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Residents Association at 361 Madras Street Insurance Manual

Policy period:
7th December 2021 to 7th December 2022

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INSURANCE BROKERS | A GALLAGHER COMPANY

 **Gallagher**



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Purpose of Insurance Manual

This insurance manual has been prepared by Crombie Lockwood (NZ) Limited as part of the insurance and risk management services we provide for Residents Association at 361 Madras Street and is intended to provide a simple guide to your insurance program including what to do in the event of a loss/claim.

Please do not treat this manual as a substitute for the relevant insurance policy documents or disclosure statement as the terms, conditions and limitations of your insurances are always subject to those documents.

The policy documents ultimately define the extent of your insurance cover in the event of a claim, as well as your rights and obligations relating to the policy.

Should you have any queries regarding this insurance manual please refer to Crombie Lockwood and we will be pleased to assist you.

We draw your attention to the **duty of disclosure** included in the 'Important notices' section, which applies throughout the period of insurance.

The use of the \$ symbol represents New Zealand dollars (NZD) unless indicated otherwise.

Confidentiality

This manual contains information which is confidential to Residents Association at 361 Madras Street and Crombie Lockwood (NZ) Limited.

Accordingly, we trust you will understand this manual is provided Residents Association at 361 Madras Street and its representatives in confidence and may not be reproduced in any form or communicated to any other person, firm or company without the prior approval of Crombie Lockwood.

Your Client Service Team

Providing you with exceptional service

Our commitment is to position you and your business to financially survive any insurable event. To do that, we will work to understand your business, earn your trust and provide you with proactive advice and solutions.

In accordance with our values

Our service to you is:

- Integrity – Doing the right thing
- Teamwork – Working together
- Openness – Fostering open relationships
- Accountability – Delivering on commitments
- Boldness – Challenging ourselves

Your service contacts

The following Crombie Lockwood team members should be contacted for all insurance, claims and risk advice.

Principal Broker - Corporate

Responsibility for providing client advocacy and insurance program management

Peta Henderson

Direct Telephone No: +64 3 339 5231
Email: peta.henderson@crombielockwood.co.nz

Account Support

Supporting your Principal Broker with your daily service requirements

Kate Brown

Direct Telephone: +64 3 964 1587
Email: kate.brown@crombielockwood.co.nz

Crombie Lockwood Central Claims Consultancy Team

Providing understanding and assistance in times of need

Direct Telephone No: 0800 252 461
Email: claims.team@crombielockwood.co.nz

Please refer to claims procedure section for further claims information.

When to Contact Your Broker

Changes and developments

Our insurers have a broad understanding Residents Association at 361 Madras Street's business. However, circumstances change or you may change what you do or how you do something that can materially impact exposure to risk.

Our insurers have assessed and accepted the risks on the basis of the information presented to them and any variation could prejudice a claim. It is important that you advise Crombie Lockwood of any material alterations regarding your business or indeed any aspect which may have a bearing on the adequacy or efficacy of your insurance program.

The following list should be used as a guide to areas of activity which should be notified immediately if they are proposed or occur so that steps can be taken to ensure you remain adequately protected. It is not exhaustive, so when in doubt please contact Crombie Lockwood.

- New or unusual activities or events;
- Acquisition of new companies and/or mergers, in New Zealand or overseas;
- Alterations, amendments to or disconnection of fire or burglary protection systems;
- Purchase, construction or occupancy of new premises, alteration, vacation, temporary un-occupancy, changes in tenancy, extensions or demolition of existing premises;
- Increase in property values, contents, or equipment;
- Contractual liabilities, including the granting of releases and indemnities in hire conditions, leases, hold-harmless agreements and the like (Do not give away insurers rights);
- Proposed installation of pressure plant or high value machinery and plant;
- Special events;
- Premises becoming unattended for more than 90 days i.e. premises which are not visited and maintained on a monthly basis;
- Additional contracts or responsibilities;
- Hire, lease or borrowing of plant or equipment or charter of waterborne craft;
- Capital additions;
- Purchase of new vehicles;
- Any imports / inland transit;
- Any exports;
- Any transits of employee household goods / personal effects;
- Changes in personnel affecting Directors and Officers Liability;
- Change in personnel who have responsibility for insurance decisions or incidents and claims management;
- Changes to current business operations including activities, processes or products;
- Any overseas developments.

New buildings, alterations, demolition or construction work

Details of any new building or alteration work must be advised during the planning stage to enable Crombie Lockwood to advise on:

- Standards of fire protection, safety and security (with input from insurers where necessary);
- Appropriate indemnity and insurance clauses to be incorporated in the contract for your protection;
- Financial loss exposures - to determine your need for Advance Business Interruption insurance if completion of the new building or alteration work is delayed;
- Appropriate insurance coverage and amendment to your minimum and deposit contract works policy.

Insurance Programme Summary

The following pages summarise the basis of cover for each of the following insurances which forms your 2021-2022 insurance programme.

Class of Insurance	Insurer	Cover %	Rating	Policy Number
Material Damage	IAG New Zealand Limited	100%	AA-	15-0260737-BCP
Public Liability	IAG New Zealand Limited	100%	AA-	15-0260737-BCP
Statutory Liability	IAG New Zealand Limited	100%	AA-	15-0260737-BCP

Always refer to your insurance policy wording for the full extent of insurance cover that applies to each policy as the terms, conditions and limitations of your insurances are detailed in the policy wording documents.

Insurer Security

When we recommend Insurers, our choice of Insurers is not based solely on the competitiveness of terms offered. Preference is given to those who, based on previous experience and information available to us, have been able to meet the standards of service and expertise we demand in meeting our client's insurance needs.

Our preferences are based on a wide variety of factors including financial security, level of expertise, claims service, attitudes in claims handling, underwriting flexibility and the weight of our commercial relationship in resolving contentious issues.

Whilst all reasonable precautions are taken to ensure that only Insurers of adequate financial standing are used, we cannot give any guarantees on the financial performance of Insurers.

The Standard & Poor's (Australia) Pty Ltd (S&P) financial strength and claims paying ability scale is:

AAA	(Extremely Strong)	BBB	(Good)	CCC	(Very Weak)
AA	(Very Strong)	BB	(Marginal)	CC	(Extremely Weak)
A	(Strong)	B	(Weak)	NR	(Not Rated)
				R	(Regulatory Supervision)

Note: The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The ratings scale above is in summary form. The full version of this rating scale can be obtained from the Standard and Poor's website.

Policy Schedules

Material Damage Insurance

This schedule forms part of the Policy Wording. Please refer to the Policy Document for the full terms, conditions and exclusions relating to this insurance.

The Insured Resident Association at 361 Madras Street	Client No 302-0HHBM	Cover No 1799898-002-01
The Insurer IAG New Zealand Limited	% of cover 100	Insurer Policy No 15-0260737-BCP
Period of Insurance	From 07/12/2021 to 07/12/2022 at 4:00pm; Local Standard Time	

SCHEDULE OF PROPERTY INSURED

Location	361 Madras Street, Christchurch Central, Christchurch
Interested Party	
Unit 1 - Cameron Marcroft and Xenia Rose Brunette Marcroft as trustees of Marcroft Family Trust as Owners	
Unit 2 - Brigitte Lyne as Owner	
Unit 3 - Peter Ian Jones and Justine Emma Jones as Owners	
Unit 4 - Barton Partnership Limited as Owner	
Units 5 & 6 - Robert Lewin Masters and Irene Lucia Masters as trustees of Masters Family Trust as Owners	
Unit 7 - Brad Alan Jenkins and Jessica Amanda Jenkins as Owners	
Unit 8 - Boulder Bay Limited as Owner	
Unit 9 - Pinewood Property Limited as Owner	
Unit 10 - Burrows Property Limited as Owner	
Unit 11 - Paul Richard Davies and Emma Kate Jenkins as Owners	
Unit 12 - Clayton Adrian John Sturge and Isobel Sturge as Owners	
Unit 13 - 9 Little Fish Limited as Owner	
Unit 14 - Changjang Han and Kamonwa Osaithia Han as Owners	
Unit 15 - Mark Robert Richardson and Ruth Michael Richardson as Owners	
Unit 16 - Phillip Dimitry Fedorenko and Sonia Carolyn Fedorenko as Owners	
Unit 17 - Scott Gerrard King and Sarah Jane King as Owners	
Unit 18 - Andrea Marie O'Fee and Edward Alan David Manco	
Unit 19 - Beth Gutschlag and Brendon Shane Gutschlag as Owners	
Unit 20 - TBC Projects Limited as Owner	
Unit 21 - Sarah McTaggart, Andrew Mc Taggart and Sheree Moore as trustees of Flymack Family Trust as Owners	
Unit 22 - Glenn James Nalder and Kelly Anne Nalder as Owners	

Buildings	Reinstatement Value	\$8,440,000
Location Total		\$8,440,000
Total Sum Insured		\$8,440,000

POLICY DETAILS

Policy Wording Crombie Lockwood NZI Agreed Material Damage Policy May 2014
(Standard Endorsements)

To obtain a copy of this policy wording please visit www.crombielockwood.co.nz/policy-documents and enter the following code in the search engine MDENZI0514.

Standard Material Damage Policy Clauses

MD01 Alternative Residential Accommodation - The maximum payable for any one event is \$35,000	Included
MD02 Capital Additions	\$100,000
MD03 Change of Temperature	Included
MD04 Claims Assessment	Included
MD05 Contractual Value	Included
MD06 Designation of Property	Included
MD07 Excess	Included
MD08 Expediting Costs	Included
MD09 General Average	Included
MD10 Goods and Services Tax (GST)	Included
MD11 Gradual Damage - The maximum payable for any one claim is \$5,000	Included
MD12 Hazardous Substance Emergency Charges	\$50,000
MD13 Keys and Locks	Included
MD14 Landslip and Subsidence	\$250,000
MD15 Machinery Breakdown Damage	\$10,000
MD16 Money	
- Section A	\$10,000
- Section B	\$2,500
MD17 Other Interests	Included
MD18 Other Premises Storage	Included
MD19 Professional Fees	Included
MD20 Property in the Course of Construction	\$100,000
MD21 Property Sold	Included
MD22 Protection Costs	Included
MD23 Redundant Plant	Included
MD24 Redundant Stock	Included
MD25 Reinstatement of Amount of Insurance	Included
MD26 Reinstatement of Memorandum	Included
MD27 Removal of Debris	Included
MD28 Repair or Reinstatement by Insured	Included
MD29 Reservoirs, Tunnels and Bridges	\$100,000
MD30 Residential Property - Natural Disaster Damage	Included
MD31 Restoration and Reproduction Costs	Included
MD32 Rewards	Included
MD33 Sanctions	Included
MD34 Several Liability	Included

MD35 Smoke Damage	Included
MD36 Spoilage	\$5,000
MD37 Temporary Removal	Included
MD38 Theft	Included
MD39 Theft from Motor Vehicle or Storage Container	\$20,000
MD40 Transit of Property	\$20,000
MD41 Undamaged Foundations	Included
MD42 Unharmed Property	Included

Optional Material Damage Policy Clauses

MD43 Computer Breakdown	Excluded
MD44 Pressure Vessel Clause	Excluded
MD45 Seasonal Stock Increase	Excluded
MD46 Stock Declaration Conditions	Excluded
MD47 Sustainable Rebuilding Costs	Excluded

ENDORSEMENTS AND / OR CLAUSES

The Crombie Lockwood NZI agreed Material Damage Policy May 2014 (Standard Endorsements) is amended as follows:

1. The Standard Material Damage Policy Clause, MD38 Theft, is deleted in its entirety and replaced by the following:

MD38 Theft

This policy covers Loss or Damage during the Period of Insurance caused by theft or attempted theft of Insured Property at the Location.

This clause does not apply to Insured Property in any motor vehicle or Storage Container

Policy exclusion 18(a) does not apply to this clause.

2. The Standard Material Damage Policy Clause, **MD39 Theft from Motor Vehicle or Storage Container**, is deleted in its entirety and replaced by the following;

MD39 Theft from Motor Vehicle or Storage Container

This policy covers Loss or Damage as a result of theft during the Period of Insurance to Insured Property in the following:

1. Any Storage Container,
2. Any vehicle.

The Insurer's liability for any one Loss will not exceed the special limit shown in the Policy Schedule.

The excess noted in the policy schedule for theft applies to theft of any kind from any motor vehicle or Storage Container, unless any higher excess already applies in which case such higher excess applies.

Policy exclusions 18(a) and 20 do not apply to this clause.

The Crombie Lockwood/NZI Commercial & Mixed Use Body Corporate Endorsement applies

The definition of Insured is amended as follows:

Where 'The Insured' in the schedule is shown as a body corporate or a residents association, then 'Insured' refers to the body corporate or residents association and each individual proprietor of that body corporate or residents association, for their respective rights and interests.

EXCESSES

Standard	\$500
Burglary	\$1,000
Theft	\$2,500
Money	\$500
Landslip or Subsidence	\$5,000
Residential Use:	
Owner Occupied	\$250
Tenanted Units	\$250
Unoccupied Units	\$1,000
Stolen Keys Extension	\$250
Meth contamination Extension	\$2,500
All other losses (excluding Natural Disaster)	\$500

Natural Disaster excess is reduced to 1% of the Location Sum Insured with a Minimum \$2,500

Natural Disaster

(Earthquake, volcanic activity, hydrothermal activity, subterranean fire, tsunami, geothermal activity, or fire caused by any of these).

For the Regions of Auckland, Northland, Otago, Southland, Taranaki, Tauranga City and Waikato 2.5% of the Location Sum Insured subject to minimum Natural Disaster Excess of \$2,500.

For the Region of Wellington 5% of the Location Sum Insured subject to minimum Natural Disaster Excess of \$5,000.

The other Regions of New Zealand 5% of the Location Sum Insured subject to minimum Natural Disaster Excess of \$2,500.

For Pre 1935 building risks in all Regions of New Zealand. This applies where the Building was constructed prior to 1935, or where the contents / Stock is located in any Building constructed prior to 1935. 10% of the Location Sum Insured subject to minimum Natural Disaster Excess of \$10,000.

The Natural Disaster Excess - applies to the combined Material Damage and Business Interruption loss from any one event at each Common Location. Where the insured property is residential property covered by EQC, the amount of the Natural Disaster Excess is reduced by the amount of the payment from EQC.

"Location Sum Insured" - For the application of Natural Disaster Excess this means the Insured Property sum insured at each Common Location.

"Common Location" - means a common physical Location where the Insured Property is linked to achieve a common business purpose at that Location.

Region - the areas of land in the Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.

RESIDENTIAL BUILDINGS (MULTI-DWELLING) POLICY

POLICY SCHEDULE

POLICY REFERENCE: 15-0260737-BCP

THE INSURER: NZI a Business Division of IAG New Zealand Limited

INSURED: Residents Association at 361 Madras

PERIOD OF INSURANCE: From 4.00 pm Local Standard Time on 1 December 2021
To 4.00 pm Local Standard Time on 1 December 2022

LOCATION: 361 Madras Street, Christchurch

SUM INSURED:	Section 1 – Cover For Your Residential Units:	\$ 8,440,000
	Section 2 – Limit of Liability	0

SPECIAL LIMITS **Notwithstanding different limits stated in the Policy wording the following limits apply:**

3.1 Alternative Accommodation Following **loss** other than **contamination loss**:

The maximum payable per event for each individual unit is increased to:	\$50,000
The maximum period the benefit can be claimed per event is increased to 24 months.	

Following **contamination loss**:

The maximum payable per event for each individual unit is:	\$25,000
The maximum period the benefit can be claimed per event is 12 months	

3.2 Common Property The maximum payable during the **annual period** is increased to:

\$100,000

3.5 Landlord's Contents The maximum payable for landlord's contents:

For each individual unit per event is:	\$ 50,000
For all events during the annual period is:	\$ 500,000

3.4 Hidden Gradual Damage The maximum payable during the **annual period** is increased to:

For each individual unit:	
For all units:	\$10,000
	\$50,000

3.6 Loss of Rent

Following **loss** other than **contamination loss**:

The maximum payable per **event** for each individual **unit** is increased to: \$ 50,000

The maximum period the benefit can be claimed per **event** is 24 months.

Following **contamination loss**:

The maximum payable per **event** for each individual **unit** is:

The maximum period the benefit can be claimed per **event** is 12 months. \$ 25,000

5.3 Additional Costs

Fees & other costs

(b) Necessary and reasonable costs incurred for restoring or reconstructing any part of the garden or lawn.

The maximum payable per **event** is increased to: \$50,000

Margin

Margin increasing '6.1 - Maximum amount payable' for perils excluding damage resulting from **natural disaster**.

\$ +25%

Landlords Contents Removal & Storage

The maximum payable for expenses incurred in **landlord's contents** removal & storage:

For each individual **unit** per **event** is: \$2,500

For all **events** during the **annual period** is: \$10,000

Tree Removal

The maximum payable for expenses incurred in tree removal:

For each individual **unit** per **event** is:

For all **events** during the **annual period** is: \$50,000

\$50,000

Cost of Re-Letting

The maximum payable for expenses incurred in re-letting:

For each individual **unit** per **event** is: \$1,000

For all **events** during the **annual period** is: \$5,000

Malicious Damage by Tenants

The maximum payable during the **annual period** is:

For each individual **unit**: \$5,000

For all **units**: \$50,000

EXCESS:

The highest applicable excess as follows applies:

Owner Occupied Residential Units other than as stated below:

\$ 250

Tenanted Residential Units, other than as stated below:

\$ 250

Unoccupied Residential Units, other than as stated below:

\$ 1,000

Loss indemnified under the Stolen Keys Extension	\$ 250
Loss indemnified under the Methamphetamine Contamination Extension:	\$ 2,500
All other Losses not defined above (Excepting Natural Disaster – As below):	\$ 500
Natural Disaster – Refer to Policy Wording	
POLICY WORDING:	NZI Residential Buildings (Multi-Dwelling) Policy - RBD0818

The amount referred to in 'What We Will Pay – 6.1. Maximum Amount Payable' is increased as follows:

The most **we** will pay for any **event** for a **building** (or group of **buildings**) at a specified situation shown in the **schedule** is the corresponding sum insured noted in the **schedule** for that **building** (or group of **buildings**), plus 25%. The additional percentage will not exceed \$2,110,000 in addition to the 'maximum amount payable.

This increase does not apply to cover provided by Automatic Policy Extension – 3.8 Natural Disaster.

LANDLORDS CONTENTS REMOVAL & STORAGE

You are insured for the reasonable costs incurred in consequence of **loss** to **landlord's contents** during the **period of insurance**, where removal, storage and return of landlord's contents is necessary.

TREE REMOVAL

This Policy is extended to cover the expenses incurred in professional removal or tress or parts of trees, including the cost of treating the stump to prevent re-growth, where the tree or part of the tree has fallen causing damage to Insured Property.

COST OF RE-LETTING

If any individual **unit** rented by **you** to a tenant becomes uninhabitable due to **loss** covered by this Policy and the existing tenant terminates their tenancy agreement as a result, **we** will reimburse the **unit** owner's reasonable costs incurred to re-let the **unit**.

ENDORSEMENTS:

MALICIOUS DAMAGE BY TENANTS

If any individual **unit** is rented by **you** to a tenant, then this policy is extended to cover sudden and **accidental loss** to the **building(s)** and/or **landlord's contents** that occurs and that **you** discover during the **period of insurance** which is a direct result of:

- (a) an intentional act, or
- (b) vandalism, or
- (c) theft

by:

- (i) a tenant, or
- (ii) a person who occupies the **unit**, or
- (iii) a guest of a tenant or occupier.

Cover provided by this endorsement is limited to the corresponding limit stated in the **schedule**. This limit does not apply to **loss** as a result of fire or explosion, in which case the most **we** will pay is as per the provisions of 6. 'What we will pay'

Public Liability Insurance

This is the summary of the cover provided by your policy. Please refer to the policy document for the full terms, conditions and exclusions relating to this insurance.

The Insured Resident Association at 361 Madras Street	Client No 302-0HHBM	Cover No 1799898-002-02
The Insurer IAG New Zealand Limited	% of cover 100	Insurer Policy No 15-0260737-BCP
Period of Cover	From 07/12/2021 to 07/12/2022 at 4:00pm; Local Standard Time	

DETAILS OF INSURANCE

Business Activity	Property Owner, Landlord and all associated activities	
Public Liability	Limit any one occurrence	\$5,000,000
Product Liability	Limit in the aggregate	\$5,000,000
Territory	New Zealand Only	
Jurisdiction	New Zealand Only	

POLICY DETAILS

Policy Wording NZI Broadform Liability Policy Wording BRD0318

To obtain a copy of this policy wording please visit www.crombielockwood.co.nz/policy-documents and enter the following code in the search engine BLNZI0318.

Automatic Policy Extensions	
Advertising Liability	\$1,000,000
Business Advice or Service	Included
Business Travel To A Non-Territorial Country	Included
Care, Custody or Control	\$500,000
Drones	\$1,000,000
Goods Lifted or Carried By Crane	\$250,000
Hot Works Away From Your Premises	Included
Innkeeper's Liability	Included
Landlord's Liability	Included
Lost or Stolen Keys	Included
Product Withdrawal Costs - New Zealand Only	\$100,000
Punitive or Exemplary Damages	\$1,000,000
Service/Repair - Machinery	\$250,000
Service/Repair - Vehicle and Watercraft	\$500,000
Tenant's Liability	Included
Underground Services	Included

Vehicles/Mobile Mechanical Plant Liability	Included
Vibration and removal of support	\$500,000
Optional Extension	
Property Being Worked On	Excluded

ENDORSEMENTS AND / OR CLAUSES

Nil

DEDUCTIBLES / EXCESSES

Standard Excess	\$500
Advertising Liability	\$1,000
Care, Custody or Control	\$1,000
Drones	\$1,000
Goods Lifted or Carried By Crane	\$2,500
Product Withdrawal Costs	\$2,500
Property Being Worked On	\$1,000
Service/Repair - Machinery	\$2,500
Service/Repair - Vehicle and Watercraft	\$1,000
Underground Services Liability	\$2,500
Vibration and Removal of Support	\$5,000

Statutory Liability Insurance

This is a summary of the cover provided by your policy. Please refer to the policy document for the full terms, conditions and exclusions relating to this insurance.

The Insured Resident Association at 361 Madras Street	Client No 302-0HHBM	Cover No 1799898-002-03
The Insurer IAG New Zealand Limited	% of Cover 100	Insurer Policy No 15-0260737-BCP
Period of Cover	From 07/12/2021 to 07/12/2022 at 4:00pm; Local Standard Time	

DETAILS OF INSURANCE

Business Activity	Property Owner, Landlord and all associated activities	
Limit of Indemnity	Any one Claim and in the aggregate	\$1,000,000
Defence Cost Limit of Indemnity	Any one Claim and in the aggregate	\$1,000,000
Territory	New Zealand Only	
Jurisdiction	New Zealand Only	
Retroactive Date	07/12/2020	

POLICY DETAILS

Policy Wording	NZI Statutory Liability Policy Wording STL0318
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ENDORSEMENTS AND / OR CLAUSES

Nil

DEDUCTIBLES / EXCESSES

Standard	Each and every claim including costs	\$500
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Claims Procedure

What you do and how you act following an incident can significantly contribute to the outcome of your claim. Prompt action, attention to detail and providing the right information and documentation to support your claim will give you the best possible outcome and get things back to normal as quickly as possible.

It is important that you contact Crombie Lockwood as soon as possible following any event that will or could potentially result in an insurance claim. In the meantime, the following steps should assist you through the process:

1. First and foremost make sure people and property are safe from injury or further damage. In some cases this may involve contacting emergency services. You have an obligation under your policy to take reasonable steps to prevent further loss or damage
2. Contact your Broker or Claims Consultant as soon as possible
3. Follow all directions given by the emergency services, local council or any other governing body
4. Where possible retain any damaged property or take photographs of any property or items to be removed
5. For theft, burglary or malicious damage claims, report the incident to the police as soon as possible
6. In the event of injury or damage to another person or their property, **do not** admit liability, enter into any negotiations or attempt to settle a claim without speaking to Crombie Lockwood first
7. If you are required to complete a claim form, you should provide as much information as possible and submit the form to Crombie Lockwood who will pass this on to your insurer where appropriate
8. Your insurer may appoint an assessor or investigator to manage your claim. You should comply with any reasonable request however seek advice from Crombie Lockwood if you are not sure. We have dedicated Claims Consultants that are here to assist you through the claims process
9. At all times be aware of and comply with your duty of disclosure

How to avoid potential claims issues - Common issues that can affect your claim

- **Material risk is not disclosed to insurers**
When taking out a new policy, renewing your current policy or you have a change of circumstances, you have a duty to disclose to the Insurers every matter that you know, or could reasonably be expected to know, is relevant to the insurers decision on whether to accept the risk of the insurance, and if so on what terms. In the case of non-disclosure, a claim can be denied. For example, during the policy period you may venture into new activities, however you may not have disclosed this to Crombie Lockwood or to your insurers.
- **Acting too late**
You may not have realised an incident was a potential insurance matter; or you may have attempted to handle the problem yourself. If unsure contact Crombie Lockwood. Issues can arise on claims if you fail to notify Crombie Lockwood of the circumstances or a claim immediately.
- **Rights were waived**
You must not enter into any agreement without the written authority of the insurer whereby any of the rights to which they become entitled as your insurer after settling or agreeing to settle a claim are prejudiced or limited in any way.
If such an agreement is entered into, be it before an event through a contract or representation, or after the event in the form of making a settlement agreement without the insurer's approval, benefits under the policy, such as claims payments, could be forfeited.
- **Didn't document or communicate**
Claims can be affected if you fail to document fully and accurately the event at every stage, and/or, if you failed to act appropriately; and/or if you failed to communicate with Crombie Lockwood, lawyers and other experts.

Claims Procedure – Property (Building / Contents etc.)

When you suffer loss or damage to your property, it is important that you act quickly to ensure a suitable outcome. Any delay could result in a reduction of your claim or even a denial. You should therefore report all losses to Crombie Lockwood regardless of your excess or type of loss.

Remember, if ever in any doubt, speak to your broker.

Some general tips for a property claim:

1. Make sure the site, property and area are safe, secure and all reasonable steps are taken to minimise the extent of loss. Retain any receipts for costs incurred to be considered as part of any potential claim
2. Other than securing and making safe, do not undertake any repair or replacement until advised by Crombie Lockwood, the Insurer or their representative
3. Report all thefts, attempted thefts, malicious damage or any other matter involving potential criminal activity to the police
4. Do not dispose of any damaged items or parts unless directed to do so by an appropriate authority. If you do need to dispose of property, keep an inventory and if possible and safe to do so, photographs prior to disposal
5. Keep a record of names and contact details of any witnesses
6. Provide contact details of the person or persons who are best to manage your claim
7. Respond to all reasonable requests from the insurer or their representative, however if you have any doubt or require assistance, speak with your Broker or Claims Consultant
8. We will advise you if a claim form is required, however completing your internal incident report form or the attached Property Loss Report Form as soon as possible will assist you with the required steps to maximise your claim outcome. We suggest you keep a copy of the report form at each location or site

Claims Procedure – Liability

If loss, damage or injury occurs to another person or their property, you and your employees need to be reasonably aware of the terms and conditions of your liability insurance in order to minimise the risk to you and your insurer and ensure the best possible outcome for all parties.

The most important things to remember are:

- 1) Do not admit or imply that anyone is at fault
- 2) Do not make any public statement of any kind
- 3) Keep a record of all incidents of injury or damage no matter how small
- 4) Report ALL incidents to Crombie Lockwood to determine if your insurer needs to be notified

Following an incident, complete an Incident & Investigation Report form as soon as possible after the incident whilst memories are still fresh. If you do not have an Incident & Investigation Report form, we can create a suitable form for you. If you do have a form, we would ask that you forward a copy for our review to ensure that it is suitable and appropriate for insurance requirements.

The prompt and correct completion of the Incident & Investigation Report form cannot be over emphasised as this document will be relied upon in the event that a claim arises from the incident and litigation is commenced. It will also enable us to decide what the next and most appropriate course of action should be.

Important Notes

1. Your duty of disclosure

You have a common law duty to disclose all material facts before entering into or renewing or altering a contract of insurance. If any material facts are not disclosed, or if the facts are misrepresented, the insurance could be rendered void.

A material fact is defined in the Insurance Law Reform Act as one that would influence a prudent insurer in deciding whether to accept the risks for insurance and, if so, on what terms. Whilst your common law of duty of disclosure applies only before each contract is entered into, renewed or changed, some policies contain a condition that continues the duty throughout the period of insurance.

Your duty of disclosure does not include facts which are common knowledge. Nor does it include the facts of which your insurer is already aware or, in the ordinary course of business, ought to be aware. If in doubt, it is safer to disclose information than to conceal it.

Non-disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning.

PLEASE NOTE THAT YOUR DUTY APPLIES ALSO WHEN YOU SEEK TO AMEND, ALTER, OR ENDORSE A POLICY

Some examples of matters which would need to be disclosed to the insurers are as follows:

- Past insurance claims
- Insurance Companies denying a claim, refusing to renew a policy or declining to accept a proposal
- Criminal convictions
- Insurers imposing special conditions on your policy
- Storage of large quantities of flammable liquids

2. Change of risk or circumstances

It is vital that you advise Crombie Lockwood of any departure from your usual business activities (i.e. those which have already been conveyed to your insurers). For example, acquisitions, changes in occupation, or business activities, location, new products, or expansion into or new overseas activities.

3. Subrogation

You may prejudice your rights in respect to indemnity under your insurance policies if, without prior agreement from your Insurers, you enter into any agreement or formal contract with a third party that will prevent your insurer from recovering a loss from that third party, or another party.

Many of your policies have provisions which allow the insurer to recover from a responsible or negligent third party. Any agreement or contract that you enter into that excludes or limits your insurer's rights to recover damages from another party in relation to any loss, damage or destruction is contravening these provisions.

If you are considering entering into such agreements or contracts, you must advise Crombie Lockwood beforehand so that we can refer the provisions of the agreement or contract to your insurer for acceptance. Examples of such agreements are the 'hold harmless' clauses which are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. If you are in doubt, please consult Crombie Lockwood immediately.

4. Events occurring prior to commencement

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred prior to commencement of the contract.

5. "Claims made" policies

Professional Indemnity, Management Liability, Directors' & Officers' Liability, Product Guarantee & Recall Insurances and other nominated policies are written on a 'Claims Made' basis, which means that the policy will only respond as follows:

- To claims first made against the insured during the period of insurance and notified to the insurer during the period of insurance, providing that the insured was not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in the Insured's position on notice that a claim may be made against the Insured.
- If during the currency of the policy the insured becomes aware of any occurrence which may give rise to a claim under the policy and shall during the period of insurance give written notice to the insurer of such occurrence, any claim which may be subsequently made arising out of the occurrence of which notification has been given shall be deemed to be a claim made during the period of insurance whenever such claim may actually be made.
- When the policy expires, no new notification can be made on the expired policy even though the event giving rise to the claim against the Insured may have occurred during the period of insurance.
- The insured will not be entitled to indemnity under this policy in respect of any claim arising out of circumstances of which the insured was aware at any time prior to policy inception which would have put a reasonable person in the Insured's position on notice that a claim may be made against the insured.

When completing a proposal, the insured is obliged to report and provide full details of all circumstances which have become known to the insured and which would put a reasonable person in the insured's position on notice that claim may be made against the insured.

Uninsured Risks

Assets Based Insurances & Associated Business Interruption

Advance Interruption

Also referred to as Advance Loss of Profits – To cover loss of future income where completion of a construction project is delayed by damage

Boiler Explosion

To cover boilers and other pressure vessels against risk of explosion normally excluded from Material Damage policies

Business Interruption

To cover loss of income and/or increased costs resulting from damage to insured assets

Contract Works

To cover contract works against physical loss or damage and, optionally, to cover public liability arising in connection with the contract works

Crime

To cover theft of money or property by employees and third parties

Debtors Balances

To cover loss resulting from inability to recover debts because of damage to records. Cover is afforded under a Business Interruption policy

Earthquake

To cover earthquake risks normally excluded from basic Material Damage and Business Interruption policies

Fidelity

To cover theft of money or property by employees. This risk is not covered under ordinary Material Damage insurance

Goods in Transit

To cover shipments of plant, equipment and stock by land, sea or air including items whilst in transit in your own vehicles. Subject to a sub limit as specified in the policy schedule (eg. \$20,000)

Machinery Breakdown

To cover breakdown risks normally excluded from basic Material Damage policies, subject to a sub limit as specified in the policy schedule (eg. \$10,000)

Machinery Breakdown Business Interruption

To cover loss of income and increased costs resulting from damage by a peril insured under a Machinery policy

Material Damage

A general policy insuring physical property such as office contents, plant, stock, fixtures and fittings, buildings etc. against loss or damage

Refrigerated Goods (Spoilage)

To cover spoilage or deterioration of refrigerated and frozen goods, subject to a sub limit as specified in the policy schedule (eg. \$5,000)

Terrorism

To cover terrorism risks. This risk is specifically excluded from cover under Material Damage insurance policies

Insured	Not Insured
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General Liability Risks

Associations Liability

To cover entities such as professional bodies, sporting associations, not-for-profit organisations and trade industries, for legal liability incurred through advice or services provided to their members of general public. Cover is available for the association, its officers, board of management, board of trustees or management committee members

Bailees Liability

To cover liability for damage to property held under bailment, or in your custody and/or control

Contingency

Responds to claims for financial loss suffered by event organisers or promoters from an unexpected cancellation

Directors and Officers Liability

To cover directors and officers for their personal liability arising out of their duties as directors and officers. The insurance will also reimburse the company where it has already indemnified it's directors for any such liability. Cover includes associated defence costs

Employers Liability

To cover liability for injury to employees that might fall outside the scope of the Accident Rehabilitation and Compensation Insurance Act

Employment Disputes Liability

To cover damages and costs arising out of certain employment related disputes between employer and employees

Fraudulent Impersonation / Social Engineering

To cover losses resulting from phishing, whaling or other social engineering attacks

Intellectual Property Pursuit

To cover legal expenses to enforce intellectual property rights that are infringed by a Third Party

Internet Liability

Provides protection against:

- Third party liability due to e-activities
- Employees claims for harassment or breach of privacy through the use of your computer system

Legal Defence Costs

To cover legal costs for actions brought against you or by you in respect to:

- Property Disputes
- Data Protection
- Statutory License
- Employees breach of restrictive covenants
- Employment Disputes
- Commercial contract disputes

Insured	Not Insured
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Liability Consequential Loss

To partially cover loss of Gross Profit and increased costs arising from an event that also gives rise to a valid claim on a Liability Policy. This limited form cover is only available where the Liability Insurance is provided by the same Insurer

Libel and Slander

To cover liability arising out of libel and slander, particularly in connection with commercial publishing and broadcasting activities

Private Legal Aid

To cover private persons and their families for private Legal Aid Costs for defending a variety of criminal, traffic and civil actions

Product Guarantee

To cover liability for correcting defects in products or for replacing defective products

Product Liability

To cover liability for damage or injury caused by products

Product Recall

To cover liability for the cost of recalling products which are defective or suspected of being defective

Professional Indemnity

To cover liability incurred through negligence in giving professional advice or in carrying out duties of a professional nature

Prospectus Liability

To cover the Company, its Directors and Senior Executives for liabilities arising from the issue of a prospectus, information memorandum or other sale / purchase documents. This liability is generally excluded from Directors and Officers Liability policies unless they are specifically extended to cover it. Cover includes associated defence costs

Public Liability

To cover general liability for damage or injury to other parties or their property happening in connection with your business

Punitive and Exemplary Damages

To cover legal liability to pay punitive and/or exemplary damages in respect of personal injury

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Statutory Liability

To cover legal defence costs fines and reparations imposed under certain sections of Acts of Parliament such as:

- Health Safety at work
- Resource Management Act
- Building Act
- Fair Trading Act 1986
- Privacy Act 1993
- Consumer Guarantees Act 1993
- and other Acts as defined in the Insurer's policy

Note: Insurance against fines incurred under Health & Safety legislation is not permissible, however Defence costs incurred through actions brought under this Act remain insurable including reparations

Trustees Indemnity

To cover trustees of organisations for their personal liability for wrongful acts arising out of their duties as Trustees

Warranties and Representations Liability

To cover liability arising from specific representations or warranties made in an agreement between parties, particularly relevant in the sale and purchase of businesses

Office Bearers Liability

Office Bearers Liability responds to civil claims made against committee members for Wrongful Acts committed or allegedly committed in their capacity as officers of a body corporate. The insurance covers liability to the claimant and the costs of defending the claim

Transport Risks

Aviation Hulls

To cover aircraft against physical loss or damage

Aviation Liabilities

To cover public liability arising out of the use of aircraft

Carriers Liability

To cover liability under the Carriage of Goods Act

Marine Cargo

To cover shipments of goods by land, sea or air

Marine Hull

To cover watercraft against physical loss or damage

Marine Liabilities

To cover liability to other parties arising out of the use of watercraft

Motor Vehicle

To cover direct loss or damage to vehicles and third party liability in connection with the use of vehicles

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Insured	Not Insured
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Life, Disability & Health Risks

Business Expenses

Pays the fixed costs of your business if you are sick and cannot work

Critical Illness / Trauma

A benefit that provides your chosen lump-sum in the event of diagnosis with a serious medical condition. Insurers usually cover up to 35 major illnesses, such as cancer, heart attacks, strokes, Parkinson's Disease, major head injuries, etc.

Debt Protection

Where businesses or individuals have borrowed large amounts of money, they often want to protect themselves against the risk of being unable to repay the loan due to a serious health event (eg, death, disability, or illness)

Employee Benefits

Some employers choose to provide their staff with insurance benefits as part of their remuneration package. This tool is commonly used to increase staff loyalty and retention, or to protect those who work in high-risk industries. Cover includes a variety of special forms of insurance including life insurance, long term disability, salary continuance, medical expenses and superannuation

Income Protection

Provides you with a replacement wage if you cannot work (due to illness or disability) and suffer a loss of earnings. This insurance is critical for most working people

Key Person Insurance

This is used to protect your business from the additional costs involved in the event of death or disablement of key personnel. Such costs may include a loss of revenue; loss of opportunities, networks, and expertise; and the costs associated with recruiting a replacement

Medical Insurance

Covers the cost of surgery in a private hospital. Is commonly used to avoid lengthy delays on the Public Health System's waiting lists

Personal Accident

To provide cash benefits in the event of death or disablement following an accident to an insured person

Shareholders' Insurance

Also called Partnership Insurance, this policy is used by those in business with another person. In the event of a major health disaster (eg. death), the policy funds the buying and selling of shares so that the continuing shareholder retains full control of the business and the exiting shareholder receives a fair value for their shares

Term Life

Covers Death by Any Cause (ie. as a result of Sickness or Death). The sum insured is also paid in the event of Terminal Illness

Total Permanent Disablement (TPD)

The sum insured is paid if you are totally incapacitated and cannot work again. Most claims result from the worst kinds of head injuries, spinal injuries, and degenerative illnesses (such as motor neurone, multiple sclerosis, Parkinson's Disease, etc.)

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Miscellaneous or Special Risks

Bonds

Financial devices (rather than insurance policies) designed to avoid the need to provide a bond in cash

Credit Insurance (And Trade Debtors)

To cover the risks of trade debtors failing to pay debts due to their insolvency or protracted default

Cyber Risk

Provides protection against:

- Third party liability due to e-activities
- Employees claims for harassment or breach of privacy through the use of your computer system
- External data recovery costs and computer system repairs as a result of a virus or hacking attack
- Costs involved in a threat to your computer systems
- Public Relation costs in averting further loss under the policy
- Business Interruption cover in event of loss of revenue as a direct result of the failure to conduct e-activities as a result of a claim

Environmental Impairment

Provides a comprehensive solution that addresses a wide range of environmental risk that are not covered under other insurance policies

Extortion

Insurance in this category includes kidnap, ransom and product tampering

Growing Crops

A special form on insurance for crops. (Growing crops are excluded from Material Damage policies)

Law Safe at Work

Legal defence of criminal , serious traffic charges and other matters in respect of Police and other charges brought against employees of the Insured whilst in or about their work

Livestock

A special form of cover for livestock. (Livestock is excluded from Material Damage policies)

Political Risk

To cover overseas assets and contracts against loss arising from confiscation, expropriation or nationalization

Travel

Special policies which include cover for baggage, medical costs, and other travel related risks

Insured	Not Insured
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Agricultural & Bloodstock

Bloodstock

To cover horses for the risks of accident, sickness or disease

Rural

To cover Farm Assets, Farm Business Interruption, Liabilities and Farm Vehicles

Forestry

To cover forests against specified perils; including but not limited to Fire and Lightning. Optional extensions are available

Growing Crops

To cover failure or diminution of a crop resulting from certain specified events, for example flood or adverse weather

Livestock

To cover livestock for the risks of accidents, sickness or disease

Insured	Not Insured
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Broker Service Information

What a Crombie Lockwood broker does for you

Working as your trusted adviser, you receive considerable knowledge and expertise from our brokers who will understand your business and/or personal circumstances, assess the risks, and negotiate with insurers to recommend an insurance programme that will position you to financially survive any insurable event. Your broker will provide an ongoing review of your risk exposure and should the need arise introduce you to our claims specialists to provide assistance when it's needed.

How Crombie Lockwood gets paid

Our main source of income is through the payment of commission by the underwriters we use when we arrange your insurance. This is based on a percentage of the premium charged for the insurance and is retained from the premium paid by you. There is no commission payable on tax and statutory charges (Fires and Emergency Levy, GST or EQC). Crombie Lockwood or the insurer pay tax and statutory charges directly to the statutory authorities concerned.

As a general rule, the commission we receive is a percentage of the underwriter's premium. It covers the cost of providing advice to you and the costs related to servicing and arranging your insurance cover and claims assistance when needed. This income also covers any distribution functions that we perform for the underwriter where we act as an agent, such as marketing, annual renewal servicing and underwriting. It also covers our normal business overheads such as IT, legal, compliance, human resources and so on.

We may also charge you a service fee in addition to the commission we receive from underwriters, to maintain a specific level of service for you; and an administration fee to cover the costs of general office services such as printing, photocopying and other incidentals we incur in the administration and servicing of the insurance.

Alternatively, remuneration can also be charged as an agreed fee for the services we will provide.

If you use our 'pay monthly' finance option to spread the cost of your insurance premium over the course of a year, we receive a commission for arranging the finance and earn investment income from the premium we handle.

In addition, we sometimes attract business from referrals and we may have an arrangement with the referrer to pay them a referral fee which is usually a percentage of the commission we would receive. This does not result in any additional cost to you.

We do not take up offers of conferences or sponsorships from suppliers however our employees may from time to time attend training and social business functions and receive gifts and entertainment in accordance with our Gifting and Entertainment Policy.

How our brokers get paid

Our brokers are paid by Crombie Lockwood, not the insurer. They earn a salary and may also be entitled to receive an annual bonus based on achievement of defined goals. This gives you the knowledge that our brokers are not influenced to choose a particular underwriter when they put together your insurance programme and any ongoing recommendations or decisions made.

Glossary of Insurance Terms

Please find attached a glossary of terms commonly used in respect of your existing insurance program, the meanings of which are explained below.

Accident

An event or happening which is unforeseen and unintended.

Arbitration

A process to resolve disputes where both parties agree to be bound by the decisions of an Arbitrator.

Assessor

An individual or firm who is appointed to determine liability or assess loss in the event of a claim.

Average

A clause which allows an insurer to reduce the amount of an insurance claim, in proportion to the level of any underinsurance.

Capacity

The amount of capital available from an insurance company or the market, for underwriting insurance coverage.

Civil Liability

Many professional indemnity policies provide indemnity for a negligent breach of the professional duty of the insured. It is often possible to negotiate broader coverage that does not require there to be a negligent breach.

Co-insurance

A process by which a number of insurers agree to participate in an insurance risk (as co-insurers).

Common Law

The law that has evolved over time as a result of previous court decisions, rather than by specific legislation introduced.

Condition

A section of an insurance policy which stipulates certain undertakings, usually by the insured, for the policy to respond properly. These are usually related to the manner in which the insured must conduct themselves, particularly regarding the notification and handling of claims. An insurer may be able to refuse indemnity under the policy if a condition has not been complied with (subject to the provisions of the Insurance Law Reform Act).

Consequential Loss

A loss which is in addition to and in consequence of a claim under a policy, often an economic loss such as revenue or profits.

Contractual Liability

Legal liability or responsibilities of another party that are assumed under the verbal or written contract.

Cross Liabilities Clause

A clause in liability contracts which obligates the insurers to treat each insured under a combined policy, as if they were a separate insured entity.

Difference in Conditions (DIC)

Insurance which is arranged to provide supplementary coverage, over and above that which is insured by a nominated original or primary policy.

Duty of Disclosure

Under the Fair Insurance Code an individual or business applying for insurance has an obligation to disclose to the insurer, every matter which they know, or should know, would affect the insurers decision on whether or not to accept the risk, and what premium to charge. If relevant matters are not disclosed, the insurer is given certain rights to decline a claim or cancel a policy.

Excess / Deductibles

In most policies of insurance, an insured is required to contribute towards the first part of a loss. This contribution is known as an "Excess" or "Deductible"

Exclusion

A clause in the policy which describes events or circumstances for which the policy will not provide cover (i.e. cover is excluded).

Extended Reporting Period

An additional period of time provided after the expiry of a claims made policy, during which valid claims will continue to be accepted by insurers.

General Average

A loss incurred in ocean marine cargo insurance, where a claim is shared by all parties to the voyage.

Hold Harmless

A clause contained in a contract under which one party agrees to release another party from all legal liability.

Indemnity Value

This form of insurance for property is intended to place an insured in the same position after a loss, as he was before a loss. It normally provides for reinstatement of the damage less an allowance for depreciation.

Inherent Vice

The term refers to a quality, inherent in property, which produces damage to the property without the assistance of an outside cause and by its own action.

Limit of Indemnity

The maximum amount that an insurer will provide indemnity for in respect of any one claim, and/or in any one policy year.

Loss Adjuster

An individual or firm who is appointed to determine liability or assess loss in the event of a claim.

Loss Control

Actions taken by an organisation to reduce or mitigate the potential for future losses.

Loss Ratio

A measurement for calculating profitability, by dividing the amount of claims into the amount of premiums paid.

Material Fact

A matter of fact that is known by the insured, and should be advised to the insurer to enable it to decide whether to accept an insurance risk.

Moral Hazard

Perceived hazard arising from any non-physical, personal characteristic of a risk that increases the likelihood or magnitude of a loss.

Primary Insurance

Insurance that must indemnify the insured before any other coverage that the insured may have in place.

Rate

The pricing factor upon which a premium is based.

Reinstatement and Replacement Value

This is a form of insurance for property on a “new for old” basis. Where a loss occurs that is insured under these conditions, settlement will be based on the cost of replacing &/or reinstating the damage with new materials, without any deduction for age, wear and tear.

Retroactive Date

The indemnity provided under professional indemnity policies may include retroactive cover for activities undertaken before the policy was taken out. This will rarely be unlimited, and will be subject to a specific date, known as the retroactive date. Retroactive cover will exclude circumstances that are known prior to inception of the policy.

Run-off

Once a claims made policy expires, the insurer is not liable to provide indemnity for circumstances that have not been advised to them before expiry. A retiring partner, or business which has been sold, will need to ensure that cover is kept in force for a reasonable period of time to cover the “run-off” of potential incidents which have happened but are yet to be reported as claims.

Self-Insured Retention

The amount of risk which an organization assumes responsibility to self-insure.

Subrogation

This is the right given to your insurers to take legal action in the name of the insured, against third parties who may have contributed to the insured’s loss.

Tort

A civil wrong, other than breach of contract.

Utmost Good Faith (Uberrimae Fidei)

This is a basic principle of insurance which implies that both parties to an insurance contract have an obligation to act in good faith in their dealings with each other.

Warranty

A guarantee or assurance by the insured or insurer.

