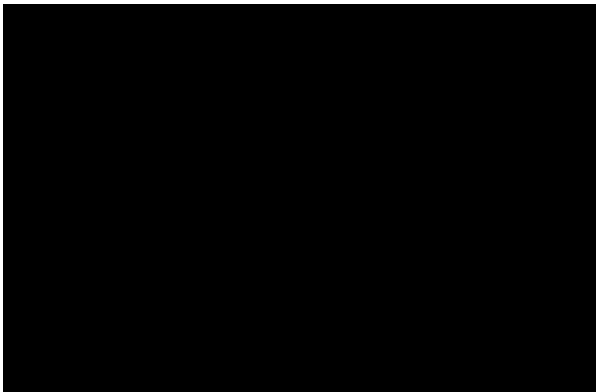


**Willis New Zealand Limited (“Willis Towers Watson”)**

## **Important Notices**

June 2016



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# Important Notices

Throughout this document, Willis New Zealand Limited (“Willis Towers Watson”) may be referred to as “we”, “us” or “Willis”. Please read this document carefully. If there is anything in this document that you do not understand or if you would like any further information, please contact us.

## General

Many areas of insurance are complex and some implications may not be evident to you. Your Account Manager will keep you informed, but if at any time you are unsure of any aspect of your insurances, please contact us 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 with the utmost good faith in respect of any matter arising under or in relation to the contract. For example:

- You must act with the utmost good faith when submitting any claim to any insurer;
- If you fail to act with the utmost good faith to act towards an insurer, it may prejudice a claim; and
- The insurer must act with the utmost good faith when handling a claim.

## Your Duty of Disclosure

You and everyone who is insured under your policy (including those who you apply for insurance on behalf of) must comply with the duty of disclosure (“duty”).

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; i.e. this is an on-going responsibility throughout the duration of the policy. When you answer any questions asked by the insurer, you must give honest and complete answers

To help protect your interests, it is important that you disclose every matter that you know, or a reasonable person in the circumstances could be expected to know, that is relevant to the insurer's decision whether to insure you and, if so, on what terms. We can assist you in determining what needs to be disclosed to the insurer in order to meet your duty.

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(s) 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, the insurer may cancel the policy or reduce the amount it pays in the event of a claim. If the failure to comply with the duty is fraudulent, the insurer may treat the policy as if it never existed and pay nothing.

## 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.

## 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 to insure the property under contract. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

## 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 and if this change attracts additional premium. Some examples of material changes include:

- Changes to your profession or occupation;
- Acquisition of another business;
- Manufacturing a new kind of product;
- Any inability to pay your debts as they fall due and you enter into an arrangement with your creditors.

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.

## Subcontractors & Consultants

It is advisable to review all insurances held by any subcontractors or consultants you utilise. Check that such insurance provides you sufficient protection against any liabilities that the subcontractors or consultants may incur.

## Recovery Rights / Hold Harmless / Waiver of Subrogation

Many policies exclude or limit the insurer's liability if you 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.

Please let us know if you are aware of such agreements, so that we can advise you about how the agreement affects, or will affect, your cover.

## Contractual Liabilities

Insurers will only provide indemnity for liabilities that arise from your common law obligations arising from the conduct of your business. Where you have entered into a contractual relationship with another party that extends your liability beyond what you would have been liable for had the contract not been in place, you will not be indemnified for these assumed liabilities under your policy. Further, you will not be indemnified for any express guarantees or warranties which extend beyond common law obligations, unless liability would have attached in the absence of any express guarantee or warranty.

## Average or Co-insurance Clauses (Underinsurance)

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.

Areas that are of concern to our clients are the adequacy or otherwise of:

- Replacement values for assets;
- Values for consequential loss of gross profit, gross revenue, gross rentals and/or additional increased costs of working.

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 both buildings and plant and machinery. Many insurers require updated valuations at a minimum every two years.

## 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. As a consequence, the decision regarding the suitability of any insurer rests with you. If you have any concerns regarding any insurer chosen, 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 advise the current financial strength rating of any insurer in accordance with the Insurance (Prudential Supervision) Act 2010.

## **Business Description**

It is important that the business description declared in your proposal for insurance is full and accurate. You need to check that this description is reflected accurately in the policy issued by your insurer. Insurers will only indemnify you for claims that arise from your business as described in the policy (subject to the other terms of the policy).

## **Territory & Jurisdiction**

The territorial limits of a policy refer to where the act, error or omission is committed. The jurisdictional limits of a policy refer to where the claim is made or enforced. The territory and jurisdiction are usually described in the schedule of a policy. Please note that indemnity under the policy is restricted to the limits as defined in the policy and / or policy schedule (subject to the other terms of the policy), thus claims arising outside of the policy territory or jurisdiction are not covered.

## **“Claims Made” Policies**

Most liability policies (such as Professional Indemnity, Directors & Officers Liability, Statutory Liability and Employers Liability) are written on a "claims made" basis. This means that the policy in place when you become aware of a claim (or circumstance that might give rise to a claim) is the policy that responds, not the policy that was in place at the time the advice or service was provided.

This means that you must give notice, in writing, to the insurer of any potential claim or circumstance, as soon as practicable after you become aware of those facts and before the policy expires. Any subsequent claim against you that arises from those facts will be covered by the policy that the initial claim was notified against (subject to the terms of that policy), even if that policy has subsequently expired or been renewed.

In order to ensure that any entitlement to indemnity under the policy is protected, you must therefore report all incidents that may give rise to a claim against you to the insurers without delay after such incidents first come to your attention and prior to the expiration of the policy period.

## **Retroactive Date (Liability policies)**

Your “claims made” policy will be subject to the application of a retroactive date. If the retroactive date is specified as “Unlimited”, any claim that arises from an event, whenever that event is alleged to have occurred, will be covered under the policy (subject to the other terms of the policy). If a retroactive date is specified, any claim arising from an event occurring prior to the specified retroactive date is excluded from the policy.

## **Reinstatement (Liability policies)**

If your policy has a reinstatement provision, once your initial policy limit has been exhausted, the limit will then be reinstated by the same amount again. Multiple reinstatements are sometimes available.

## Contractors, Sub-contractors and Agents (Liability policies)

The indemnity provided for contractors, sub-contractors and agents under a Professional Indemnity policy is usually limited to the insured's liability arising from the actions of the contractors, sub-contractors and agents whilst they are acting on behalf of the insured (subject to the other terms of the policy). Insurers may wish to exercise their subrogation rights against the contractors, sub-contractors and agents to recover their costs.

## Misstatement of Premium

We endeavour to tell you the correct amount of premium and statutory charges that apply to your insurance. In the event that we misstate that amount (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 our tax invoice(s). This is an important part of the transaction and often there are strict requirements imposed by insurers. It is important to note that we 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).

Some insurers may stipulate a Premium Payment Warranty. A Premium Payment Warranty specifies that if an insurer does not receive the premium for the insurance in full prior to the date stipulated (for example, the 90th day of coverage), then the policy is automatically cancelled and the insurance is deemed to be 'void ab initio' without further notice. Willis will advise if such a warranty applies.

## 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 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, nor for any penalties or other charges that may be associated therewith. 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.

## Terms of Business Agreement (TOBA)

Our TOBA contains important information about our relationship with you. A copy of our TOBA can be obtained by contacting your Account Manager or from our website at [www.willisgroup.co.nz](http://www.willisgroup.co.nz).

# Insurance Glossary

Your insurance policies include many terms which are peculiar to insurance and whilst your Account Manager is always available to explain the meanings, those in common use are briefly explained below, including some specialised classes of insurance:



<b>Adjustment Premium:</b>	The premium determined after expiration of the policy on the declaration of details such as wages, stock values etc. or the loss experience under the policy. The original premium charged on such policies may be referred to as the deposit premium, the base premium or the initial premium.
<b>Aggregate Limit:</b>	Usually the total amount of money an insurer will pay under a liability insurance policy for all claims which arise during the period of insurance.
<b>Annual Premium:</b>	The amount of premium which must be paid annually to meet the contractual requirements of the policy and keep it fully in force.
<b>Assessor (Loss Adjuster):</b>	An individual employed or contracted to: <ol style="list-style-type: none"> <li>1. Investigate the circumstances of a loss;</li> <li>2. Assess the cost of repair or reinstatement and report same to the insurer;</li> <li>3. Assist the insured and insurer(s) in the settlement of the claim.</li> </ol>
<b>Assurance:</b>	A term commonly used to distinguish life "assurance" from general (i.e. non-life) insurance.
<b>Bonds:</b>	A surety bond is a contract of guarantee which has three parties: <ol style="list-style-type: none"> <li>1. The surety or guarantee, i.e. the insurer;</li> <li>2. The person who is to perform the subject matter of the bond, i.e. the contractor;</li> <li>3. The person in whose favour the bond is issued, i.e. the owner or obligee.</li> </ol> <p>Under a bond, the surety undertakes to hold itself responsible up to the specified amount for the non-performance or mal-performance of an expressed obligation, i.e. the obligation of the contractor.</p>
<b>Burglary and/or Theft:</b>	Burglary coverage is restricted to theft following break-in or committed by persons concealed on the premises. Theft cover is not dependent on either of those characteristics (and as a result, if available, is normally more expensive).
<b>Capacity:</b>	The amount of insurance or reinsurance available from one insurer or from the entire insurance market in a particular locality or country.
<b>Claimant:</b>	The party making a claim under an insurance policy. The claimant may be the insured. Under Liability policies, the claimant is usually a third party.
<b>Claims Incurred but not Reported ("IBNR"):</b>	Claims resulting from accidents or occurrences which have taken place but of which the insurer has not received notice or report of loss.
<b>Contributory Negligence:</b>	Lack of care on the part of the individual injured or suffering loss which helped to cause the accident or aggravated the injury or damage.
<b>Cover:</b>	The scope of protection provided by an insurance contract.
<b>Cover Note:</b>	Temporary contracts to protect the insured while the procedures for the preparation and issuing of the insurance policy are progressing.
<b>Deductible:</b>	A policy condition whereby the insured is required to pay a portion of the loss, as stipulated in the policy (e.g. the first \$400 of a motor vehicle damage claim); the insurer paying the balance over that amount.
<b>Deposit Premium:</b>	Certain policies are written under conditions which provide that the final premium is not determined until the policy has expired. The premium charged at the inception of cover is the "advance", "provisional" or "deposit" premium. The term is also sometimes used to refer to the initial premium paid by an applicant for life insurance which is held in suspense by the life company pending its acceptance or rejection of the proposal.

<b>Dual Basis Payroll:</b>	This takes its name from the fact that indemnity is provided for payroll, i.e. wages and salaries, during two successive periods. The first is the initial selected period, e.g. 10 weeks beginning with the damage during which 100% of the rate of payroll is applied. After the initial period the cover continues throughout the remainder of the full selected indemnity period, but for a reduced proportion of the payroll. Cover is flexible as the initial period can be compressed or consolidated, depending upon the extent of a business interruption.
<b>Economic Loss:</b>	Covers liability to third parties for their purely financial loss <b>NOT</b> arising from injury to their persons or damage to their property. Limited cover can be purchased in various forms including Product Guarantee and Professional Indemnity insurance, but, in general, full cover is difficult to obtain because the exposure is so pervasive.
<b>Endorsement:</b>	Documentary evidence of a change to an existing policy, for example, change of address, increase in sum insured etc. An endorsement may result in an additional premium, a return premium or no premium adjustment.
<b>Extra Cost of Reinstatement:</b>	Provides protection for additional costs necessary to comply with government regulations following a loss, e.g. previous premises may have had a wooden staircase whereas current regulations require concrete, thus the sum insured should allow for reinstatement in concrete.
<b>Fire &amp; Extraneous Perils:</b>	This composite policy can include a selection or all of the following perils: Fire, Lightning, Explosion, Aircraft, Earthquake, Storm & Tempest, Rainwater, Water Damage, Flood, Malicious Damage, Riots & Strikes and Impact by Vehicles or Animals.
<b>Fire Service Levies:</b>	Amounts payable by insurers to meet the operating costs of Fire Brigade authorities as determined by the Government are passed onto policyholders as premium loadings known as Fire Service Levies.
<b>Franchise:</b>	A policy condition whereby no claim is admissible unless the loss exceeds a specified amount, at which point the insurer pays the full amount of the claim.
<b>General Average:</b>	A term used in Maritime Law to cover special claims. Briefly, it means that if cargo of a vessel is sacrificed for the common good of all property at risk on that vessel, then all parties involved will contribute to the loss of those whose goods were sacrificed, i.e. if a ship carrying goods on your behalf is forced to jettison your goods for the safety of the ship as a whole, then the owners (or their insurers) of the other cargo and the ship would contribute so as to reduce your loss. Similar principles would apply for other owners if their cargo was jettisoned to protect yours.
<b>Inco terms:</b>	Trade terms published by the International Chamber of Commerce (ICC) that are commonly used in both international and domestic trade contracts. Incoterms, short for "International Commercial Terms," are used to make international trade easier by helping traders in different countries understand one another.  Common Inco terms include:  <b>FOB (Free On Board)</b> Risk passes to a buyer including payment of all transportation and insurance cost once delivered on board the ship by the seller. Used for sea or inland waterway transportation.  <b>CFR (Cost and Freight) - (destination port-paid to arrival at destination port)</b> Title, risk and insurance cost pass to buyer when delivered on board

	<p>the ship by seller who pays the transportation cost to the destination port. Used for sea or inland waterway transportation.</p> <p><b>CIF (Cost, Insurance and Freight) - (destination port-same as CFR, but includes insurance)</b> Title and risk pass to buyer when delivered on board the ship by seller who pays transportation and insurance cost to destination port. Used for sea or inland waterway transportation.</p> <p><b>CPT (Carriage Paid To) - (place at destination-includes all destination port charges)</b> Title, risk and insurance cost pass to buyer when delivered to carrier or seller who pays transportation and insurance cost to destination. Used for any mode of transportation.</p> <p><b>CIP (Carriage and Insurance Paid To) - (place at destination-same as CPT, but includes insurance)</b> Title and risk pass to buyer when delivered to carrier by seller who pays transportation and insurance cost to destination. Used for any mode of transportation.</p> <p><b>Ex Works, named place (This term can be used with any mode of transportation).</b> The seller makes the goods available to the buyer, usually at the sellers' premises on a specified date or within a specified time period. The buyer becomes responsible for loss or damage to the goods on the agreed upon date, or when the goods are picked up within the specified time period, or on expiration of the specified time period. Unless specifically agreed to, the seller is not responsible for loading the goods onto the conveyance at his premises.</p>
<b>Indemnity:</b>	The principle of indemnity is to place the insured in the same financial position after a loss as that which applied immediately before the loss. That is, the insured does not receive "new for old".
<b>Indemnity Period:</b> (When used in conjunction with "Business Interruption" Insurance)	The nominated period beginning with the occurrence of the damage during which the insured is compensated by the insurers for the change in the financial results of the business in consequence of the damage.
<b>Inherent Vice:</b>	This term refers to a quality inherent in goods or their packing which produces deterioration or loss or damage to the goods without the assistance of another party and by its own action, e.g. insects in flour.
<b>Insurable Gross Profit:</b>	This term is used in the Business Interruption policy and comprises Net Profit plus the total of all expenses which will not necessarily diminish proportionally with a reduction in turnover or production, e.g. rent and rates. This is calculated by adding Turnover and Closing Stock less the sum of Opening Stock and the uninsured Working Expenses (i.e. the variable costs).
<b>Insurable Interest – General Insurance:</b>	An interest in relation to, or liability with respect to, the subject matter of insurance, which is of such a nature that damage to the subject matter, or injury or damage caused by or liability arising from the subject matter would result in financial loss to the person concerned.
<b>Legal Expenses:</b>	Covers expenses in either pursuing or defending an action arising from disputes with customers or suppliers for the sale, purchase, hire or supply of goods or services or in defending employment contract actions brought against a company by employees or in defending any criminal prosecution made against the company, its directors or

	employees.
<b>Maintenance Period:</b>	This exposure follows the construction of a project and various responsibilities of the contractor after leaving the site. Also known as "Defects Liability Period".
<b>Marine:</b>	Marine insurance covers the risk of loss to ships and vessels – Marine Hull and the risk of loss to property and goods in transit – Marine Cargo. Marine Cargo insurance is sometimes divided into Inland Marine, which covers property and goods in transit between locations without requiring sea transport and Ocean Marine, which covers property and goods subject to a sea voyage. Marine Cargo policies are issued in various forms depending on the requirement of the shipper, the ship-owner, the charterer, the consignee etc.
<b>Material Damage:</b>	This policy typically protects the insured against losses involving assets and business interruption arising from physical loss or damage to the property used in the business.
<b>Release:</b>	A signed document accepting settlement for a loss.
<b>Reinstatement and/or Replacement:</b>	This is a method of insuring property on a "new for old" basis. In the event of a physical loss or destruction of property insured under these conditions, settlement would be based on the cost of replacing the property or restoring the damage in new materials without any deduction for depreciation.
<b>Subrogation:</b>	The common law right of an insurer to recover from a third party who is wholly or partially responsible for a loss paid by the insurer under the terms of a policy. For example, when an insurer has paid the insured for loss sustained to his car as the result of a collision, the insurer may collect through the process of subrogation from the person whose car caused the damage. Subrogation recoveries are treated as reductions of losses paid when calculating claims experience.
<b>Third Party (under a Liability Insurance Policy):</b>	A person, not a party to the insurance contract, who has an alleged right of action for injury or damage, against the party insured under the policy.
<b>Trade Credit:</b>	A type of insurance cover designed to protect the insured against commercial losses brought about by the insolvency of trade debtors. A policy will usually cover 90% of insured debt and is recognised by financial institutions as an asset when considering granting loans or other facilities.
<b>Underwriter:</b>	Someone who determines the degree of risk, acceptability and insurance policy prices.
<b>Vicarious Liability:</b>	Liability at law for the acts of another - such as a principal who is liable for acts of an agent or an employer who is responsible for the acts of an employee.

# Claims Procedures

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.

The unpredictable nature of accidents makes it impossible to provide an exhaustive list of claims procedures or guidelines. However, by following the procedures outlined below, the impact of an incident or loss on your business operations will be minimised.

Your Account Manager is contactable during working hours to assist you with any claim or incident that may arise. Prior to contacting your Willis Service Team, the following general procedures should be followed:

## General Claims Procedures

In respect of all claims the following conditions must be complied with to ensure your claim is not compromised by your actions or inaction following the loss.

1. **Immediately notify** the loss to your Account Manager at Willis. If the loss is of a serious nature, e.g. a major fire and after normal business hours, a mobile phone number for your Account Manager is provided on all Willis correspondence. If the loss is minor, a claim form by email within a few days of the loss will suffice in lieu of phone advice.
2. **Prevent further damage** and seek to minimise the loss as much as is physically and/or economically viable. In other words, take all temporary preventative and remedial action that you would take if you were not insured against the loss.
3. **Do not proceed with permanent repairs** or replacement of lost or damaged property until authorised by your insurers or by Willis New Zealand Ltd.
4. **Do not dispose of damaged property** unless authorised by your insurers or by Willis New Zealand Ltd.
5. **Do not admit liability** where you are involved in an accident with another party.
6. **Complete a claim form** and forward it together with supporting documents, e.g. repair estimates or invoices, Police Complaint Acknowledgement forms in cases of theft or vandalism, as soon as possible to your Account Manager at Willis New Zealand Ltd. Contact your Willis Service Team for appropriate claim forms.

## Motor Vehicle Claims

### Accidents – Instructions to Drivers

1. Exchange details with driver(s) of the other vehicle(s), i.e.:
  - Name;
  - Address and contact phone number;
  - Insurance company and branch;
  - Vehicle registration number;
2. Record details of the accident, i.e. how it occurred and who you consider to be at fault (draw sketch of accident if necessary), weather conditions and time of day;
3. Take the names and addresses of any independent witnesses;
4. If vehicle is immobilised, remove all valuables and arrange towage to nearest place of safety;
5. Do NOT admit liability or agree any payment to the third party.

### Theft or Vandalism

Report the incident immediately to the police and ask them for a Complaint Acknowledgement Form.

### Repairs

1. Take the vehicle to a panel beater and ask them for a repair estimate.
2. Notify us with details of the repair estimate and await their instructions to proceed with repairs or the appointment of an assessor to inspect the vehicle.
3. Complete and send a motor vehicle claim form and repair invoice or estimate to us as soon as possible.

## Liability Claims

In the event of an incident involving damage to property belonging to others, injury or other possible legal liability to others, or if you become aware of circumstances which may lead to a claim, immediately notify us of the details, including:

- Location;
- Date;
- Time;
- Nature of incident;
- Estimate of liability;
- Copies of any communication received.

We will notify the insurers and, if necessary, an assessor or legal counsel may be appointed.

### **Do Not:**

- In any way admit liability – even if pressed;
- Comment on the incident;
- Offer any explanation;

### **Do:**

- Use the attached draft letter if a claim is lodged and you are pressed to acknowledge the claim by the claimant;
- Complete a claim form, attach all information readily obtainable, and send it to us;
- Send all future correspondence from the third party to us.

## Liability Claims Sample Letter

**“WITHOUT PREJUDICE”**

Date

Name

Address

Dear

We refer to your recent complaint against the company dated  
in respect of

At present, we are carrying out a detailed investigation of the circumstances and contact will be  
made as soon as these investigations are completed.

Yours faithfully,



## Professional Risks Claims

### Claims made and notified basis of insurance

This type of insurance is arranged on a “claims made and notified” basis. This means you must immediately notify any claims, potential claims or circumstances as soon as you become aware of them during the policy period. This is regardless of when the event occurred giving rise to the claim unless excluded by the application of the retroactive date specified in the policy schedule. Once the policy has expired, no claims or potential claims or circumstances can be notified under it.

### What is a claim?

The common thread of what must be notified is “a set of circumstances which you become aware of that leads you to believe that the **possibility** exists that a demand for damages **may** eventuate against you”.

The above covers a wide spectrum of situations from the extreme of a verbal intimation of an error or omission to the more obvious formal letter of demand or a writ or summons served on you.

The question to ask oneself is – “given the circumstance, am I positive that no claim will be made against me?” If the answer is “no, I am **not** positive” then you must notify the insurer.

As some policies do differ on what constitutes a circumstance, please refer to us for guidance.

### General procedure

When a notification is made to us, we will request that you complete and return a claim notification form addressed to **Willis New Zealand Limited, FINEX Practice**, sent to a Willis branch office nearest you:

Level 8, 21 Queen Street PO Box 369 Auckland	Level 8, 139 The Terrace PO Box 10-446 Wellington	Level 1, 2 Hazeldean Road PO Box 2220 Christchurch	Level 1, 252 Cumberland Street Dunedin
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It is important that any communication between you and the claimant be approved by insurers, to avoid the possibility of prejudicing a claim under the policy.

Insurers may require the appointment of legal counsel to report on any indemnity issues and otherwise assist you in the defence of the claim. Such assistance will be on a “reservation of rights” basis until indemnity under the policy can be confirmed. We will consult with you regarding the proposed counsel to ensure that you are comfortable with them representing your interests in defence of the claim.

### Key conditions

- **Do not** admit liability;
- **Do not** enter into correspondence or discussions with the claimant without insurers consent and input;
- **Do not** incur defence costs without the prior written approval of insurers;
- **Do not** offer to settle the claim without the prior written approval of insurers;

- **Do** co-operate with insurers in the defence of a claim.

### **Claims contacts**

Please contact your Account Manager in the first instance.

## Marine Cargo Claims

### On Discovery of Loss or Damage

1. If loss or damage is noticed on delivery, insist on an **“Exception Without Prejudice” (EWP) Notice** from the shipping company or a carriers receipt noting the loss or damage from the carrier;
2. Notify us of the loss or damage immediately;
3. The cargo should be inspected as soon as possible to check the extent of loss or damage. Failure to do so creates difficulties in proving that damage occurred in transit. If your cargo arrives in a container, the external surfaces should be inspected for damage, or any leakage;
4. As soon as you are aware of any potential loss or damage, contact the shipping company and/or their carrier. Request they attend a joint survey of the goods with your insurers. Follow up the initial contact with written confirmation;
5. Contact the Customs Department to request that they attend the survey, in respect of any dutiable goods lost or damaged;
6. Act swiftly to minimise / avoid any further loss as the cargo remains your property.

### Commence a claim against a shipping company or carrier

After paying a claim, your insurers are entitled to recover their costs from the shipping company and/or carrier if they can prove liability. It is a condition of the policy that you ensure their right of recovery is not prejudiced, by initiating a claim against the shipping company and/or carrier.

The following notice should be sent to the shipping company and/or carrier as soon as possible:

**Suggested Layout for Claim on Shipping Company and/or Carrier**

Masters, Owners & Agents  
 MV  
 c/-  
 PO Box

Date

<b>Port of Discharge:</b>	
<b>Date of Arrival:</b>	
<b>Bill of Lading No.</b>	
<b>Bill of Lading Issued at:</b>	

The below mentioned cargo has been short-landed/pillaged/damaged **(delete words not applicable)** from the above vessel:

<b>MARKS &amp; NUMBERS</b>	<b>DESCRIPTION OF GOODS</b>	<b>EWP NOTE / NUMBER</b>	<b>DETAILS OF CLAIM</b>

Your Mr / Mrs / Ms \_\_\_\_\_ was notified of this claim and requested to attend a Joint Survey on the \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Should you wish to survey the goods concerned, please contact:

Mr / Mrs / Ms \_\_\_\_\_, Telephone No. \_\_\_\_\_

A Valued Claim will follow this advice once the extent of the loss has been established.

Yours faithfully

## Lodge a Marine Cargo Insurance Claim Form with your Insurers

Attach supporting documents, such as:

- Shipping invoice;
- Consignment note / Bill of Lading / Waybill;
- Copy of claim against the shipping company and/or carrier;
- Any replies received from the shipping company and/or carrier;
- Copy of the “EWP” note or carriers receipt. The EWP acknowledges, without admitting liability, that damage/loss has occurred;
- Invoice for repair or replacement of items claimed;
- Photos of damage if applicable.

Once all required documentation is to hand, the loss can be established by the surveyor.

## Travel Insurance Claims

### Medical Emergencies

1. Apply first aid and phone local ambulance service as necessary;
2. If you require assistance anywhere in the world, contact the local operator and ask for a reverse charge call to your insurer's 24 hour emergency phone number (as noted on your travel card):
  - Advise them of the nature of the accident or illness and request their assistance;
  - They will advise you of the required course of action e.g. local hospitalisation, emergency evacuation, air ambulance if necessary.

### Other Medical Claims

1. On production of evidence of insurance such as an insurer assistance card, doctors and hospitals may be satisfied that their fees are recoverable from your insurance company;
2. It is however possible that they may insist on payment from the insured person in which case you should retain detailed receipts in order to make a claim on your return to New Zealand.

### Other Claims

1. Notify us of the loss immediately on your return to New Zealand;
2. Follow the general claim procedures, which are outlined at the beginning of this section of the document.