

September 2008

# touchline

The quarterly journal of sport & risk with an international perspective

## Beijing:

The Concern, The Risk,  
The Reality

## IPL:

Season-ending injuries

## Questioning Africa's World Cup

Top Aussie Law Firm  
Under Investigation  
for Misconduct

The State of  
Canadian Insurance

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## Sportscover Works with Shanghai Asian Insurance Brokers To Win Significant Contract

### China

Through cooperation with Shanghai Asian Insurance Brokers (SAIB), the Sportscover Lloyd's syndicate has secured a major new piece of business in China.

This business has resulted from the relationship which has been confirmed by signing a Memorandum of Understanding. Sportscover and SAIB will jointly develop sports insurance business in China where SAIB have recently been appointed as insurance advisors to the Shanghai Municipal authority.

The signing of the Memorandum of Understanding was followed by a presentation held at the prestigious Shanghai Yacht Club on the Bund to the municipal authorities of the Shanghai, Jiangsu and Zhejiang provinces. Hosted jointly by SAIB and Lloyd's Reinsurance Company China Limited (LRCCCL), the event was attended by senior government officials, Lloyd's and Chinese insurance market representatives.

Keynote speaker Peter Nash, Managing Director of Sportscover and Active underwriter for Sportscover syndicate 3334 at Lloyd's commented: "This is a significant step into the Chinese market for Sportscover. We are delighted to be working with Shanghai Asian Insurance Brokers to provide insurance solutions for the Chinese sports market. SAIB's position as advisor to the Shanghai Municipal Authority is an indication of their status and professionalism as insurance brokers in China and we are delighted to be working with them to develop sports insurance business."

Mr Bao Rong Qing, Managing Director of SAIB added: "We are looking forward to working with Sportscover. They are able to provide specialist products which are currently not available in the Chinese market. We believe that this will be a very long and fruitful relationship"



*"We Believe That This Will Be  
A Very Long And Fruitful Relationship"*



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## Welcome To Touchline

Our initial thought was to find a better way to communicate with interested parties such as yourself. Be it online, an email digest or carrier pigeon, such was not our initial concern – we simply wanted to find the best way to keep the insurance and sport communities informed with content that was interesting and relevant, but may not have been fully reported elsewhere.

The question that really started it all was “What happens in the case where a landmark action in Toronto affects business in Glasgow, Shanghai and Melbourne?” Traditionally, as this is a fairly niche speciality, very little would be heard outside of Toronto unless one went out on the internet with the very specific intent of finding a very specific story. Personally, I like to read. I do it frequently and have always got a magazine or prospectus in my bag to flip through at the airport; just to stay informed, just to keep current.

Touchline is a quarterly briefing, published and distributed globally that will focus on sport and risk, while still keeping an eye on global affairs, business and business culture. Although published by Sportscover, Touchline is very specifically designed not to be a “covert brochure”. We just believe that everyone can be well informed, conveniently.

I was surprised to find out just how many writers were knowledgeable on the topic of sport and its associated risks - we are fortunate enough to have gathered a supremely talented writing team for our inaugural issue whose previous experience I shall not get into the details of, but will say come with backgrounds writing for Reuters, BBC, CBC, Insurancenews.com.au as well as Insurance and Risk.

Our aim with Touchline to ensure consistent, impartial, factual, relevant and informative news, served up in an easy to read, attractive format that is compact enough to enjoy on-the-go.



Ryan Haldane-Underwood  
[touchline@sportscover.com](mailto:touchline@sportscover.com)

This issue we cover a fairly broad spectrum of topics. In our insight section, Maura Manning covers the potential risk of a terror plot at the Beijing Olympics and the steps that officials there have taken to ensure safety by cooperating with INTERPOL. We catch up with Fred Allsopp in our Broker profile section and learn what he sees as the key to his success, while in Sushi we dish out the latest tidbits, factoids and other news articlettes that are short enough to read in a queue, but are great to know in case of an awkward pause in conversation while trapped in the lifts.

We also present some of the most recent research into accidents in the English Premier League, and shows how through behavioural patterns, The Beautiful Game may not be quite as rosy for some players as it is for others.

I do hope you enjoy our first edition of Touchline and encourage any and all feedback that you have – questions, compliments, and complaints. Let's keep the dialogue flowing.

Best,

## Your chance to win:

Touchline is launching a letters page where we encourage you to comment on articles, provide us with feedback on the magazine and provide us with any comments on the sport and/or insurance industry that you feel you would like to make. The best letter, in our opinion, will be printed in the next edition and its author will receive an iPod Nano. Letters should be no more than 200 words and may be shortened for editorial reasons.

**Please send letters and contact details to [touchline@sportscover.com](mailto:touchline@sportscover.com)**

**Deadline: 31 October, 2008. Contest will be drawn 15 November, 2008 and the winner will be notified by email.**

# Beijing 2008

The Beijing Olympics faced greater security challenges than previous Olympic Games according to Interpol and Chinese officials.

“An attempted act of terrorism is a real possibility and a real concern that all Olympic host countries have shared in recent years,” Interpol secretary general, Ronald Noble told the opening of the International Conference on Security Cooperation in Beijing. “Tibet-related protests have introduced significant additional complications to the normal security considerations for a major international event like these Olympics.”

Beijing was concerned that the foreign activists protesting China’s management of Tibet, who dogged the international leg of the Olympic torch relay, would stage protests inside China over Tibet, Darfur, human rights and other issues during the games.

Contributing to the feelings of uncertainty, in April the U.S. issued a travel alert for travel in China citing an increased risk of attacks within the country in the near future, including possibly at the Olympic Games.

“Any large-scale public event such as the upcoming Olympic Games may present an attractive target for terrorists,” the U.S. State Department said in the alert.

There was concern that China, while it has not been directly targeted by groups such as al Qaeda, did not appreciate the scale of the security required for the games. In 2004 Athens spent \$1.8 billion on security including preventative measures such as the use of NATO early warning aircraft.

Beijing believed it could deliver a secure games for a fraction of this cost using a colossal force of volunteers. Some 600,000 volunteers will assist the 100,000 police patrol venues, hotels and streets, while citizens with red armbands will patrol neighbourhoods during the games. There is a network of approximately 300,000 surveillance cameras covering Beijing.

Since last year, Interpol has worked with China to produce threat assessments, follow up on reports of terrorist and other criminal incidents which could affect the Olympics and conduct training sessions in crisis and major event operations.



Further complicating China’s preparations for the games was the already realised risk of natural disaster. However, Beijing Olympic officials assured foreigners planning to attend the games that the country was safe despite an earthquake that killed some 70,000 people.

Zhang Jian of the Beijing Organising Committee for the Olympic Games (BOCOG) said visitors need not be concerned about natural disasters. “What I want to say to foreign visitors is that the Olympic Games are safe, Beijing is safe, China is safe,” Zhang, director of the project management department.

Li Zhanjun, director of the BOCOG media centre, said that earthquakes had been taken into account when building the 31 venues in Beijing.

“When constructing any building in Beijing, you have to ensure it is able to resist earthquakes of up to eight on the Richter scale so the Olympic venues will not be in danger from earthquakes,” he said.

The magnitude of the May 12th earthquake in the southwestern province of Sichuan was 7.9.

**following page (clockwise from top):**

Pollution highlighted over Beijing tower blocks

Opening ceremonies salute to military

Wintertime Olympic ice sculpture

Watercube

Schoolhouse in Sichuan following the May Earthquake

Sichuan resident walks away from his once home





### The Concern

There is concern that China, while it has not been directly targeted by groups such as al Qaeda, does not yet appreciate the scale of the security required for the games.

### The Risk

“An attempted act of terrorism is a real possibility and a real concern that all Olympic host countries have shared in recent years,” Interpol secretary general, Ronald Noble said in Beijing.

### The Reality

Since last year, Interpol has worked with China to produce threat assessments, follow up on reports of terrorist and other criminal incidents which could have affected the Olympics.



## Top Sydney Law Firm Under Investigation for Misconduct

Keddies Lawyers, New South Wales' largest specialised personal injury law firm, is under investigation following allegations by former staff members of professional misconduct, including gross overcharging and falsifying documents as well as defamation.

The firm has been accused of grossly overcharging their clients to the sum of hundreds of thousands of dollars in retained settlement money.

The *Sydney Morning Herald* reported examples such as, crippled and injured car accident clients who said they were never sent bills, which in one case would have revealed an individual had more than 80 percent of his payout taken in legal fees and expenses. Similarly, another woman discovered well after her claim was settled without any court hearing that she had paid about \$800,000 in legal fees from her \$3.5 million payout. And the father of a girl killed in a Sydney car accident was compensated \$300,000 for psychological injury but received only \$85,000 net initially after almost \$215,000 in legal fees and expenses were charged.

At least 25 unhappy Keddies clients have complained to the legal regulator over the last 18 months. Many of those complaints have been dismissed and Keddies is confident that all of them will be.

Keddies says all the complaints against the firm are "totally without substance" and were orchestrated primarily by three "former disgruntled staff members" who were sacked in late 2006 and now "control" the unhappy clients.

However, The *Sydney Morning Herald* reported that Keddies has refunded more than \$500,000 to a group of at least seven former clients who complained to the Office of the Legal Services Commissioner about overcharging.

One of the clients refunded by Keddies was Gu Xi Liang, a Shanghai businessman, who was repaid \$100,000. His reimbursement cheques, dated two months apart and

for separate amounts of \$40,000 and \$60,000, were made out to his daughter, who has never been a Keddies client.

Mr Gu's complaint sparked others to come forward with their complaints after publicising his Keddies experience that followed an accident at an Arncliffe factory in 2004 in which his foot was crushed.

He says he agreed, reluctantly, to settle his case for \$50,000 net to him in March 2006. Later, he discovered his total settlement figure had been \$300,000. Keddies had taken \$250,000 in fees and expenses.

Some of the clients received refunds, signed confidentiality agreements and agreed to withdraw complaints.

The managing partner, Russell Keddie, said the refunds - even one as large as Mr Gu's - were not in any way an admission of overcharging.

"Paying them this money, it was more to say, 'We're sorry they were so unhappy'," he said.

Mr Keddie, awaiting his penalty after pleading guilty to professional misconduct for breaching the profession's ban on advertising personal injury services, said refunding money was also a commercial consideration. It could also be a sign of good faith, encouraging future recommendations to the firm.

At least 10 complaints are believed to remain under investigation by the legal regulator. This has prompted complainants to query the time taken to investigate some serious claims against a high-profile firm.



"We're very sorry they are so unhappy"

# Shattering Maple Bats New Hazard in Major League Baseball

## United States

In recent years, there has been a rising incidence of maple baseball bats shattering spectacularly and hurtling through the air like javelins injuring players and spectators.

Pittsburgh Pirates hitting coach, Don Long, was struck by fragments of a flying maple bat suffering a gash to his face leaving him with nerve damage.

"I was lucky. It could have hit me in the eye," said Long.

The problem has become so prevalent that Major League Baseball has ordered a second investigation into why maple bats are snapping and barrels are ricocheting around baseball fields everywhere. There are as many as half a dozen broken in each game.

Infielders and pitchers are particularly at risk. However in some venues, such as Wrigley Field, spectators are equally at risk due to their close proximity to home plate.

"Usually when you hear the bat crack and it starts flying, your main concern is that bat, as opposed to the ball," said White Sox third baseman Joe Crede. "It's a matter of time before something bad happens, before the sharp end of the bat hits somebody."



Traditionally, baseball bats were made of ash. Many players still use ash bats, but since the late 1990s there has been an explosion in popularity of maple bats following Barry Bonds' record 73 homeruns in 2001. Today, as many as three quarters of hitters are using maple bats.

When maple bats started flying in force about three years ago, MLB required bat distributors to carry \$10 million in liability insurance.

Insiders speculate that this problem will continue without abate until a high-salaried pitcher is cut in the arm or the face or a spectator threatens a lawsuit after being hit by a bat fragment.

Proposed solutions include the unpopular suggestion with players of banning maple bats or surrounding fields with netting as has been done in the National Hockey League after a 13-year old was struck by a flying puck.

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# World Cup 2010



## Spectator Tragedy Casts Shadow on 2010 World Cup Preparations in Africa

Nine people died of suffocation at the Gambia versus Liberia World Cup qualifier match on 1 June 2008 at Samuel K. Doe stadium in Monrovia, Liberia.

The Liberian Football Association (LFA) officials blamed overcrowding at one of the entrances due to the selling of counterfeit tickets for the deaths. FIFA and the LFA will investigate the circumstances.

Meanwhile the president of the Football Association of Zambia, Kalusha Bwalya, told BBC Sport that the tragedy in Liberia should be a warning to the rest of the continent.

Sweeping safety measures have been introduced since South Africa was awarded the rights to host the 2010 World Cup.

In addition to the infrastructure upgrades, South Africa is working to allay fears that there could be social unrest during the World Cup. A recent wave of anti-immigrant violence has prompted speculation that security could be a problem for the country.

South Africa's deputy national police commissioner, Andre Pruis, is optimistic that the 2010 World Cup will be a peaceful success.

"South Africa will be safer by the 2010 World Cup, our goal is to lower the crime rate year-by-year by between seven and ten percent," Pruis told a press conference at the South African embassy in Berlin in May.

South Africa's police force has approximately \$192.5 million dedicated to securing the 2010 World Cup. The 41,000 member police force will be enhanced by officers from other countries in keeping with the 2006 World Cup model.



### FIFA Africa Background:

Africa was chosen as the host for the 2010 World Cup as part of a new policy to rotate the event between football confederations; in October 2007 this policy would be abandoned. Five African nations placed bids to host the 2010 World Cup.

### World Cup History:

#### America 1994



**Dates:** 17 June – 17 July  
**Teams:** 24  
**Venues:** 9  
**Attendance:** 3,587,538

#### France 1998



**Dates:** 10 June – 12 July  
**Teams:** 32  
**Venues:** 10  
**Attendance:** 2,785,100

#### Korea/Japan 2002



**Dates:** 31 May – 30 June  
**Teams:** 32  
**Venues:** 20  
**Attendance:** 2,705,197

#### Germany 2006



**Dates:** 9 June – 9 July  
**Teams:** 32  
**Venues:** 12  
**Attendance:** 3,353,655



# IPL: Big Money for Season Ending Injuries

The English Cricket Board (ECB) has voiced concern over the number of injuries sustained by players participating in the inaugural season of the Indian Premier League. The ECB will investigate the possibility of Indian franchises taking over insurance premiums on contracted players and the medical support available in the IPL before deciding whether it will allow English players to participate in the tournament next year due to its close proximity to the Ashes series in 2009.

Matthew Hayden, Sachin Tendulkar and Zaheer Khan each sustained injuries that prevent their participation in upcoming competitions for their national teams. Hayden missed the whole of Australia's tour of the West Indies due to an Achilles tendon injury, while Tendulkar and Khan are unavailable for India's one-day commitments in Bangladesh and Pakistan. Graeme Smith was due to lead South Africa in England, but faced intensive treatment for hamstring troubles before the first test at Lord's on July 10.

Reports that Tendulkar was pressured to play for the Mumbai Indians when a nagging groin injury had not healed have fuelled England's concerns. Similarly, Hayden exacerbated his Achilles injury playing for the Chennai Super Kings rather than resting. Both Kahn and Smith aggravated niggling injuries through their participation in the IPL.

Initially, Giles Clarke, chairman of the ECB, all but ruled out the participation of English players in the IPL. The current investigations indicate a softening of this ruling, but it is with great trepidation that the ECB considers the participation of the likes of Kevin Pietersen.

Even if the IPL agreed to take on insurance premiums for contracted players like Pietersen, it would be almost impossible to put a price on the value of Pietersen if he failed to make the series against Australia.

Pietersen is adamant that he should be allowed to play, having been offered \$4 million according to his agent, Adam Wheatley. Andrew Flintoff has also been approached to participate in the IPL. Dimitri Mascarenhas is the only English player to have featured in the 2008 IPL having reached an agreement with his county, Hampshire.

Ultimately, the decision regarding the participation of English players in the IPL next year will fall to Peter Moores, the head coach.

The question remains, is the newly formed IPL good for the game of cricket?

Is the newly formed IPL good for the game of Cricket?



## Canadian Insurers Record First Underwriting Loss Since 2002

from *Canadian Underwriter*

The Canadian insurance industry as a whole experienced an underwriting loss in 2008 Q1, marking the first industry-wide loss since 2002, according to the MSA/Baron Outlook Report.

The industry's combined ratio has crept up past the 100% mark, from 2007 Q1's 96.4% to 104.3% for this year's first quarter.

Industry premiums experienced 1.4% of growth, from Cdn\$7.33 billion, to Cdn\$7.44 billion. But underwriting income plummeted from a profit of Cdn\$289 million in 2007 Q1 to a loss of Cdn\$353 million during the same period in 2008.

Overall, the industry experienced a 25% drop in net income in 2008 Q1 over 2007 Q1, from Cdn\$903 million to Cdn\$677 million.

Commercial insurers are "beginning to pay the piper," the report says. Overall premium volumes for commercial companies dropped almost 6% versus 2007 Q1 (Cdn \$2.031 billion in 2007 Q1 to Cdn\$1.914 billion

in 2008 Q1), while the sector's combined ratio approached the 100-level (99.6%) for the first time since 2001.

The report authors note that without the effects of discounting and fair value accounting, the 2008 Q1 sector combined ratio would have been 95.5%.

Meanwhile, in Canadian personal lines, the sector's combined ratio climbed to 106.6% in the first quarter over last year's 99.6%.

Net income in the personal lines decreased 41.1% to Cdn\$248 million from Cdn \$422 million last year.

While Q1 results are typically worse than Q2 or Q3, the report notes, deterioration in Ontario auto, reserve increases due to the removal of the minor injury cap in Alberta and volatile financial markets as culprits for the less-than-spectacular results.

# Talking Tort

*Tort law is the body of law that creates, and provides remedies for, civil wrongs that do not arise out of contractual duties.*

*A person who is legally injured may be able to use tort law to recover damages from someone who is legally responsible, or “liable,” for those injuries. Tort law defines what constitutes a legal injury, and establishes the circumstances under which one person may be held liable for another’s injury. Torts cover intentional acts and accidents.*

*Tort law is always a hot topic in the insurance industry due to the constant challenges to its boundaries and the repercussions that has for insurance payouts. We have invited three legal experts to provide overviews of tort law in their countries – Australia, Canada and the UK.*



tort

Image courtesy LegalGrind.com

## Australian Perspective

*Post-Reform: A relatively level playing field*

‘Tort reform’ was the buzz phrase among litigation lawyers and insurers during the mid ‘naughties’. Spawned by the HIH collapse, legislative reforms were introduced across the nation to combat the perceived ‘insurance crisis’ and reign in ‘ambitious’ litigation.

There can be no doubt that the reforms have had a dramatic effect as far as litigation is concerned. For example, the number of personal injury claims (including claims for sporting incidents) issued in the Victorian County Court reduced from 1032 in 2001/2002 to 152 in 2006/2007 (I have chosen these years given they represent periods of relative stability).

In addition to the legislative reforms (and acting as a further blow to plaintiff lawyers!) were a number of significant judicial decisions, which placed the onus back on plaintiffs to take care for their own safety. A number of decisions during this period made it clear that weekend ‘warriors’ should keep in mind that they were sometimes participating in dangerous activities and judicial comment was made on more than one occasion that sporting participants should not expect the average suburban football field to be up to the standard of a ‘bowling green’.

Things have certainly settled down since the early reform days and one senses that the pendulum has started to swing back in favour of plaintiffs despite the governments’ refusal to entertain pleas from the various plaintiff lawyers’ associations to unwind some of the reforms. Most recent data suggests that public liability and medical negligence claims are on the rise (albeit ever so slightly), which is perhaps explained by lawyers who are now familiar with the reforms and appear to be a little more aggressive with the types of claims that are being issued.

That being said, I do not envisage a rapid acceleration or spiralling of claims in the foreseeable future. Absent any legislative wind-back, which does not appear to be on the horizon at the moment, litigation in sporting and personal injury claims is likely to remain relatively constant over the next few years, which points to a period of relative stability within the public liability claims arena. The playing surface has certainly levelled out!

*David Randazzo is a Senior Associate at the law firm DLA Phillips Fox in Melbourne.*





## Canadian Perspective

### *Stable, but Busy*

There have not been any recent wholesale legislative reforms of tort law in Canada. Canadian principles of tort liability and damages have avoided many of the perceived excesses of our neighbour to the south. Although there have been few examples in the sporting field, the boundaries of tort law are nevertheless being regularly challenged. For example, concerted efforts, ultimately rebuffed by the Supreme Court of Canada, have been made to impose liability on social hosts for damage done by or to inebriated guests after leaving the host's premises. The relative stability of tort liability in Canada has not, however, deterred litigation. A wider acceptance and use of contingency fee arrangements, as well as a trend towards expanding the range of defendants sued in any given situation, have resulted in more actions against more people. In the sports context, this means more lawsuits that name not just the persons directly concerned with an alleged wrong causing an injury but, also, officials, clubs, leagues and the owners and operators of facilities used for sport (including schools and other public authorities).

A related trend has been an increased awareness on the part of claimants' lawyers about what needs to be pleaded to engage a liability policy held by a defendant. Intentional acts and negligence are often pleaded in the alternative, triggering a duty to defend. Even where a target defendant is uninsured and possibly judgment-proof, the risk that a co-defendant could be held 1% liable (and thus, because of principles of joint and several liable,

vulnerable to a claimant recovering the full judgment from the solvent, insured, client), is often enough to cause parties with strong liability positions to compromise. Good liability insurance coverage with provision for defence of liability lawsuits becomes all the more important in such cases.

On the other hand, defendants and their insurers have frequently been taking more robust stances against unmeritorious claims, in an effort to deter opportunistic cases. As in other parts of the Commonwealth, in Canada, the loser pays some of the winner's legal costs and on occasions sports defendants have pressed for and collected such costs. The use of alternative dispute resolution has also been strongly promoted by federal, provincial and territorial levels of government. For example national sport bodies who receive federal funds must now use the federally funded Sport Disputes Resolution Centre of Canada, rather than courts, to resolve certain disputes that they become involved in.

*Graeme Mew is a partner with Nicholl Paskell-Mede LLP in Toronto (gmew@npm.ca) He is also an arbitrator for the Court of Arbitration for Sport and a Judicial Officer for the International Rugby Board.*



## UK Perspective

### *Winds of Change or Hot Air?*

The last 10 to 15 years have seen the UK become embroiled in an American-style culture of complaint, leading to more personal injury and clinical negligence claims than ever before. The government has reacted by proposing reforms to streamline the process and make it smoother, easier to understand and cheaper to conduct. The problem for us is that, as things stand, all we have are proposals, with few or no actual changes being made. Rousing talk of the winds of change from Lord Falconer has left us all looking over our shoulders, unsure of what it is we're looking at.

As well as introducing changes to push us towards mediation, fixed timetables and free legal advice to resolve matters before they get to court, proposals include raising the fast track limit from £15,000 to £25,000, to create greater flexibility, resulting in a greater number of cases being heard in the appropriate track. There has also been talk of raising the limit for small claims, to lift a large number of claims from the fast track into the small claims track, to deal at a stroke with a problem we have all faced – huge costs being wracked up over claims that are worth a small amount. This would be an advantage to defendants, as many claims would then be moved into the bracket of claims where legal costs cannot be recovered. The problem is that it would leave a large number of claimants without access to legal representation. Whilst it may be said that they will get assistance from judges, the reality is that the majority of cases settle long before they

get to court, so there is a real risk that justice will fail to be done and the most vulnerable will suffer. The problem the government faces is that, in the current climate, doing nothing is no longer an option.

One hope we all have is that any changes which are introduced, together with the passing of the Compensation Act and the Solicitors Regulation Authority taking a firmer stance, will stamp out the unscrupulous behaviour of claims management companies who have dragged the name of personal injury lawyers through the mud – the general public is not our biggest fan at the best of times, and the “ambulance chasers” we see on the TV are doing little to improve our image.

Reform in the legal sector is vital to improve consumer confidence in its ability to deliver justice. Are we heading in the right direction? Your guess is as good as mine.

*Surjit Dubb is a solicitor with Eastwoods Solicitors in London.*



## No Room for Girls

*Australia*

Two young women have been barred from playing Australian Rules Football because of their sex.

Madison Griffen and Jessie Mulholland were notified of their de-registration from the Illawarra Junior competition in June by AFL NSW/ACT.

An AFL policy introduced nationally this season prohibits girls over the age of 14 competing against boys. This is due largely to health and safety reasons according to David Holmes, the general manager of AFL NSW/ACT.

There is no girls-only competition in the Illawarra area and now that the girls have been de-registered, they will no longer be covered by the club's insurance policy making it too risky for them to participate.

Mr Holmes asserts that the AFL's policy is based on medical research and legal advice. "We have a duty of care, we need to protect the girls and all the other participants [from potential liability issues]."

## Tiger Tops Sporting Rich List

*United States*



Tiger Woods earned \$128 million in prize money and endorsements over the past year. With this healthy income, he tops the Sports Illustrated list of top-earning U.S. athletes. The world's number 1 golfer, Woods, 32, has earned almost \$800 million over his 13-year career. Sports Illustrated predicts that Woods may become the first billion-dollar athlete.

Fellow golfer Phil Mickelson is a far second on the list at \$62.4 million, followed by basketball player LeBron James of the Cleveland Cavaliers who earned \$40.5 million in salary and endorsements.

Topping the non-U.S. athletes' rich list is David Beckham who pulled \$48.2 million in salary and endorsements.

Other international athletes earning more than \$30 million a year include: F1 driver Fernando Alonso (\$40 million); soccer players Ronaldinho (\$37.5 million), Lionel Messi (\$35.8 million) and Cristiano Ronaldo (\$30.3 million); tennis player Roger Federer (\$35.1 million); motorcycle racer Valentino Rossi (\$34 million) and basketball player Yao Ming (\$31.8 million).

## Injured Thrill Seekers have No One to Blame but Themselves

*United Kingdom*

The UK appeal court has ruled that those who injure themselves during hazardous sporting activities can blame no one but themselves.

Gary Poppleton was paralysed after falling from a climbing wall at the Peter Ashley Activity Centre in Portsmouth in 2002. He landed head-first on a mat after attempting to leap to a bar on an adjacent wall.

In July 2007, the High Court found Mr Poppleton 75% to blame for the accident and the centre 25% to blame because it had breached its duty of care by failing to warn Mr Poppleton that the matting did not provide complete protection from injury. This ruling entitled Mr Poppleton to one quarter of a £4 million compensation award.

Three appeal judges have overruled this decision finding Mr Poppleton is wholly to blame for the accident and entitled to no compensation.

Lord Justice May, sitting with Lord Justice Richards and Sir Paul Kennedy, said: "Adults who choose to engage in physical activities which obviously give rise to a degree of unavoidable risk may find that they have no means of recompense if the risk materializes so they are injured. It is to my mind quite obvious that no amount of matting will avoid absolutely the risk of possibly severe injury from an awkward fall."

## Four Shortlisted for 2016 Olympic Games



*Switzerland*

The International Olympic Committee (IOC) announced that Chicago, Tokyo, Rio de Janeiro and Madrid have made it on to the shortlist of cities bidding to host the 2016 Olympic and Paralympic Games.

The four finalists have until 12 February 2009 to sell their city to the IOC. The final decision will be made on 2 October 2009 during the 121st IOC Session in Copenhagen.

Should Rio de Janeiro win, it will be the first South American country to host an Olympic games.

If Chicago is successful it will be the fifth summer games in the U.S. and the ninth time the U.S. hosts the games in total.

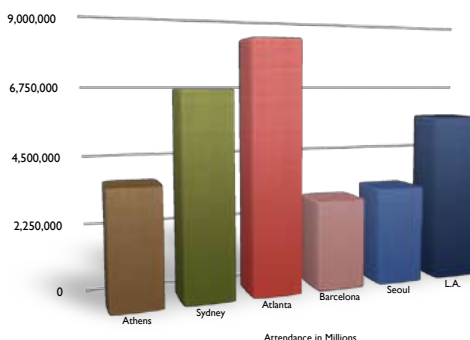
Tokyo previously hosted the summer games in 1964 and Nagano hosted the winter games in 1998.

While Madrid has not hosted the games previously, Barcelona played host to the games in 1992.

Samba and caipirinhas seem fitting accompaniments for 2016!

## Olympic Ticket Sales

The games of the XXIX Olympiad – Beijing 2008 began on 8 August, and ran to the 24th. The games in Beijing played host to the 28 summer sports currently on the Olympic programme. Approximately 10,500 athletes participated in the games with around 20,000 accredited media outlets bringing the games to the world.



## Is World Cup 2010 Insured?

*South Africa*



Rumours swirled at the beginning of April following a report in The Guardian suggesting FIFA was struggling to find an insurer to insure against the collapse of the 2010 World Cup in South Africa. The report cites a number of sources who seemed to suggest that there could be problems procuring the 10 stadiums needed for the competition as well as concerns about security, transport and the political climate. Andreas Herren, FIFA director of communications, responded with assurances that the cancellation risk would be covered by a capital market transaction.

"FIFA had accumulated enough reserves after each World Cup to be able to cover potential risks of cancellation of future tournaments by FIFA's own equity reserves," according to Herren.





## Calliden Fire Agency Boss in dispute over strategy

*Australia*

Sue Hutchinson, National Manager of underwriting agency Mansions of Australia, has been fired by the agency's owner Calliden in a dispute over the agency's future direction.

The dismissal brings to a head an internal dispute over Calliden's desire to change the wording of the Mansions product.

Ms Hutchinson told insuranceNEWS.com.au she ended up conflicted between her role as a Calliden employee and her professional relationship with Kiln, the lead underwriter at Lloyd's of the Mansions product.

Calliden acquired Mansions last year when it purchased Australian Unity's general insurance business. Mr Hooton, Calliden's marketing director, says research has shown the Mansions market niche is "increasingly competitive".

"We feel it's lost its way and what it stands for," he said.

Ms Hutchinson had run the Mansions operation since 2002, and says Calliden "wants to make money from sales commission with no apparent consideration for the underwriting results" – a situation she says doesn't take into consideration the agency's long-standing relationship with the Lloyd's underwriter.

"I'm not going to sell my reputation down the river," she said.

Lloyd's Representative in Australia Keith Stern says Lloyd's is aware of the situation. "There have been difficulties over this for some time," he said. "It has been brought to the attention of the underwriter at Lloyd's."

*-From insuranceneews.com.au, August 2008*

## AIG posts \$US5 billion loss

*United States*

Shares in American International Group (AIG), the world's largest insurance firm have fallen 18% to \$23.84, their biggest fall in more than two decades.

It had reported another quarterly loss as profits were wiped out by writedowns on mortgage-related investments.

In the April to June period it incurred a net loss of \$5.36bn (£2.75bn) against a profit of \$4.28bn a year ago.

AIG sacked chief executive Martin Sullivan in June and replaced him with ex-Citigroup banker Robert Willumstad.

Mr Willumstad blamed the poor housing and credit markets for AIG's troubles.

*-From insuranceneews.com.au, August 2008*

# Broker Profile Fred Allsopp



**2007 Sportscover Broker of the Year Fred Allsopp at the 2007 Sportscover International Brokers Conference, Werribee Victoria, Australia**

**What are some of the biggest or most interesting deals you have worked on in the last few years?**

*Sometimes the biggest are not always the most interesting. Reworking a small business operators insurance program to provide cover they needed and didn't have or achieving a good result for a client on a claim can be just as rewarding as securing a "deal".*

*I have found working with Sportscover satisfying in their commitment to work with me to achieve good results for clients. They encourage open, two-way discussions and are approachable to discuss claims and underwriting matters. Sportscover is always willing to consider matters, especially now with their Active Underwriting options.*

**What do you feel are important issues for the industry at the moment?**

*From a broker's perspective, in no particular order: distribution of products via direct marketing / insurers; consolidation of the insurers; ongoing costs of compliance; and keeping quality staff and succession planning.*

**Do you have any tips for success or a motto or individual you find inspiring?**

*Some might say my motto is "Just Do It", but I don't really have one. I have been very fortunate over my broking career to work with some very inspiring and knowledgeable people. At Stewart Wrightson I was lucky to have such people as Ken Prowse, Robert Chambers and Robert Gallop to guide me in my early days of broking. More recently, I have had the great privilege to work with Ian Carr and be part of a talented and motivated team that has grown and continues to develop. Insurance Advisernet started from a zero base in 1996 to over \$200m in premium transactions and 55,000 clients.*

Fred Allsopp, director of placement, Insurance Advisernet Australia Pty Ltd. was awarded Sportscover's Broker of the Year for 2007 at the annual Sportscover Broker Conference held at the Werribee Mansion. This award is based on a broad range of criteria including amount of income generated, the marketing of Sportscover, the quality of documentation, credit control, use of the Internet and quality of business.

As well as being a standout broker, Fred is a champion ten-pin bowler. His trophy case is bursting with accolades. Fred was a member of the Australian All Star Team eight times. He was included in the 1980 Team of the Decade. He represented New South Wales an impressive 18 times in the National Championships. He came in fourth in the 1998 World Cup, competed in the Asian Games three times, two World Championships and won the Australian Championship twice.

On top of this stellar athletic career, Fred has a wife and daughter and found time to share some insights with us in the inaugural issue of Touchline.

**Can you describe your pathway into the insurance broking business?**

*I became a broker by accident. I started with Royal Insurance and then CU Insurance before joining Stewart Wrightson Insurance Brokers. I have been with Insurance Advisernet since the company was started in 1996. Prior to this I was at IPG/AIBA Group.*

**What are your particular areas of interest or speciality in the insurance business?**

*Whilst I have a leaning toward the hospitality industry, I view myself as a general commercial insurance broker. This I believe makes insurance broking so interesting. You are able to move across many industry groups and not pigeon hole yourself in one particular area.*

# Best League in the world is also the most injury prone

On the day that former Manchester United youth squad player Ben Collett was awarded £4.3 million in damages for a “negligent” tackle, a London based actuarial and business consultant issued a research report that shows that players in the English Premier League (EPL) are more likely to pick up serious injuries than any other league.

EMBs’ research was based on injury patterns of players who took part in Euro 2004 and the FIFA World Cups of 2002 and 2006 and comparing them with players who did not take part. It estimated that the extra injuries picked up this season as a result of Euro 2008 are likely to cost clubs, and their insurers, between £10 m and £15 m.

The EPL supplied more players to Euro 2008 than any other league except the German Bundesliga. But in addition to the gruelling domestic schedule, the demands of European Championship football and the lack of a winter break, the players from the EPL are more likely to sustain injury than any other players.

EMBs research showed that the season that follows a major tournament will have an impact on the number of injuries. The players involved are likely to have a 35% greater chance of injury than their colleagues who did not participate. In particular:

- Key players will be most susceptible. This is likely because they will be on the pitch longer than many of their colleagues. It also means that as these players tend to earn the highest salaries the claims associated with these players will be higher;

- The effect of playing in the tournament does not immediately lead to increased injuries. In fact, probably due to higher fitness levels that the players have maintained during the tournament, their levels of injury are slightly lower initially. However, as the season wears on, they become more prone to injury as the impact of not having a sufficiently long break takes its toll;

- Not surprisingly, younger players are less prone to injury and tend to recover faster. However, the research showed that the age when a player becomes more likely to sustain injury is 26. Contrary to popular belief, the risk of injury does not go up with age after then. This is possibly because most of the injury prone players will already have dropped out of the EPL and those still playing may be more experienced and take better care of themselves;

- Teams in the European Champions League are more likely to suffer long term injury problems with players. This is probably because of the greater number of games played and the high level of the competition. The Uefa Cup does not impact on players;

- Being an outfield player increases your risk of injury by 30% over playing in goal; The training methods in some clubs may have a significant impact on the level of injuries. For example, Tottenham Hotspur had 37% more long-term injuries than the EPL average, even though they did not compete in the Champions League;

- By resting players, coaches have a better chance of reducing the likelihood of injury. Also, players who have an enforced rest period for several matches because of red or yellow cards are probably doing themselves and their clubs a favour by being less likely to be injured.

This research provides a real insight into the impact on players of playing an increasing number of games. It brings into question the suggestion by some in the EPL hierarchy that the number of games played should be increased with an additional game being played outside of Europe. For Ben Collett and others who are the victims of reckless tackles which results in the end of their career, however, it will be little consolation.

Gordon Taylor, Chief Executive of the Professional Footballers Association said about the award, “ It sends out a message to everyone about the duty of care they have to their opponents. Football is a very competitive sport and accidents do happen but you should always play within the laws of the game”.





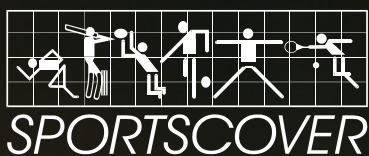


# Injuries do happen.



The article on the facing page shows how susceptible professional sports people are to injury. But injuries occur to all sports people at all levels. Make sure you are fully protected with quality personal accident and loss of income cover whether as a stand alone or a top up to your existing cover through your club or association.

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