didn't understand the contract they were entering into or that they didn't take the time to read the terms and conditions closely.

Insurance products designed to cover loss or damage to property, either in the form of a domestic household policy or a commercial "property" policy eg. Fire and Specified Perils, or Industrial Special Risks (ISR), all have exhaustive terms and conditions which form the basis of the offer and should be interpreted for you to allow you to ascertain what the contract requires of you.

Our role as your broker is to demystify insurance and to ensure that you have the information you require to make the right decisions about the amount of insurance you elect to carry.

In relation to quantum of cover, the accepted (and required) basis of valuation of insured property (unless otherwise advised to your insurer) is reinstatement and replacement (*new for old*) value. This should include, especially in the case of buildings, any allowance for extra cost of reinstatement (meaning any additional cost which would be required to be expended to comply with statutory requirements to permit re-building, such as sprinkler systems, upgraded waste disposal systems and the like).

In my view the most onerous of "property" policy conditions (and most pertinent to our subject) relates to the quantum of insurance cover effected and is known as the "Co-Insurance" (or Average) clause.

This clause effectively provides for a penalty in the event that the selected sum insured reflects less than the true reinstatement and replacement value. The degree to which the penalty applies may vary, depending on the policy wording. The wording which applies to the Aged Care package ISR policy in force for Abbeyfield is subject to an 85% Co-insurance clause.

In short, the Co-Insurance (or Average) clause in your ISR policy provides that, in the event of a loss, if your chosen sum insured represents less than 85% of the actual value of the property (at the commencement of the policy), the insurer will regard you as your own insurer for the "uninsured" proportion of the loss. Put simply, the insurer will only pay the same proportion of the loss suffered as the declaration of value of property bears to 85% of the actual value (at the commencement of the policy).

To demonstrate, the calculation of a loss where the Co-insurance provision is applied is as follows;

Say,

- a \$100,000 loss occurs
- the actual replacement value of property is \$200,000
- the declared (chosen) value is \$150,000

then,

- 85% of \$200,000 = \$170,000

therefore,

- $\$150,000 / \$170,000 = 0.88235 \times \$100,000 = \$88,235$ paid by the insurer

The claim settlement by the insurer will leave the insured out of pocket by \$11,765 (plus the excess payable).

For this reason it is critical that you establish the true reinstatement and replacement value of your property at the commencement of the insurance policy period.

To assist in doing this, you may elect to use your Asset Value register which should contain all (major) items of property your business owns. The list of items, assuming the register is current, is useful to you however, be aware that neither of the two values used in the register being i) the purchase price and ii) the depreciated value, is useful to you as neither will represent the true and current reinstatement and replacement value unless the item has been purchased in the past couple of months.

You should investigate each item on the register to ascertain its "new for old" value. It would be usual for minor items of equipment/furniture and fittings not to be entered into the register individually so an allowance for such items should also be made.

(Where items of furniture or equipment have been donated, often they don't appear in the Asset Register, so remember that the donation may not be available to you again following a loss so ensure that the new for old value of such items is included in the total declared value).

Interesting statistics on under-insurance:

- Insurers paid some 10,280 claims as a result of the February '09 bushfires in Victoria.
- The total amount paid is in the vicinity of \$1.1bn.
- Approximately 70% of claimants were under-insured to a greater or lesser degree.

Many businesses fail following major catastrophic loss due to under-insurance. Your duties as committee members and board members require you, inter alia, to exercise diligence in the protection of the business and its assets to ensure continued viability. Don't allow your business to become a statistic.

Jo Broderick
29 November, 2010

CEO Report

With 2010 closing and a brand new year approaching, this is an ideal opportunity to reflect and take stock.

During the year we had some important achievements. We have launched our new Abbeyfield Australia web site, implemented our new logo, received accreditation as a Community Housing Provider in NSW, adopted a new strategic plan for 2010 – 2015, made significant inroads into promoting the Abbeyfield model in Federal circles and held state and national Abbeyfield Australia conferences.

Volunteerism is at the heart of Abbeyfield and one of the joys of my role is meeting the local society committees of management and volunteers who actually 'make it happen on the ground'. You are a truly remarkable band of people and to you each I say thank you. Whenever I've rung to ask a favour – it is almost always obliged. Whenever I have been slow to respond to an email, I am almost always forgiven. And whenever I meet and talk to you, I am always impressed. Thank you!

Finally – and most importantly, I wish you and you loved ones a wonderful Christmas and a joyous New Year.

Cheers,

Chris Reside
CEO Abbeyfield Australia

Editor's note:

I hope that you have enjoyed this edition of the Abbeyfield Observer, and that you found the information on insurance relevant and helpful. Thanks to all contributors.

Have a happy Christmas.

Regards,

Jill Parker, Hon Editor.