

Artsource MAX Membership and Insurance Guide

Thank you for your interest in Artsource MAX membership. You are advised to read this guide and the accompanying insurance policy brochures, in full, before submitting your application.

The insurance policy brochures can be found on the website (artsource.net.au) under the 'Max Membership' section.

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Artsource MAX Membership

Artsource is a membership organization; our services are focused on benefitting and assisting Western Australian visual artists. Artsource MAX Membership is available to professional visual artists who are Australian citizens or current residents of Australia.

MAX ANNUAL INSURANCE BENEFITS

In addition to the membership services and opportunities available to Artsource PLUS members, Artsource MAX members receive annual insurance cover designed specifically for professional visual artists. Only artists who meet professional artist membership requirements (PLUS and MAX) are eligible for Artsource Professional Artist Insurance, on payment of MAX membership. The insurance cover is included in the price of your annual Artsource MAX membership subscription. A detailed outline follows in this guide. Please be sure that you understand the scope of the insurance cover offered through your Artsource MAX membership.

The combined annual cover that Artsource has arranged for MAX members has two components:

- Annual indemnity insurance against all sums which the Insured becomes liable to pay by way of compensation for bodily injury and/or property damage to a third party resulting from an occurrence which arises from the Insured's negligence.*
- Annual personal accident insurance that provides for the replacement of an artist's income in the case of an accident that affects their work, and covers some of the costs that arise in the case of accidental death.

* Acts of negligence could include: leaving your tools in a place where a member of the public trips over them; advice that you may give to anyone on a professional basis in connection with your visual arts practice; or any fault in the actual design of your product. It is virtually impossible to give instances in all cases, because each case will depend on the circumstances and these always differ.

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If you have any questions or are not sure if this insurance is right for your circumstances, please contact Artsource on (08) 9335 8366 or Local Community Insurance Services (based in Adelaide) on 1300 853 800.

Do not cancel any existing insurance without first checking with the insurance brokers.

MAX MEMBERSHIP CRITERIA AND PROCESS

Criteria

Applicants must:

- Be a professional practicing artist;
- Be a resident or citizen of Australia;
- Be registered as an Individual/Sole trader.

Applicants must provide:

- A completed application form;
- Up to nine high quality images of their work;
- An up-to-date artist CV, biography and artist statement;
- An Australian Business Number (ABN) in their name;
- A current email address.

Please note: Your application will not be processed without each of the items noted above.

Professional Artist Assessment Process

Your membership application will be assessed by Artsource staff for demonstrated professional artist status and to check that you have provided all the information required. If these criteria are met, you will become an accredited Artsource MAX member and your insurance will start on the day you pay for membership, assuming your membership application is successful. Ongoing MAX membership is subject to approval by the Artsource Board, and you will be notified of the outcome of your application at the first available opportunity. While rejection of applications is very unusual, the Board of Artsource reserve the right of final approval for ongoing MAX membership.

Ongoing Requirements for MAX Membership

As an Artsource MAX member, you will be required to keep your member profile on the website and/or any other information held at Artsource up to date. This includes all your personal contact information, curriculum vitae, artist statement, biography, and images as well as any other material relevant to your professional

practice. Artsource MAX status is conditional on professional status and fulfilment of requirements, and can be revoked by the Board subject to notification and a review process.

Membership Period

MAX members may sign up at any time of the year. The annual insurance policies that provide cover for Artsource MAX members run for a twelve-month period expiring at 4pm each year. The full Artsource MAX membership fee is \$340.00.

Annual Insurance

The annual Artsource Professional Artist Insurance offer arranged with Local Community Insurance Services is designed to give you:

- Protection against claims of Public and Products liability - i.e. persons issuing legal proceedings against you in the event of bodily injury or third party property damage caused by your negligence. The policy covers MAX members of Artsource only - a Certificate of Currency will be issued in the name of the Insured and will not be issued in a company name. It will only cover an individual professional visual artist in your capacity as an artist and will not cover partnerships, artist groups, consultants or companies. It will not cover your activities in any other business or profession.
- Protection against loss of income and some costs due to personal accident. It is not a replacement for medical or health insurance. The policy covers you 24/7 but not while engaged in any other employment other than your arts practice.

LIABILITY COVER

Artsource MAX members are covered for the following type of liability:

Public Liability Insurance - \$20,000,000

This will protect you against any person who makes a claim against you for bodily injury or property damage caused by a negligent action on your part.

For instance, you may leave an item of equipment lying on the floor of your workshop in a gangway and not put it away because you are going to use it shortly. If a visitor then trips over that piece of equipment, you could possibly be held liable in a court of law. If you are held liable, the policy will pay for both the damages awarded and the costs involved in fighting the case.

Excess: In the event of making a claim you will be required to pay an excess of \$250.

Product Liability Insurance - \$20,000,000

This will protect you against any person who makes a claim against you for bodily injury or property damage caused by a fault in the products which you have made.

The Product Liability section of the policy will cover you against an “Act of Negligence” on your part caused by the manufacture or sale of your merchandise. For instance, a nail may come loose on an item you have made, or you may have failed to knock it in properly. If someone tears their clothes on that nail, then you could be held liable to replace the item of clothing. Again, the policy would answer to the claim in the same manner as in the previous paragraph.

Excess: In the event of making a claim you will be required to pay an excess of \$250.

Professional Indemnity Insurance - \$5,000,000

This will protect you from any person who makes a claim against you for bodily injury or property damage from the provision, production or tendering of art works.

The Professional Indemnity section of the policy will cover you against loss arising from advice that you may give to anyone on a professional basis, in your capacity as a professional visual arts practitioner, which results in personal injury or property damage. This includes where there is a defect in the actual design of your artwork which results in personal injury or property damage. It will not cover any type of financial loss, loss of income or punitive damages

Tenants Liability - \$20,000,000

This is an extension to the Public Liability Policy which will protect you against claims made against you for any damage that you negligently cause to any property that you are renting.

Goods in Care, Custody and Control - \$100,000

This will protect you from claims arising from other people’s goods which are in your control which you negligently lose or damage.

For example, if you are working on a collaborative project, any goods belonging to the other person/s will be covered. This package does not insure you for the loss or damage of your own goods.

Teaching

This policy extends cover to include the activities of the Artsource MAX members when teaching or running workshops. The cover for adult workshops is unlimited. Cover for children's workshops under this policy is limited to a maximum of twelve classes per year of no more than ten students per class.

Please Note: If you are an Artist in Residence and run classes where the Public Liability is covered by another entity, for example a school or local government, those classes will not count towards the twelve classes covered under this policy.

Legal Costs

The policy will also cover any legal costs authorised by the Insurer in defending claims brought against you in the areas covered above. Whilst you may be perfectly innocent of a claim brought against you, you will incur legal fees in defending the case, and without a Liability Policy to protect you, this could amount to many thousands of dollars.

Defending a Claim Made Against You

Perhaps the most important aspect of a liability policy is that the cover includes the cost of fighting a claim made against you - provided these costs are approved by the insurance company prior to being incurred. Many people think that they do not need a liability policy because they are very careful in everything that they do, and forget that people may try to claim against them even when they have not been negligent. It is the role of the courts to decide these cases and lawyers to help you prove that you have not been negligent. The decision as to if you have been negligent, and whether an injured party should be paid, rests with the insurance company and the Court. You should never admit liability in any way, as it may prejudice your claim. If a claim is made against you, you should contact the insurer immediately.

Exclusions

The liability policy will only cover you for the activities relating to the visual arts, craft and design industries as detailed on your Artsource member profile. It is typical of Public Liability insurance policies carried by most businesses.

Refer to the Public and Products Liability policy wording and Summary of Terms documents for the full details of the policy endorsements, exclusions, limits and sub-limits.

PERSONAL ACCIDENT COVER

The intention of this policy is to provide professional artists with income replacement if they are injured and cannot work in their practice due to that injury. The level of cover provides for time to overcome serious injury at a reasonable cost.

The income provided will be based on the weekly average of the past two years' earnings and will cover 100% of lost income up to \$1,000 per week.

The maximum benefit period (starting at the time of injury and subject to the waiting period) is:

- 52 weeks for artists aged up to 70 years;
- 26 weeks for artists aged 70 years up to 80 years.

Waiting periods for cover are:

- For accidental injury: 7 days;
- For a sporting injury: 28 days;
- The policy includes Accidental Death and Capital Benefits (lump sum payments) of up to \$50,000;
- And Funeral Benefits (Accidental Death only) of \$10,000*.

Exclusions

No Benefits are payable where Injury;

- Is deliberately self-inflicted or intentionally caused by the Insured Person;
- Is caused by the Insured Person being under the influence of alcohol or drugs;

- Results from a criminal act committed by the Insured Person or a beneficiary of their benefits under this insurance;
- Occurs as a result of war or warlike operations, terrorism or revolution;
- Occurs as a result of the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel;
- Results from engaging in air travel or aerial activities except as a passenger in a properly licensed aircraft;
- Results from engaging in, taking part, or training for sports as a professional (where the majority of the person's income is derived directly or indirectly from the sport);
- Is a sexually transmitted disease, A.I.D.S or H.I.V infection;
- Results in any condition such as neurosis, psycho-neurosis, psychosis, chronic fatigue, mental, emotional, stress, depression or anxiety condition disease or disorder or any condition which is a consequence of the treatment of these conditions;
- Is attributable to childbirth or pregnancy or the complications of these;
- Is a Pre-Existing Condition;
- Results from Sickness (as defined in the policy wording).

Deferral Period

The policy has a deferral (waiting) period of seven days after an accident. This means you cannot claim for the first seven days of income after the accident.

NOTE: Weekly benefits will be reduced by any other benefits or compensation the Insured person is entitled to receive or entitled to claim for lost income from any other source as a result of the same condition.

INSURANCE ENQUIRIES AND CERTIFICATES OF CURRENCY

If you would like general information about the insurance cover or membership, or require a Certificate of Currency, please contact Artsource via email on membership@artsource.net.au or phone on (08) 9335 8366.

OTHER INSURANCE COVERAGE

If you require cover for any other activities, for example to cover subcontractors, please contact Local Community Insurance Services on 1300 853 800 or email lcis@jlta.com.au to discuss your requirements.

DISCLAIMER: Information contained in this outline should not be relied upon in lieu of legal advice on any particular case, transaction or matter. Individual needs and requirements in relation to any insurance should be assessed by the insured at the commencement of any cover.

Artsource is not the insurer, broker or agent of any insurance company and as such assumes no liability for any issue or event that arises from this policy. Artsource receives no incentives or payments from the insurer as part of this program.

MAX Membership Frequently Asked Questions

Q What is Artsource MAX Membership?

A MAX membership provides all the benefits of Artsource ACCESS and Artsource PLUS, with an insurance package. Artsource Professional Artist Insurance includes the following:

- Public Liability \$20,000,000;
- Products Liability \$20,000,000;
- Professional Indemnity \$5,000,000;
- Tenants Liability \$20,000,000;
- Personal Accident (up to a year of replacement salary up to \$1,000 a week);
- Property in Care, Custody and Control \$250,000;
- Excess \$250.

Annual MAX membership for individual artists is \$340.00.

The MAX insurance includes public liability insurance designed for professional, practicing artists. It covers individuals only, not partnerships or groups. The cover does not extend to registered businesses (where the proprietor is NOT a sole trader/individual). Partnerships and companies are not covered.

If operating as part of a group or collective, each member needs their own individual MAX membership in order to be adequately covered by the public liability insurance.

Where an artist member regularly employs others to assist with their work, the other artists or employees are not covered by the public liability insurance. In contrast, if the artist member employs an assistant on a casual or one-off basis to assist with an ancillary part of a specific work, such as installation, then in that situation, the assistant's work will be covered by the public liability insurance.

Q What does public liability insurance cover?

A It provides indemnity against all sums which the Insured becomes legally liable to pay by way of compensation for bodily injury and/or property damage to a third party resulting from an occurrence which arises from the Insured's negligence.

For instance, you may leave an item of equipment lying on the floor of your workshop in a gangway and not put it away because you are going to use it shortly. If a visitor then trips over that piece of equipment, you could possibly be held liable in a court of law. If you are held liable, the policy will pay for both the damages awarded and the legal expenses involved in fighting the case to the limit of policy.

Q Does public liability insurance cover me or my artwork?

A No. Public liability is about damage or injury to the members of the general public. It does not cover damage or injury to the artist and it does not cover damage, theft or destruction of your artwork.

Q Why is this insurance package so cheap when my existing public liability policy costs around \$800 per year? Do I get less cover or is it an inferior product?

A The low cost is a result of Artsource holding the head policy as an umbrella for all MAX members. It is not an inferior product; it is a standard public and products liability policy tailored specifically for professional visual artists and is issued by QBE Insurance through Local Community Insurance Services.

Q Does the public liability insurance cover me if I have incorporated into a company?

A No. The insurer, QBE, has provided a low-cost cover on the basis that the artist is a sole trader who in most cases has a relatively low 'risk profile'; it is not intended to cover partnerships or companies. There are other issues that need to be addressed that complicate insurance when it is a registered business; and more factors again if it is a company. Issues such as management liabilities which includes the legal obligations of directors and officers, employment practices issues where you have engaged staff, workers compensation responsibilities etc.

- The MAX public liability insurance will cover you if you are the sole trader of the business, not an incorporated company;

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- It will cover you if there are two partners and you are both artists and both artists have MAX Membership;
- It will NOT cover a situation if there are two partners and one is not an artist;
- It will NOT cover you if a company is involved.

A conversation with the insurance broker is recommended to clarify your particular situation.

Q I am a commercial photographer and do wedding photography etc - can I apply for a MAX membership?

A No. Artsource insurance is designed for visual arts practitioners. It is not for day-to-day businesses, where interaction with the public is regular and therefore has different risk factors and requirements.

Q Is the public liability insurance only for artists who do public art projects?

A No. The insurance provides cover for the activities relating to the visual art practice of the individual artist as detailed on your Artsource membership form, including personal studio, exhibition of your work, a limited number of workshops and public art.

Q I have an existing public liability insurance policy that expires later in the year and want to become an Artsource MAX member. What should I do?

A Wait until the existing policy expires and then sign up for Artsource MAX membership. The insurance cover will take effect from the date you pay for membership, provided your membership is approved.

Q I am renting expensive equipment for a project. Am I covered?

A Yes, you are covered for up to \$100,000. This will not cover your own property.

Q I am renting a studio space. Am I covered?

A Yes, the public liability component covers visitors to your studio and you are

covered under tenants' liability for damage you may negligently cause to any property you are renting.

Q I have a gallery at the front of my studio, does the insurance cover this?

A Yes, if the work being exhibited is your own work. No, if you are exhibiting the work of other artists, as this then becomes a commercial business and needs a more comprehensive policy.

If you have a practice in a related field, for example you are a furniture maker or run a photography studio, then your work in this commercial environment will not be covered by the MAX insurance. Your own individual professional visual arts practice, including making, exhibiting or selling your artwork, will be covered, but any commercial work will not. You will need separate insurance to cover your commercial or other business interests.

Q What if there is some work from other artists in my gallery?

A If work from other artists is also on display, the other artists also need to be covered. This can be individually through Artsource MAX membership or another insurance provider.

Q Will this insurance package cover a commercial gallery?

A No. The intention of this insurance package is to cover the activities of an individual's art practice, not to cover commercial galleries. A gallery will need specific cover and other factors need to be considered by the insurance company.

Q What does Artsource Professional Indemnity insurance cover?

A Loss arising from advice that you may give to anyone on a professional basis in your capacity as a professional visual artist, which results in personal injury or property damage; this includes where there is a defect in the actual design of your artwork which results in personal injury or property damage. However, you also have a responsibility to act reasonably and where there are matters that may fall outside of your expertise you should engage an appropriately qualified expert for assistance. So, as an example, if you have created an artwork which will be fitted

to the side of a building it may be necessary to consult an engineer to determine the correct style and size of fasteners that should be used to fix the artwork to the wall.

Q If I make an artwork that a client expects will attract lots of visitors who will pay an entry fee or use other services associated with the project, and the client sues me for loss of income because it does not attract the visitors or the income, does this policy cover me?

A No. This policy only covers loss that results in personal injury or property damage, not loss of income or any other financial risk.

Q As the designer and maker of an artwork, I am required to advise on issues such as: is it structurally sound? Could it cut or damage someone or something? Are the hanging points safe? Does this Professional Indemnity cover me in this situation?

A In part. This insurance will cover loss that results in personal injury or property damage that occurs from advice you have provided in your capacity as a professional visual artist.

Where there are matters that may fall outside of your expertise you should engage an appropriately qualified expert such as an engineer for assistance.

Q I am an Art Consultant. Will this Professional Indemnity cover me?

A No. This policy is targeted specifically to cover a professional visual artist practise and does not extend to any other profession.

Q I am the consulting artist on a project. Will this Professional Indemnity cover me?

A In part. This insurance will cover loss that results in personal injury or property damage that occurs from advice you have provided in your capacity as a professional visual artist. It will not cover any financial loss, loss of income or punitive damages.

In circumstances where the MAX member is an artist and a consultant, the insurance coverage will only be effective with regard to the member's professional visual art practice. Consultancy work is not covered by the MAX insurance package.

Q My insurance expired during an install of a work and a claim has been made against me. Am I still covered?

A No. If the incident occurred during a lapsed membership you will not be covered.

Q If I have health insurance do I need this separate personal accident insurance as well?

A Private health insurance covers some costs relating to medical treatment but does not cover the loss of income where you are unable to work due to accident.

Q If I am injured in a car accident will this insurance cover me?

A Yes, but there is a waiting period (time excess) of 7 days where the policy does not pay weekly benefits.

In addition, if you are entitled to receive benefits from another policy, the amount payable will be reduced proportionally because you cannot be paid more than what you are losing.

There are two exclusions (page 12) in the policy that will remove your ability to claim in the event of a motor vehicle accident. These exclusions are copied overleaf with some comment underneath:

Exclusions

No Benefits are payable under this insurance for any Conditions resulting from Injury which:

- 1. is deliberately self-inflicted or intentionally caused by the Insured Person;*

If the motor vehicle accident was caused by you attempting suicide or deliberately injuring yourself the policy will not meet a claim.

No Benefits are payable under this insurance for any Conditions resulting from Injury which:

2. is caused by the Insured Person being under the influence of alcohol or of a drug, other than a drug taken or administered by or in accordance with the advice of a duly qualified medical practitioner;

There is one exclusion (page 12) that may remove your ability to claim in the event of a motor vehicle accident:

3. results from a criminal act committed by the Insured Person or a beneficiary of their benefits under this insurance;

If you are injured because you were driving a motor vehicle while participating in a criminal act it is likely the insurer will deny the claim.

Q Does the personal accident insurance cover all types of injury to the same level?

A No, the amount paid as a lump sum for disablement varies for different injuries.

The Personal Accident and Sickness document sets out the injury types and payment sums that apply expressed as a percentage of the lump sum total.

Payment of the benefits is subject to the policy wording; if an injury results from an excluded event, no Lump Sum Benefit is payable. The list of Exclusions is in the Personal Accident and Sickness document.

Q If I have an accident, will the personal accident insurance pay for transport costs or an ambulance?

A The cover includes a benefit for emergency transport costs but, depending on the circumstances surrounding the accident, reimbursement of ambulance charges

may not be payable due to limitations imposed by the Commonwealth Private Health Act 2007 or related legislation.

You can read the Emergency Transport Expenses benefit in the Personal Accident and Sickness document.

Q If I am killed by an accident while working as an artist will my funeral expenses be covered by this policy?

A Yes - a benefit of up to \$10,000 is payable.

You can read the Funeral Expenses benefit on page 2 of the Summary of Terms sent to you when you become a MAX member.

Q If I am injured and cannot work as an artist, following an accident playing sport, am I covered?

A Yes. There is a waiting period (time excess) of 28 days for sporting injuries where the policy does not pay weekly benefits. Professional sport injuries are not covered.

Q How much will I get as a benefit if I am unable to work due to injury following an accident?

A The Weekly Benefit of income will be based on the weekly average of the past two years' earnings and will cover 100% of lost income up to \$1,000 per week.

The benefit also depends on the amount paid as a lump sum, which in turn depends on the nature of the disablement due to injury.

If you have any further queries, please do not hesitate to contact Artsource on (08) 9335 8366 or Local Community Insurance Services on 1300 853 800.