AAU Australia Sports Insurance Policy

Ver. 1st September 2026

AAU Australia Individual Sport Insurance Policy

While global AAU programs do bundle a "Sports Accident" policy intended to cover injuries during licensed events or practices, **the reality of navigating these policies in Australia is heavily restricted by strict federal Australian laws.**

AAU Australia is not providing Individual Sports Insurance which is covering situation (an injury) that occur inside the playing area (on the court or field) during the game.

In Australia, individual sports accident insurance may cover some injuries that happen on the court, but it does not cover the medical bills that come from them. This creates a massive point of confusion for athletes. If you tear a ligament or break a bone on the court, your sports insurance will likely validate the injury itself but reject almost all of your doctor, hospital, X-ray bills and …

The lack of coverage for these on-court medical bills stems from a specific law, a government health system framework, and the legal definition of sports risk:

1. The Federal Law: The Health Insurance Act 1973

The biggest reason that any your Australian sports insurance policy won't pay for on-court medical treatment is **Section 126 of the Health Insurance Act 1973 (Cth)**. Under this Australian federal law, it is **strictly illegal** for any general insurance company to pay for a medical service that has a **Medicare Item Number.**

2. Section 126 of the Health act prevents general insurance companies (Sports and Personal Accident Insurers) from providing any cover in regard to medical expenses for which a Medicare benefit is payable.
3. Medicare is Australia's universal health insurance scheme that provides all Australian citizens, permanent residents, and eligible visitors with low-cost or free access to a wide range of medical and hospital services.
4. For a sports accident occurring in Australia, medically necessary treatment and medical expenses that are covered by Medicare will/may include, subject to Medicare eligibility and applicable Medicare Benefits Schedule (MBS) requirements:

- Doctor and specialist consultations;

- Surgeon's fees;
- Surgeon's assistant fees, where applicable;
- Anaesthetist's fees, where applicable;
- X-rays and other eligible diagnostic imaging;
- MRI scans and other eligible scans;
- Emergency department treatment at a public hospital;
- Treatment and accommodation as a public patient in a public hospital;
- Medically necessary surgeries and procedures performed as a public patient in a public hospital; and
- Eligible follow-up medical care associated with the treatment.

5. Under Australian law, "Sports Injury Insurance" is classified as a General Insurance product (specifically, Personal Accident cover).
6. General Insurers cannot touch hospital or medical treatments tied to Medicare. They are restricted to paying for Non-Medicare Medical Expenses (such as private physiotherapy, chiropractic care, ambulance transport, or buying a knee brace).
7. Only registered Private Health Insurance funds (like Medibank, Bupa, or HCF) are legally allowed to pay for gaps in in-hospital medical treatments and private theatre fees.
8. Claims may be submitted exclusively through Medicare, private health care, and personal or individual sports injury insurance.
9. The golden rule is that if Medicare pays a benefit on a particular medical expense, as per government legislation, no part of that expense can be paid under the sports (Personal Accident) insurance policy, even though the gap between the expense and the Medicare rebate may be significant.
10. It is wise for a participant in AAU Sport events to have Private Health Insurance. The Private Health sports insurance policy can be considered a backup. Even with the top level of Private Health insurance there can still be a significant gap between the total non-Medicare expenses and the Private Health insurance refund.
11. Whilst a sports insurance policy cannot cover the Medicare Gap, it does cover Private Health insurance gaps. A combination of Private Health insurance and sports injury insurance will see non-Medicare medical expenses incurred by members kept to a minimum. Due to legislation, the issue of Medicare Gap is one that is impossible to address under sports (Personal Accident) insurance.

12. Australian civil liability laws feature a defense known as the voluntary assumption of risk. When you step onto a sports court, the law deems that you have willingly accepted the "obvious risks" inherent to that sport (e.g., twisting an ankle in basketball or colliding with another player). Because these injuries are expected parts of playing a sport, an organization's liability insurance will not pay out unless the injury was caused by direct venue negligence (e.g., playing on a dangerously wet surface or a collapsing court structure).

AAU Australia Basketball Terms and Conditions for services or activities provided throughout Australia

AAU Australia as a supplier of basketball services or recreational activities is entitled to ask AAU Athlete/Officials to agree that statutory guarantees under the Australian Consumer Law (Schedule 2 to the Competition and Consumer Act 2010 (Commonwealth)) do not apply to AAU Members (or a person for whom or on whose behalf AAU Members are acquiring the services or activities).

Exclusion of rights under the Competition and Consumer Act 2010 (Commonwealth):

By signing AAU membership, AAU Athlete/Officials agree that the liability of AAU Australia in relation to recreational services

(as that term is defined in s139A of the Competition and Consumer Act 2010 (Commonwealth)) for any:

(i) death;

(ii) physical or mental injury (including the aggravation, acceleration or recurrence of such an injury);

(iii) the contraction, aggravation or acceleration of a disease;

(iv) the coming into existence, the aggravation, acceleration or recurrence of any other condition, circumstance, occurrence, activity, form of behaviour, course of conduct or state of affairs that is or may be harmful or disadvantageous to AAU Athlete/Officials or the community; and that may result in harm or disadvantage to AAU Athlete/Officials or the community; and that may be suffered by AAU Athlete/Officials (or a person for whom or on whose behalf AAU Athlete/Officials are acquiring the services) resulting from the supply of recreational services is excluded and the application of any express or implied term that any services will be provided with due care and skill is hereby excluded.

The change to AAU Athlete/Officials' rights does not apply to a significant personal injury suffered by AAU Athlete/Officials that is caused by the reckless conduct of the supplier of the recreational services. The supplier's conduct is reckless conduct if the supplier is aware, or

should reasonably have been aware, of a significant risk that the conduct could result in personal injury to another person; and engages in the conduct despite the risk and without adequate justification.

Rules of AAU membership and event participation

a) Upon registering with AAU through the AAU website and payment of membership fees, Athlete/Officials will become a Member of AAU Australia and can play in any AAU Australia basketball association or basketball club or team.

b) Athlete/Officials will acknowledge, agree and consent to becoming a member of, or participant with, these AAU Basketball Entities and accepting Each Basketball Entity's Rules/Constitutions.

c) Athlete/Officials participation in Basketball Activities supplied by the AAU Basketball Entities is inherently dangerous and may involve risk. There are risks specifically associated with participation in the Basketball Activities and accidents can and do happen which may result in personal injury, death or property damage. Prior to undertaking any AAU Basketball Activity, Athlete/Officials should ensure that are aware of all of the risks involved, including those risks associated with any health condition may have.

d) Athlete/Officials agree and undertake any such risk voluntarily and at they own risk. Athlete/Officials acknowledge that the assumption of risk and warning above constitutes a 'risk warning' in accordance with relevant legislation, including Australian Consumer Law in particular State or Territory.

e) By signing AAU membership application form and declaration, Athlete/Officials acknowledge that where Athlete/Officials are a consumer of recreational services, as defined by any relevant law, certain terms and rights usually implied into a contract for the supply of goods or services may be excluded.

f) Athlete/Officials acknowledge that these implied terms and rights and any liability of the Basketball Entities flowing from them, are expressly excluded to the extent possible by law, by AAU membership application form and declaration. To the extent of any liability arising, the liability of the Basketball Entities will, at the discretion of the Basketball Entities, be limited in the case of goods, to the replacement, repair or payment of the cost of replacing the goods and in the case of services, the resupply of the services or payment of the cost of having the services supplied again. For the avoidance of doubt, this exclusion does not exclude liability for recklessness as defined by any relevant law.