

General Insurance Terms of Business



Agreement

The Abbott General Insurance Terms of Business apply to the services provided to you by the following companies in the Abbott Group of related companies:

- Abbott Insurance Brokers Auckland Limited.
- Abbott Insurance Brokers Christchurch Limited.
- Abbott Insurance Brokers Hamilton Limited.
- Abbott Insurance Brokers Nelson Marlborough Limited.
- Abbott Insurance Brokers Rangiora Limited.
- Abbott Insurance Brokers Southern Limited.
- Abbott Insurance Brokers Wellington Limited.
- B & A Insurance Limited.

Your Letter of Appointment states the particular company providing our services to you. The Abbott General Insurance Terms of Business are also available through the home page of our website at www.abbott.co.nz

We agree to act as your agent to arrange, manage and renew 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.

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.

You will be taken to have accepted the terms of this agreement by continuing to appoint us as your insurance broker.

Our services

We will provide to you insurance broking, risk management and financial advice in relation to general insurance products only. We are not an insurer.

We will perform our services with reasonable care, diligence and skill, based on your needs and information that you have expressly provided to us.

We will negotiate with insurers on your behalf and will use our best endeavours to ensure that policies and endorsements for your insurance are issued by your insurer promptly and correctly.

We may assist you in placing and servicing overseas insurance, or the management of overseas risk, and we may engage the services of a third-party consultant to assist us with this.

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.

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.

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.

We will keep all information you provide to us about 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.

We are entitled to rely on all your written instructions (including email instructions) without further enquiry.

Your responsibilities

Before you enter into an insurance policy and before you renew it, 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 (or to continue insuring you) and if so, on what terms ('material facts'). You must also disclose to your insurers any material changes to the material facts during the term of your policies.

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.

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 advise you if you need to complete a claim form or produce documentation to support your claim.

After receiving your insurance documents from us, you must check them and advise us promptly of anything that does not meet your requirements. You must notify any errors to us immediately.

You must pay the premiums and any statutory charges and levies by the time stated on our invoices to you.

We are not obliged to fund your premiums or statutory charges and levies. If you fail to pay any of these on time, we are not liable for any direct or indirect loss or liability you may suffer as a result. Please contact us immediately if you are unable to make any payments on time.

Amounts payable

We will invoice you for the premium and any applicable statutory charges, including GST, and fire and emergency, and earthquake levies.

We may also charge document fees plus GST. Our document fees depend on the costs to us associated with providing our services to you and are for general office services, including disbursements. We will disclose any such fees to you when we provide our advice.

We may also charge service fees plus GST. Our service fees depend on the complexity of your insurance and the time taken to implement and manage your insurance programme.

Payment of our invoices is due 14 days from the 'Effective From' date shown on the invoice.

We accept payment by electronic bank transfer to our nominated bank account, which is shown on the invoice and included in our covering correspondence with you. We cannot accept payment by cash.

If you enter a premium funding agreement with us to pay your annual insurance by instalment, a direct debit authority will be established.

Late payment or no payment

If you do not pay the cost of your insurance within the time specified on your invoice, an insurer may cancel your policy and you may be uninsured.

Insurers may also charge a premium for any time they have covered you without payment. We will let you know if an insurer has imposed a specific premium payment warranty or condition that may give the insurer the right to cancel your policy if the warranty or condition is not met. Please let your broker know if you are unable to comply with the premium payment warranty or condition.

We may charge interest, collection costs and any legal fees incurred in recovering overdue accounts.

Taxes and levies

- Goods and Services Tax (GST)

We will charge GST where applicable. Any quote, estimation or invoice that we may give you will exclude GST, unless otherwise specified.

- Earthquake Commission Levy

The Earthquake Commission (EQ) levy contributes to earthquake and other natural disaster insurance provided by the Earthquake Commission. The levy is included in some general insurance policies and is collected by insurers on behalf of the Earthquake Commission.

- Fire and Emergency New Zealand Levy

Fire and Emergency New Zealand (FENZ) is mainly funded by a levy on insurance contracts where property (including contents and stock) is insured against the risk of fire. The charge is paid by policyholders and is collected by insurers on behalf of FENZ.

Remuneration

If you instruct us to arrange or renew 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.

We are a member of Steadfast NZ Limited (Steadfast). Steadfast supplies technology platforms, management, marketing, professional, technical, and buying benefits and services to support us in providing our financial advice services. Steadfast has arrangements with insurers under which Steadfast receives a professional services fee of up to 1.5% of the premium paid for each insurance policy arranged by us with those insurers. These payments are used to operate Steadfast.

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

Where we arrange the placing and servicing of insurance overseas, our overseas representatives may also receive remuneration from the relevant insurer.

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.

If you instruct us to arrange premium funding for you, we may earn a commission from the premium funder. This is usually calculated as a percentage of the amount funded. The details of your premium funding arrangement will be set out in your separate agreement with the premium funder.

We may set off any outstanding money that you owe us in connection with any insurance policy we arranged for you from any money we receive on your behalf in relation to that insurance policy.

If one of your insurance policies is cancelled mid-term and not replaced by another insurance policy, we will refund any returned premium we receive from the insurer. We do not refund any proportion of any commission or fee we have received.

Your personal information

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.

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 as required for auditing purposes.

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

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

You can access our Privacy Policy on our website www.abbott.co.nz

Electronic communications

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.

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.

Termination

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:

- Withdraw from any negotiations in progress, including, without limitation, any claims or policy renewals; and
- Pay any premiums we have received from you, but have not yet been disbursed, to your insurer unless agreed by the insurer in writing; and
- Upon request, deliver to you copies of relevant correspondence we have had with your insurer in respect of any current claim.

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

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

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.

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

Limitation of liability

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

Applicable law

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

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

Definitions

'We', 'us', 'our' means the particular company in the Abbott Group of related companies referred to above and that is stated in your Letter of Appointment.

'You', 'your' means the party who signed the Letter of Appointment in our favour.