

# Life and Health Insurance Terms of Business



## 1. Agreement

- 1.1 The Abbott Life and Health Insurance Terms of Business apply to the services provided to you by the following companies in the Abbott Group of related companies:
  - a) Abbott Life and Health (2015) Limited.
  - b) I C Frith Life and Health Limited.
- 1.2 Your Letter of Appointment states the particular company providing our services to you. The Abbott Life and Health Insurance Terms of Business are also available through the home page of our website at [www.abbott.co.nz](http://www.abbott.co.nz)
- 1.3 We agree to act as your agent to arrange your insurance on your behalf in accordance with your instructions. If requested, we will use our expertise to provide recommendations to you about your insurance needs and the insurers you should consider based on those needs. You make the final decision.
- 1.4 These terms apply until the parties agree to vary them at any time or one of the parties terminates this agreement as set out below.
- 1.5 You will be taken to have accepted the terms of this agreement by continuing to appoint us as your insurance adviser.

## 2. Our services

- 2.1 We are members of Financial Advice New Zealand, a professional membership organisation for advisers working across all areas of financial advice, including insurance, investment, financial planning, and mortgages.
- 2.2 We will provide to you financial advice relating to life and health insurance products. We are not an insurer.
- 2.3 We will perform our services with reasonable care, diligence and skill, based on your needs and information that you have expressly provided to us.
- 2.4 We will negotiate with insurers on your behalf and will use our best endeavours to ensure that policies and policy alterations are issued by your insurer correctly.
- 2.5 We make no representation to you about the solvency of any insurer or its ability to pay claims beyond the disclosure to you of its Financial Strength Rating on behalf of the insurer under the Insurance (Prudential Supervision) Act 2010.

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- 2.6 Once you notify us of any event or circumstance to support a claim under one or more of your policies, we will promptly notify your relevant insurer of this and pursue the claim on your behalf.
  - 2.7 We hold our records about the services we have provided to you for at least 7 years, after which we may destroy them. We will not cancel any of your insurance policies on your behalf without your prior written instruction.
  - 2.8 We will keep all information you provide to us about you and your business confidential and only disclose it in the normal course of negotiating, arranging, and administering your insurance except where disclosure is required by law or where the information is already in the public domain.
  - 2.9 We are entitled to rely on all your written instructions (including email instructions) without further enquiry.

### **3. Your responsibilities**

- 3.1 Before you enter into an insurance policy you have a duty at law to disclose to your insurers all information that a prudent insurer would want to consider in deciding whether to insure you and if so, on what terms ("material facts").
- 3.2 We will communicate all your material facts to your insurers in a timely manner. We are not responsible for checking the accuracy or completeness of your material facts. We will not be responsible for any consequences of your failure to disclose all your material facts to us to pass on to your insurers. Material non-disclosure could result in the insurance contract being terminated from its inception by the insurer.
- 3.3 You must advise us, as soon as practicable, of any event or circumstance that may give rise to you wishing to make a claim under one or more of your insurance policies. We will provide you with a claim form for you to complete and advise what, if any, documentation may be required to support your claim.
- 3.4 After receiving your insurance documents you must check them and advise us promptly of anything that does not meet your requirements. You must notify any errors to us immediately.
- 3.5 We are not allowed to collect your insurance premiums. All premiums must be paid directly to the insurer by the time stated on the insurer's invoice.

### **4. Remuneration**

- 4.1 If you instruct us to arrange an insurance policy on your behalf, the insurer will pay us commission based on the premium that you pay. Some insurers may pay us more than others. The rate of commission can vary according to the type of insurance and cover provided and the way the insurance is arranged.

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4.2 We may also charge you a fee for implementing the advice we provide.

4.3 We may pay a referral fee to any party who has referred you to us. This will be paid out of the commission received by us from the insurer and any fee you pay us. We may also receive a referral fee if we refer you to another party that performs additional services for you.

## 5. Your personal information

5.1 We will hold any personal information that you provide to us in accordance with the Privacy Act 2020. We will only use your personal information in connection with our services for you.

5.2 We may pass on your personal information to insurers and other service providers in connection with our services for you. We may also pass your information to the industry regulator from time to time for auditing purposes.

5.3 We may also contact you in connection with other services that we feel may be of interest or benefit to you.

5.4 You have the right to access and correct any of your personal information that we hold. Your personal information is held on Trail software hosted by Microsoft Azure in Australia.

5.5 You can access our Privacy Policy on our website [www.abbott.co.nz](http://www.abbott.co.nz)

## 6. Electronic communications

6.1 We may correspond with you by electronic means unless you instruct us not to. We are not responsible for any risks associated with electronic communication, including loss of data.

6.1 You consent to being entered into our marketing database and, for the purposes of the Unsolicited Electronic Messages Act 2007, you expressly consent to receiving email communications from us with regard to our business or the insurance industry. You may revoke your consent at any time, and we will remove you from our marketing database.

## 7. Termination

7.1 Either party may terminate this agreement by providing the other party with one month's written notice of termination. After expiry of the one-month period we will cease providing you all our services under this agreement and will:

- a) Withdraw from any negotiations in progress, including, without limitation, any claims or underwriting; and
- b) Upon request, deliver to you copies of relevant correspondence we have had with your insurer in respect of any current claim.

7.2 Either party may terminate this agreement with immediate effect in the event of:

- a) Insolvency of the other party; or
- b) A breach of any regulatory requirements, laws or rules by the other party.

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7.3 We may terminate this agreement with immediate effect if you commit any dishonest or fraudulent act or omission, or your behaviour towards us is, in our opinion, unreasonable or threatening.

7.4 Termination of this agreement will not affect the terms of this agreement relating to limitation of liability and confidentiality.

## **8. Limitation of liability**

8.5 Our maximum liability to you for any reason whatsoever (including our breach of contract or negligence) is limited to NZ\$5,000,000.

## **9. Applicable law**

9.1 This agreement is governed by New Zealand law and the New Zealand courts have exclusive jurisdiction.

9.2 If you have any queries about our services, please contact us on 0800 238 473.

## **10. Definitions**

10.1 "We", "us", "our" means the particular company in the Abbott Group of related companies referred to in clause 1.1 above that is stated in your Letter of Appointment referred to in clause 1.2.

10.2 "You", "your " means the party who signed the Letter of Appointment in our favour referred to in clause 1.2 above.

10.3 'Material facts' means information that would influence the judgement of a prudent insurer setting the premium or taking the risk.