



27 July 2023

Dear Baptist Family Constituents

Please find below another update concerning the DMF as provided by our national office.

Following on from the last communication you received from our CEO, Chris MacKenzie (see below), we are providing a further update on the Discretionary Mutual Fund (DMF).

We continue to work with our lawyers, broker, actuarial firm and specialist DMF consultants behind the scenes. Things are progressing well and on schedule. We are now waiting on the reinsurance market to begin negotiations around protection for the DMF. The cost of insurance protection is the final element required to determine contributions that will be required from our constituents to join the DMF. We estimate that the protection and insurance terms will be finalised towards the end of August – this timing is similar to a normal insurance renewal.

An estimated timeline for the prospective launch of the DMF is outlined below:

1 August	Going to the reinsurance market
16 August	Indicative terms on DMF (reinsurance) and standard insurance program (insurers)
18 August	Board meeting to approve member contributions and renewal terms and strategy
31 August	Contribution/premium calculations will be finalised
1 Sept	Distribution of member agreements to constituents to join the DMF (check your inbox and junk mail – agreement coming from DocuSign)
<b>7 Sept</b>	<b>RSVP deadline for signed member agreements</b>
15 Sept	Renewal pack including invoices to be sent out to each member

We can now advise that a DMF that includes property and contents protection will be offered for the upcoming renewal, 30/9/2023. The volatility of the insurance market and significantly increased rates have made traditional property insurance cover unaffordable for our constituents. Our current property insurer (CCI) closing provides an example of such volatility.

**We would like to address some common questions that are being raised by constituents:**

**Is the DMF safe?** Yes, the DMF is safe. The purpose of obtaining 'reinsurance' is to provide insurance protection for the DMF. Reinsurance (normally used to protect the insurers) will step in if we find ourselves in a situation where we suffer large losses/damage that could potentially put pressure on the pool of money collected to cover property claims each year. For this current renewal period (30/9/22 to 30/9/23), Baptist Insurance Services have been paying individual property claims up to a maximum of \$100,000. Beyond that amount, the Insurer picks up the cost of the claim. In the same way, a Reinsurer will step in to pick up the cost of claim/s if we reach our set limit.

**If I don't join the DMF for my property, can I still get cover for your other insurance classes, eg public liability?** If you decide not to join the DMF, you will be unable to access our other classes of insurance as we will still be offering property as part of our 'standard package'. We buy covers for all constituents in order to obtain bulk discounts, so if we start breaking up our package, we lose the potential for significant discounts for our constituents. If you choose not to sign the membership agreement for the DMF you will need to source cover not just for property, but for all the other classes of cover we provide.

We will be providing a Zoom meeting for all churches in August. This will be an opportunity to hear a further update and ask any questions you may have. We will send out the date/invite closer to the time. We will also be recording the meeting for those who can't make it.

We encourage you to check our website. We have some interesting articles on DMF's in our 'News' section as well as FAQs.

To assist with security, we have had to implement password access to our 'Members Portal':

<https://www.baptistinsurance.com.au/baptist-insurance-members-login/>

Kind regards

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