

Huon River Jet Boats Pty Ltd – Liability Insurance

I am writing to bring to the attention of the Premier's Economic and Social Recovery Advisory Council a situation which has arisen with our business Huon River Jet Boats Pty Ltd.

Our insurances fell due at the end of April, however, a few days before the expiry date I was advised by our broker David Page from Steadfast Taswide Insurance Brokers Pty Ltd that the underwriting company, Lloyds Australia Limited were no longer prepared to offer renewal of the policy. David subsequently contacted other insurance underwriters (approx. 36 I believe) to try and obtain cover but to no avail. I have also contacted other brokers including two mainland brokers but at this stage with no result.

Huon River Jet Boats Pty Ltd have been operating on the Huon River south of Hobart for 30 years, the business has a relatively good claims record having only had 2 minor claims over the 30 year period. In excess of \$300,000 in Liability Insurance premiums have been paid to underwriters which they have willingly accepted.

The current situation with the business is that it is closed due to the COVID-19 situation, it being our intention to re-open at the beginning of September provided COVID-19 restrictions are lifted to the extent that the business can operate viably. However, if we are not able to obtain Public Liability Insurance cover the business will be forced to close permanently.

The business currently has 1 full time employee, 3 part time employees and 1 casual employee. An additional 2 – 3 casual employees are usually engaged over the summer period. 1 full time employee, 2 part time employees and one casual employee are currently receiving the Jobkeeper payment.

I am aware a similar situation exists with other Adventure/Thrill Tourism operators in Tasmania and also elsewhere throughout Australia. This situation could well have a crippling effect on the Adventure/Thrill sector of the Tourism Industry in Tasmania and Australia wide.

While this situation is not directly linked to the COVID-19 situation I have no doubt it has had some influence on the decisions of insurance underwriters overseas and to a certain extent COVID-19 has masked the effects of the inability of businesses to secure Liability Insurance cover, it not at this stage being the primary reason for suspending operations.

There are two issues to be dealt with in respect to Liability Insurance, firstly in the short term cover needs to be secured to enable businesses to continue operating, and secondly a system similar to the New Zealand Accident Compensation Corporation (ACC) needs to be investigated and implemented to provide businesses operating in what is perceived to be a high risk category, an element of security rather than constantly being faced with the situation which is currently before us.

In the early days of operation the business was insured with Tasmanian Government Insurance Office (TGIO) and cover was always readily available, perhaps a similar system could be implemented.

While Tourism in Tasmania is a significant industry, if the closure of businesses through the inability to secure Liability Insurance spreads, our range of product will decrease and unfortunately we as a state will not appear as attractive to the potential visitor.

John Allport
Manager
Huon River Jet Boats Pty Ltd
0418 467 688
john@huonjet.com