Important Notices

General
Many areas of insurance are complex and some implications may not be evident to you. Your Client Servicer will keep you informed, but if at any time you are unsure of any aspect of your insurances, please contact Willis New Zealand Limited ("Willis") to discuss the matter.

Utmost Good Faith
A contract of insurance is a contract of the utmost good faith. This means that you and the Insurer must act towards each other, in respect of any matter arising under or in relation to the contract, with the utmost good faith. For example:
- you must act with the utmost good faith when submitting any claim to the Insurer
- if you fail to act towards the Insurer with the utmost good faith, it may prejudice the claim; and
- the Insurer must act with the utmost good faith when handling the claim.

Everyone who is a beneficiary under the policy is also required to act with the utmost good faith after the contract of insurance has been entered into.

Your Duty of Disclosure
You and everyone who is insured under your policy must comply with the duty of disclosure. Make sure you explain the duty to any other insured's you apply on behalf of.
The duty requires you to tell the Insurer certain matters which will help it decide whether to insure you and, if so, on what terms. The duty applies when you first apply for your policy and on any renewal, variation, extension or replacement of the policy. The type of duty that applies can vary according to the type of policy.
If we act on your behalf, to assist us in protecting your interests, it is important that you tell us every matter that you know or a reasonable person in the circumstances could be expected to know, is relevant to the Insurer's decision whether to insure you and, if so, on what terms. We will then assist you in determining what needs to be disclosed to the insurer in order to meet your duty.
If we act on behalf of the Insurer, you need to refer to the policy which will set out the duty that applies.
When you answer any questions asked by the Insurer, you must give honest and complete answers and tell the Insurer, in answer to each question, about every matter that is known to you and which a reasonable person in the circumstances could be expected to have told the Insurer in answer to the question.
Examples of matters that should be disclosed are:
- any claims you have made in recent years for the particular type of insurance;
- refusal by an Insurer to renew your policy;
- any unusual feature of the insured risk that may increase the likelihood of a claim.

If you (or anyone who is insured under the policy) do not comply with the duty of disclosure, the Insurer may void your policy entirely and/or prejudice your position in the event of a claim.

Material Change of Risk
Many policies require you to notify the Insurer in writing of any material change to the insured risk during the period of insurance. The Insurer can then decide whether to cover the new risk. Some examples of material changes are if you:
- change your profession or occupation.
- acquire or merge with another business.
- commence manufacturing a new kind of product;
- are unable to pay your debts as they fall due and you enter into an arrangement with your creditors; or
- Commence operations in new jurisdictions,

If you are in any doubt as to whether the Insurer should be told about any particular change to the insured risk, please ask us.

Interests of Third Parties
Many policies do not cover the interests of third parties (e.g. co-owners, lessors and mortgagees) whose interest is not noted on the policy. If you require the interest of any third party to be covered, please let us know, so that we can ask the Insurer to note that Party's interest on the policy.

Subcontractors and Consultants
It is advisable to check that all insurances held by subcontractors and consultants utilised, including Contract Works, Public Liability, Professional Indemnity and Workers' Compensation are current and comply with any contractual requirements.

Leasing, Hiring and Borrowing Property
When you lease, hire or borrow property, plant or equipment, make sure that the contract clearly identifies who is responsible for insurance. If you were to suffer a loss this may complicate our ability to negotiate settlement of your insurance claim.

Recovery Rights / Hold Harmless / Waiver of Subrogation
Many policies exclude or limit the Insurer's liability if you have entered or enter into an agreement that excludes or limits your rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to your loss or liability. (These are often called "hold harmless" agreements.)
If you have entered into, or are considering such an agreement, please let us know, so that we can advise whether such an exclusion exists in your policy(s), or we can ask for clarification from the Insurer(s). Willis is unable to provide you with legal advice and you may wish to obtain your own independent legal advice on your contractual obligations.

Average or Co-insurance Clauses
Many policies that cover loss of or damage to property contain what is called an "average" or "co-insurance clause" which may reduce the amount of a claim payable under the policy. Briefly stated, an "average" or "co-insurance" clause provides that where the value declared by the insured or the sum insured under the policy is less than the full value of the interest insured, the Insurer is only liable to pay a proportion of the loss or damage, i.e. you are treated as if you self-insured part of the risk.
If your policy contains an "average" or "co-insurance" clause, please read it carefully to see how it affects the amount of cover under the policy.

Underinsurance
Underinsurance is an ongoing concern for all clients. It is important that you understand the basis of settlement of your policy, and that your sums insured and policy limits are regularly reviewed to ensure they would be adequate should you suffer a loss. Areas that are of concern to our clients are the adequacy or otherwise of:
- replacement values for physical assets
- Consequential Loss declared values of either Gross Revenue, Gross Profit, Gross Rentals and Wages.
- motor vehicles are sums insured are adequate and reflect the policy basis of settlement.
- Liability Limits are adequate for your business activities and contractual obligations

It is preferable that:
- if your policy provides "new for old" cover, the declared value is sufficient to cover the cost of replacing any lost or damaged property with new property;
- when reviewing building values, you make allowance for compliance with current building regulations and building cost increases since your last valuation, lead times for council approval, and the like.
- when reviewing replacement costs for Plant and Machinery, you make allowance for currency fluctuations that can occur in the cost of imports from some countries. You should also consider technological changes, import duties and current and future inflationary trends.

We recommend that you supply us with a copy of your most recent insurance valuation(s) in respect of Buildings, Contents, Plant and Machinery and have these valuations updated so they remain current.

Market Security

We assess the financial soundness of the proposed Insurers and markets we recommend using public information including that produced by recognised rating agencies. However, we will not in any circumstances act as an Insurer nor will we guarantee or otherwise warrant the solvency of any Insurer or market used for your requirements. As a consequence, the decision regarding the suitability of any Insurer or market rests with you. If you have any concerns regarding any Insurer chosen for your insurance requirements you must advise us as soon as possible and we will discuss them with you. If requested, we will make available to you factual analysis prepared by the Willis Market Security Department in respect of listed insurance carriers proposed to be used for your requirements. Further, we can consider market security enquiries on an ad hoc basis but this may be subject to the agreement of an additional fee.
Notwithstanding the foregoing we will, in accordance with the Insurance (Prudential Supervision) Act 2010, advise the current financial strength rating of any insurer.

Making Claims

It is important that you notify us of any claim or potential claim or circumstance that may give rise to a claim under your various policies. It is your responsibility to notify these circumstances to us. Failure to adhere to the notification requirements particularly timing, as set out in the policy or other coverage document, may entitle Insurer(s) to deny your claim. In presenting a claim it is your responsibility to disclose all facts which are material to the claim.
It is impossible to give guidelines for procedures in every claim, simply because of the nature of accidents; they cannot be predicted; and they do not follow set patterns. However, by following the general procedures outlined below, the impact of an incident or loss on your business operations will be minimised.

1. Immediately notify the loss to your Client Servicer at Willis if the loss is of a serious nature or within a few days of a loss if more minor in nature.
2. Regardless of whether or not the claim has been reported or a loss assessor appointed, you must immediately do whatever is necessary to prevent further loss of life or property damage. For example:
   - Call the fire brigade, ambulance, police or other appropriate emergency service.
   - If during business hours, ensure the evacuation, if necessary, of staff and neighbours.
   - If critical machinery fails, commence investigations to locate replacement plant or services.
   - Have a security company install boarding over smashed windows and, if appropriate, employ an overnight security watchman.
   - Remove property which is exposed to further damage to a more secure place if possible.
   - Providing no danger to life or limb is involved, ensure the safe removal and storage of vital business records.
3. Complete all claims documentation and forward to Willis with any supporting documents without delay.
4. Whatever the circumstances of the incident, DO NOT ADMIT LIABILITY EVEN IF YOU THINK YOU ARE AT FAULT. Your Insurer is entitled to deny a claim or pay a reduced amount if statements made by you or your employees prejudice the Insurer's position.

Statutory Imposts in Overseas Jurisdictions

Your insurance risks may be in more than one international jurisdiction. Where required we will liaise between you and the Insurers to seek to agree the apportionment of the premium between applicable jurisdictions, and the amounts of local statutory charges and/or taxes payable in each jurisdiction in relation to policies insuring those risks.
In providing such services, Willis is acting in its capacity as an insurance broker and does not hold itself out to provide advice in relation to the statutory charges and/or tax laws of any applicable jurisdiction. We recommend you seek your own advice in relation to such imposts where you consider it necessary. We will not be liable to you should the apportionment of premium or amount of local imposts payable under the policies be challenged by any local authority, or for any penalties or other charges that may arise. In addition, we will not be liable to you should the Insurers fail, or refuse, to collect and pay such imposts to the relevant authorities.

Misstatement of Premium

We take care to ensure the correct amount of premium and statutory charges that apply to your insurance. In the event that we misstate the premium and statutory charges (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. By instructing us to arrange insurance for you, you agree, where permitted by law, that you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

Payment of Premium

Payment of premium is required on receipt of invoice(s). This is an important part of the transaction and often there are strict payment requirements imposed by Insurers. It is important to note, Willis will not be responsible for any consequences that may arise from any delay or failure by you to pay us the amount payable on receipt of invoice(s).

What should you do if you have a complaint?

Willis has a formal complaints procedure, details of which can be found on our website at https://www.wtwco.com/en-nz/notices/complaints.Should you have any cause for complaint about our services please raise the matter in the first instance with your Client Servicer. Alternatively, you may contact our Compliance Officer at:
compliancequeries.au@wtwco.com
PO Box 369, Auckland 1140 or by Freephone (0508) 945 547.

Privacy

The Willis Privacy Statement can be found on our website at: https://www.wtwco.com/en-nz/notices/privacy-policy-australasia