

Important Information

Important Notices

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Section 1

Important Notices

Duty of Disclosure

You have a common law duty to disclose all material facts before entering into, renewing or altering a contract of insurance. If you fail to do so, or if any material facts are misrepresented, the insurance could be made void.

The Insurance Law Reform Act defines a material fact as one that would influence a prudent insurer in accepting or rating a risk. Your common law duty of disclosure applies only before each contract is entered into, renewed or changed, but some policies have a condition that extends the duty throughout the period of insurance.

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

Material Changes

It is important that you advise us immediately of any changes or developments to your business that would be material to your insurance. Examples include:

- Acquisition of or merger with another company, newly created or acquired subsidiaries.
- Any new claim, or potential claims incident, that has not been reported to your insurers.
- Business undertaken that is outside the scope of the description in your policies.
- The purchase, construction or occupancy of new premises.
- Alteration, vacancy, unoccupancy, extension or demolition of premises.
- Increase in values beyond the insured limits on property.
- Significant removal of stock or equipment to different locations.
- Assumption of liability or waiver of recovery rights under the terms of any agreement or contract.
- Hiring, leasing or borrowing of vehicles, plant or equipment.
- Charter of aircraft or watercraft.
- Substantial change in processing methods, occupancy of premises, or products.
- Development of new export markets, particularly in North America.
- Alteration to or disconnection of your fire or burglary protection systems.
- Proposed installation or modification of pressure plant, refrigeration plant or key machines.
- Issue of a prospectus, information memorandum or other documents in connection with the sale of the company's own securities.
- New outside directorships undertaken during the policy period.
- Changes to the Indemnity or Insurance clauses in the Company's Constitution.

This list is not exhaustive. Generally, you should let us know about any matter that might have an effect on the adequacy or validity of your insurance. Many policies contain an

express condition requiring notification of any changes that materially increase the risk as originally proposed to the insurer. Breach of such a condition could invalidate cover.

Utmost Good Faith

Every insurance contract is subject to the doctrine of utmost good faith, which requires that parties to the contract should act toward each other honestly and fairly, avoiding any attempt to deceive in assuming and performing contractual obligations.

Failure to do so on the part of the insured may permit the insurer to refuse to pay a claim or to cancel the policy or both.

Essential Reading of Policy Wording

We will provide you with a full copy of your policy as soon as it is received from the insurer.

It is essential that you read this document without delay and advise Marsh in writing of any aspects which are not clear or where the cover does not meet with your requirements.

Claims Made Policies

Your insurance programme may include covers which are "claims made" contracts such as Directors & Officers Liability, Statutory Liability, Employer's Liability and Professional Indemnity. It is essential that insurers are made aware of all claims or potential claim circumstances of which you, or your organisation, have become aware of during the current insurance period. A "claims made" contract is a policy which only applies with regard to claims made and notified to insurers during the policy period, subject to the act, error or omission giving rise to the claim occurring after any policy retroactive date.

Any claims or potential claims which arise subsequent to your completion of the proposal form or renewal declaration must be reported to insurers prior to the expiration of the current policy. If you are in any doubt as to whether a matter would be deemed to be a notifiable circumstance, we strongly recommend that you report the matter. Insurers do not usually penalise an Insured for reporting matters "out of an abundance of caution".

Subrogation

Some policies contain provisions that either exclude or reduce the insurer's liability for a claim if you waive or limit your rights to recover damages from another party in relation to any loss.

You may prejudice your rights with regard to a claim if, without the prior agreement from your insurers, you make any agreement with a third party that will prevent the insurer from recovering the loss from that, or another party.

If you have such agreements, we may be able to negotiate with the insurer to permit them and therefore we request you advise Marsh of their existence. 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 Marsh.

Hold Harmless Agreement

If you sign a contract that has a clause preventing or limiting your right to sue another party for recovery of a loss, your insurers will be unable to exercise subrogation. The clause might therefore be deemed a material fact which, if not disclosed to your insurers, could result in your insurance being rendered void.

Some policies contain a clause that permits certain kinds of waiver without having to disclose them. Before signing a contract that contains any kind of waiver, please check with your Client Executive. This applies in particular to the kind of waiver that relieves other parties of liability for their own negligence.

Average / Co Insurance (other than Business Interruption Insurance)

It is common practice in many countries for insurance contracts to be subject to "Average", although this is unusual in the New Zealand insurance market. If your policy has an Average clause contained in it, this means that if the "full value" of the property insured exceeds the sum insured, you would be required to contribute proportionally to each loss. The calculations of "full value" vary from one policy to another, depending on the basis of valuation contained in the policy. Policies that may contain an average clause include Fire, Material Damage, Business Interruption, Home Buildings and Contents. A simple example is:

Full Value at policy commencement date	\$1,000,000
Sum Insured at policy commencement date	\$700,000
\$700K/\$1M - insurer pays 70% of any insured loss & insured retains balance of 30%	
Amount of Claim, say	\$100,000
Amount payable by Insurers as a result of the application of Average/Co-Insurance (<i>being 70% of \$100,000</i>)	\$70,000

Marsh & McLennan Agency Placement System

Your insurance may be placed with insurer(s) through Marsh & McLennan Agency Limited (MMA), a related party of Marsh Limited, using an internet based placement system that allows for the efficient transfer of underwriting information and issuing of policy documentation. MMA is remunerated by insurers who use the placement platform and this is separate from the remuneration paid to Marsh for placing this insurance. Marsh discloses its wider compensation arrangements in a document entitled “Compensation Guide for New Zealand clients” available at www.marsh.co.nz.

Trade Sanctions

Marsh is unable to provide insurance or reinsurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose Marsh or its affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, laws or regulations.

Section 2

Insurers and Ratings

The ratings of the insurance companies with whom your insurance is placed with, or may be placed with, are as below.

Name of Insurer	Financial Strength Rating	Rating Agency
AIG Australia Limited	A	Standard & Poor's
AIG Insurance New Zealand Limited	A	Standard & Poor's
Allianz Australia Insurance Limited	AA-	Standard & Poor's
An overseas policyholder preference applies. Under Australian law, if Allianz Australia Insurance Limited is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on Allianz Australia Insurance Limited's assets to satisfy New Zealand liabilities.		
Allianz Global Corporate & Specialty SE	AA A+	Standard & Poor's AM Best
Asia Insurance Company Limited (Hong Kong)	A	Standard & Poor's
Atradius Credito y Caucion S.A. de Seguros y Reaseguros	A	AM Best
Berkshire Hathaway Specialty Insurance Company	AA+ A++	Standard & Poor's AM Best
Chubb Insurance New Zealand Limited	AA-	Standard & Poor's
Factory Mutual Insurance Company	A+ A+	Standard & Poor's AM Best
HDI Global SE	A+ A	Standard & Poor's AM Best
IAG New Zealand Limited	AA-	Standard & Poor's
Liberty Mutual Insurance Company	A A	Standard & Poor's AM Best
Lloyd's of London	A+ A	Standard & Poor's AM Best
QBE Insurance (Australia) Limited	A+	Standard & Poor's
An overseas policyholder preference applies to QBE Insurance (Australia) Limited ("QBE"). This means that in the event that QBE is wound up, Australian law requires that its assets in Australia are applied to satisfy its Australian liabilities, before those assets can be applied to satisfy overseas liabilities, which would include claims by policyholders in New Zealand. However, QBE is required to hold capital which meets minimum regulatory capital requirements.		
QBE Europe SA	A+ A	Standard & Poor's AM Best

Name of Insurer	Financial Strength Rating	Rating Agency
The Hollard Insurance Company Pty Limited	A-	AM Best
An overseas policyholder preference applies. Under Australian law, if The Hollard Insurance Company Pty Ltd is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on The Hollard Insurance Company Pty Ltd's Australian assets to satisfy New Zealand liabilities.		
The New India Assurance Company Ltd	B++	AM Best
AM Best downgraded the Financial Strength Rating of The New India Assurance Company Ltd (New India) to B++ from A- on 17/7/2020. As a result, New India no longer meets Marsh minimum financial guidelines for non-India based clients.		
The Shipowner's Mutual Protection and Indemnity Association	A	Standard & Poor's
Through Transport Mutual Insurance Association Limited	A-	AM Best
Vero Insurance New Zealand Limited	AA-	Standard & Poor's
Vero Liability Insurance Limited	AA-	Standard & Poor's
XL Insurance Company SE	AA- A+	Standard & Poor's AM Best
Zurich Australian Insurance Limited	AA-	Standard & Poor's
An overseas policyholder preference applies. Under Australian law, if Zurich Australian Insurance Limited (ZAIL) is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on ZAIL's Australian assets to satisfy New Zealand liabilities.		
AIA New Zealand Limited	AA	Fitch
AMP Life Limited	A-	Standard & Poor's
Asteron Life Limited	A+	Standard & Poor's
Cigna Life New Zealand Limited	A	AM Best
Fidelity Life Assurance Company Limited	A-	AM Best
nib nz limited	A-	Standard & Poor's
Partners Life Limited	A-	AM Best
Southern Cross Medical Care Society	A+	Standard & Poor's
Union Medical Benefits Society Limited	A	AM Best

Financial strength rating scales

Standard & Poor's					
AAA	(Extremely Strong)	AA	(Very Strong)	A	(Strong)
BBB	(Good)	BB	(Marginal)	B	(Weak)
CCC	(Very Weak)	CC	(Extremely Weak)	SD	(Selective Default)
D	(Default)	R	(Regulatory Supervision)	NR	(Not Rated)

The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories. The rating scale above is in summary form. A full description can be obtained from www.standardandpoors.com

AM Best			
A++, A+	(Superior)	A, A-	(Excellent)
B++, B+	(Good)	B, B-	(Fair)
C++, C+	(Marginal)	C, C-	(Weak)
D	Poor	F	In Liquidation
E	Under Regulatory Supervision	S	Suspended

Further information on these ratings is available at www.ambest.com

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

Note: "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the AAA category or to ratings below the CCC category.

Please note:

- Marsh's Market Information Group has established minimum financial guidelines for the insurance companies we use to help provide a relative framework and highlight insurer solvency. While Marsh does not guarantee the solvency of any insuring entity, we attempt to keep our clients informed about changes in the insurance marketplace.
- Some insurers may be rated by more than one rating agency.

Section 3

Claims Procedures

General

Marsh Claims Practice is responsible for managing your claim with your insurer. Our Claims Practice will liaise with your insurer and provide guidance and advocacy where appropriate. We do not provide legal advice.

The following procedures generally apply to all claim types:

- (a) Advise us promptly of any incident that may give rise to a claim. This will allow us to notify your insurer as soon as possible
- (b) We will advise you of any policy conditions that should be complied with.
- (c) We or the insurer may request that you complete a claim form and provide documentation to support your claim.
- (d) Do not admit liability or offer to settle any claim.
- (e) We ask that you act as a 'prudent uninsured' which means that you must take reasonable steps to reduce or limit damage and minimise your loss in a cost conscious manner. You must, in effect, act as if uninsured.
- (f) Damaged property and other relevant evidence or information must be preserved for the insurers' consideration.
- (g) In an emergency, such as a major fire or serious incident, a representative of Marsh should be contacted immediately. Contact details of your Marsh service team are noted in the front of this manual.
- (h) Cooperate with any adjuster/assessor appointed by your insurer. However if you are uncomfortable with the approach or the instructions given by the adjuster/assessor please contact Marsh immediately.

Motor Vehicle Claims

If you are involved in a motor vehicle accident, or an event involving your vehicle that may result in a claim:

- (i) Attend to any injured person first.
- (j) Notify the police if anyone has been injured. If police attend make note of the details of the attending officer.
- (k) Exchange the following information with other party involved:
 - 1. Name of driver
 - 2. Phone number
 - 3. Address
 - 4. Make of vehicle
 - 5. Registration number
 - 6. Insurance company
- (l) Do not admit liability or offer payment to any party involved.
- (m) Where there is damage to other property (e.g. fences), record details of damage and details of owner if available. Take photos if possible.
- (n) Record the names and addresses of any witnesses.
- (o) If your vehicle is not driveable, remove valuables and arrange for it to be towed to the nearest suitable place of safety or repair.
- (p) If the vehicle is stolen report the theft to the nearest police station immediately.
- (q) Take the vehicle to a repairer as soon as possible. The repairer will phone the insurer so that an assessor can be appointed. Most insurers have preferred repairers – please see further information under the heading “insurer contact details” below.
- (r) Complete a claim form and provide this to the insurer as soon as possible.
- (s) If you receive any correspondence from the third party or their insurer, please forward this to your insurer as soon as possible.
- (t) Marsh has agreed a process with insurers to speed up the processing of your motor vehicle claim. This ensures that your vehicle is back on the road as soon as possible. The process involves you contacting your insurer directly using the contact details below.
- (u) Marsh will continue to monitor your claim and provide assistance and advocacy for those not so straight forward claims.

Insurer Contact Details – Motor

Insurer	Phone	Email
Allianz Insurance	0800 500 115	claims_mail@allianz.co.nz
	Allianz can process your claim over the phone. You may download the claim form from www.allianz.co.nz and email the completed form to them.	
Lumley, a business division of IAG New Zealand Limited	0800 560 222 09 308 1100	motor2@nzi.co.nz
	You may download the claim form from www.lumley.co.nz	
GT insurance	09 377 4143	claims@gtins.co.nz
	You may download the claim form from www.gtins.co.nz	
NZI	0800 313 133	marshmotorclaims@nzi.co.nz
	<u>Windscreen claims</u> - Call Novus 0800 20 35 35 or Smith & Smith 0800 80 90 80	
QBE Insurance	0800 723 252 0800 QBE Claims	motorclaimsnz@qbe.co.nz
	You may also download the claim form from www.qbe.co.nz and email the completed form to them.	
Vero Insurance	0800 800 134 09 363 7541	newclaims@vero.co.nz
	Vero can process your claim over the phone. You may also download the claim form from www.vero.co.nz and email the completed form to them. For Windscreen Claims phone 0800 848 376	
Zurich	0508 987 424 0508 Zurich 09 928 8000	claims@zurichauto.co.nz
	Zurich New Zealand can process your claim over the phone. You may also download the claim form from www.zurich.co.nz and email the completed form to them. For Windscreen Claims phone 0800 20 35 35 or 09 928 8000	

Travel Claims

General

- (v) In the event of loss or damage to property always act as a 'prudent uninsured' which means that you must take reasonable steps to reduce or limit damage and minimise your loss in a cost conscious manner. You must, in effect, act as if uninsured.
- (w) Notify all relevant authorities (police, airline, carrier, tour operator, hotel management, etc).
- (x) Do not admit liability or offer to settle any claim/offer to make payment.
- (y) Keep all relevant documentation, such as receipts, invoices, police reports, etc as applicable.
- (z) Notify Marsh of the claim upon your return to New Zealand.

Travel Emergencies

(aa) Travellers should carry emergency contact details of their insurance provider with them.

Emergency Assistance or Advice Contact Numbers

Insurer	Details	Phone
Chubb Insurance New Zealand Limited	Chubb Assist	+64 9 374 1775
	24 Hour helpline for emergency assistance or advice.	
AIG Insurance	24 Hour helpline	+64 9 359 1678
	Travel Guard (Emergency Assistance Provider) 24 Hour helpline Reverse Charges are accepted in emergencies only	
Allianz	Allianz Global Assist	
	Corporate Travel Policies	+64 9 486 9025
	Leisure Travel Policies	+64 9 486 6868
	From Australia toll free:	1800 554 114
	From UK toll free:	0500 893 893
	From USA toll free:	1800 326 1543
	Allianz Global Assistance 24 hour helpline Reverse Charges are accepted in emergencies only	
NZI	24 Hour Helpline	+64 9 696 5550
	Reverse Charges are accepted in emergencies only	

Business Interruption Claims

Your insurer will usually appoint a loss adjuster who will assist you with minimising the extent of your loss with the view of rehabilitating your business as quickly as possible.

You are obligated to act as if you were uninsured, for example, you must:

- (bb) deal with any salvage in such a manner as to minimise loss by business interruption
- (cc) initiate any action which will minimise your loss
- (dd) concur and comply with all reasonable demands by your insurers which may avert or reduce your loss

Discuss and agree any action that may result in additional operating expenses and/or additional cost in expediting the reinstatement of your damaged property with the loss adjuster prior to initiating such action.

It is important that you record extra expenditure you incur from the outset, even if you feel such expenditure may not be claimable. The adjuster will advise as appropriate. Any dispute should be referred to Marsh for review.

Actions to Minimise your Loss

Before taking any action that may involve significant 'Increase in Cost of Working' it is essential that you reach agreement with the loss adjuster to take such action.

The following are examples of actions that can be taken to minimise your loss (depending on the nature and extent of the property damage and the duration and severity of the resultant business interruption):

Ask as many workers as possible (who cannot be gainfully employed) to take their accrued leave

Advertise in the media advising your customers of post damage arrangements, etc

Identify possible rental of temporary production, storage and/or administration facilities

Purchase suitable second-hand machinery as a stop-gap measure

Hire temporary equipment, compressors, generators and/or fork-lift trucks

Delegate processes/finishing or total production to outside firms to maintain important customers and complete urgent orders

Delegate work to other divisions/subsidiaries

Purchase suitable merchandise to fulfil urgent orders

Erect temporary/portable sheds to maintain limited production

Improvise - using alternative equipment to produce the most successful products; or adapting 'spare' storage areas to accommodate temporary production

Identify resources associated with site clearance and/or cleaning-up after the event

Arrange permanent or temporary repairs of machinery and equipment

Expedite costs associated with the reinstatement of destroyed/damaged premises, work of total rebuilding at a new site, acquisition of permanent alternative premises or plant

Arrange urgent air-freight of key plant and machinery items to reduce the total downtime period

Arrange special or extra transport to maintain deliveries

Identify the differential cost of selling better quality goods at a lower quality price to fulfil orders due to stock range depletion.

Calculate and organise extra shifts/overtime/additional manpower for production catch-up, or pre-damage level of Accumulated Stocks.

Legal Liability Claims

Give notice to Marsh immediately of any occurrence which might give rise to a claim.

Marsh Claims Practice is responsible for managing your claim with your insurer. We liaise with your insurer providing guidance and advocacy where appropriate. We do not provide legal advice.

We ask you to observe the following:

1. Please ensure that you do not admit liability or offer to settle the claim. Your insurer will need to be involved in the decision regarding liability if you wish insurance cover to be available to you.

As a rule, you should not mention the existence of your insurer's involvement to any third party other than where this would be contrary to a statutory or regulatory obligation.

If you have notified a circumstance which might lead to a claim, please keep us informed of developments. This includes forwarding us copies of all relevant correspondence. You may also be asked to provide draft responses to claim matters for prior approval from the insurer.

If you are served with proceedings please advise Marsh immediately and provide a copy of the documents received.

Should it be necessary to appoint a lawyer, the insurer will do so. Please do not instruct your own lawyer without permission from the insurer. If you instruct a lawyer without agreement from the insurer it is likely they will not cover the costs under the policy.

We ask that you continue to act as a 'prudent uninsured' between your notification and resolution of indemnity. A prudent uninsured is a broad term meaning you must take reasonable steps to reduce future risk or damage in the circumstances in a cost conscious manner without admitting liability.

If you have notified a potential claim, note that insurers may not look at the issue of cover until a demand for compensation or damages is received. While you may have notified Marsh of a circumstance that you believe might give rise to a claim, insurance cover is always subject to the policy terms and conditions.

You may use the following draft letter if you are pressed to acknowledge an incident by a claimant/third party:

(Your letterhead)

Without Prejudice

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 with you as soon as these investigations are completed.

Yours faithfully

Marine Cargo Claims

On discovery of loss or damage

- (ee) If loss or damage is noticed on delivery, insist on an "Exception without Prejudice" (EWP) notice from the shipping company or a carrier's receipt noting the loss or damage from the carrier.
- (ff) Notify Marsh of the loss or damage immediately.
- (gg) Open each package as soon as possible to check the extent of loss or damage.
- (hh) Contact the shipping company and / or their carrier by phone to request they attend a joint survey with your insurers of the goods. Follow up the phone call with written confirmation.
- (ii) Contact the Customs Department to request they attend the survey in respect of any dutiable goods lost or damaged.

Commence a claim against shipping company and / or carrier

- (jj) Your insurers, after paying a claim, 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.
- (kk) Lodge pro-forma claims immediately damage / loss becomes apparent on 'all' parties.
- (ll) Use the following draft claim on shipping company and / or carrier letter to initiate a claim against them.

Send to Marsh a completed claim form together with the following documentation

- (mm) Shipping invoice.
- (nn) Consignment note or bill of lading.
- (oo) Copy of claim against shipping company and / or carrier.
- (pp) Any replies received from the shipping company and / or carrier.
- (qq) Copy of the "EWP" note or carrier's receipt.
- (rr) Invoice for repair or replacement of items claimed.
- (ss) Copy of the pro-forma claim on the shipping company and / or carrier.

Draft for pro-forma claim on shipping company and/or carrier

For transits by sea, this form should be lodged within three (3) days of delivery. For sendings by air this form must be lodged within 14 days of delivery.

(your letterhead)

Damages claim (include details ex vessel / voyage number)

Masters, Owners & Agents, Carrier

M.V.

c/-

P O Box

Port of discharge: _____

Date of arrival: _____

Bill of lading no: _____

Bill of lading issued at: _____

The below-mentioned cargo has been short-landed / pillaged / damaged
(delete words not applicable):

Marks and numbers	Description of goods	EWP note number	Details of claim
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Your Mr.....was notified of this claim and requested to attend a joint survey on
...../...../.....

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

Mr..... Phone No:

A valued claim will follow this advice once the extent of the loss has been established.

Yours faithfully

TERMS OF ENGAGEMENT

1. TERMS OF ENGAGEMENT

- 1.1. These are Marsh Limited's ("Marsh", "we", "our" or "us") terms of engagement. They replace all prior terms of engagement or terms of business and we will provide all future services to you on the basis of these terms. If you do not agree with any aspect of these terms please notify us immediately. You are deemed to accept these terms of engagement in full upon receipt, unless you notify us to the contrary in writing.
- 1.2. Any reference to "you" in this document includes anyone else who you represent in engaging us.
- 1.3. These terms of engagement, along with any fee schedule and/or report, represent the legal contract ("the Engagement") between Marsh and you.

2. OUR STATUS

- 2.1. We will usually act on your behalf as an independent insurance broker but this is not always the case. In some cases we will offer products from one, or a limited number of providers. For example, in the case of domestic insurance we may exclusively recommend an insurance facility we have negotiated, and for premium finance for loans of less than \$100,000 we may provide quotations from only one provider.
- 2.2. For some types of insurance we or MMA may hold delegated authorities from an insurer or insurers. In these cases we may not seek alternative quotations unless you ask us to do so. We may engage contractors and other MMC group companies (such as MMA) to assist us to provide services. "MMC" means Marsh & McLennan Companies, Inc. "MMA" means Marsh & McLennan Agency Ltd.
- 2.3. We will normally make a recommendation to you for insurance policies. You will need to make your own choice about how to proceed and, on receipt of your instructions, we will endeavour to arrange insurance, subject to availability, to meet your stated requirements.

3. OUR SERVICES

- 3.1. As your insurance broker we may provide the following services (the "Services") under the Engagement.
- 3.2. Pre-insurance marketing services
 - Help you assess your risks and develop insurance specifications to submit to a potential insurer or insurers
 - Recommend potential insurances and insurers
- 3.3. Insurance marketing, placement and premium finance
 - Seek quotes from a potential insurer or insurers
 - Negotiate on your behalf
 - Report and discuss the options
 - Seek to bind coverage when you have authorised us to do so (except in urgent circumstances in which case unless you instruct otherwise we may choose to bind insurance on your behalf if we consider that is in your best interests)
 - If we think you may be interested in premium finance, we may also obtain and provide you with a premium finance quotation
- 3.4. Post-placement services
 - Send confirmation of coverage
 - Follow up with the insurer as necessary to prepare or obtain policies and/or endorsements
 - Review insurance policies and endorsements for conformity with agreed terms and coverages
 - Provide coverage summaries
 - At your request, issue or arrange certificates or confirmation of insurance(s)
 - Prepare or review premium adjustments
 - Invoice you for premiums, our fees and charges, and applicable taxes and levies
 - Remit collected premiums to insurers in accordance with their requirements and, where applicable, remit collected taxes and levies to the relevant authorities

- Monitor published financial information about your current insurer(s) and alert you if, during the period of a policy we place, one of those insurers falls below our minimum guidelines (but we will not take any action to replace your insurer(s) unless you instruct us to do so)
 - Assist you in establishing claims reporting procedures
 - Assist you to lodge claims, and (with your approval) negotiate on your behalf
 - If you ask, we may offer advice in our capacity as insurance brokers on the insurance and indemnity provisions of your commercial contracts
- 3.5. We or another MMC group company may also act as your risk management consultant or claims preparer, if you sign a separate agreement and agree a fee for the provision of those services. In the absence of such an agreement, you will pay us a reasonable fee for the services carried out, based on our standard charge out rates for the staff involved.

4. YOUR OBLIGATIONS TO US AND TO YOUR INSURERS

4.1. Provision of information:

In order to be able to arrange insurance to meet your requirements, you must:

- a) act at all times with utmost good faith towards your insurers and us;
- b) disclose to insurers before the policy is placed, and before the policy is renewed, extended, varied or reinstated, and at any other time when providing information to the insurer, all information, facts or circumstances which are, or ought to be, known to you and which are material to the risk or which are relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms; and
- c) ensure that when completing and signing any proposal form, or otherwise confirming information to insurers, the information provided is complete, accurate and provided within an agreed timescale.

4.2. You acknowledge that this duty is not limited to answering specific questions that may be asked by us or the insurer, and further that the duty of disclosure arises again if you wish to make changes to your policy or when the policy is renewed or extended.

4.3. We remind you that any failure to disclose all material information to the insurer whether intentionally or by error, could result in the impairment or voiding of coverage. Information will be material if it would influence an insurer to accept a risk and if so on what terms and at what premium. Similarly, a failure to set adequate sums insured for specific locations, or types of loss, or for the policy as a whole can prejudice coverage. If you are in doubt about whether information is material, and whether you have a duty to disclose it, or are not sure that the sums insured are adequate, it is very important that you let us know as soon as possible.

4.4. You shall be solely responsible for the accuracy and completeness of all information that you furnish to us and/or insurers, and you shall sign any required application for insurance. We shall not be responsible to verify the accuracy or completeness of any information that you provide and we shall be entitled to rely on that information.

4.5. We shall have no liability for any errors, deficiencies or omissions in any Services provided to you, including the placement of insurance on your behalf, that are based on inaccurate or incomplete information provided to us. You understand that the failure to provide all necessary information to an insurer, whether intentional or in error, could result in the impairment or voiding of coverage.

4.6. We may communicate with you by electronic means, including sending renewal notices and policy documentation, unless you specifically request that this is not done.

4.7. Records:

You agree promptly to check all documentation supplied to you by us or insurers to ensure there are no mistakes or misunderstandings. You will advise your usual Marsh contact or the insurer immediately of any errors or anything you believe is not in accordance with your instructions or specifications.

You are responsible for maintaining copies of your insurance policies, and any amendments to them, in a safe place for as long as it is possible for a claim to be made under them. New documentation may not be issued every year, and subject to any legal requirements, after expiry or termination (whatever the reason) of our appointment as your insurance broker, we may not retain copies of policies placed by us on your behalf.

4.8. Payments by you:

Our invoices for the premiums due to insurers, our fee (if applicable) and any taxes, Fire Service Levies, and other charges due to us or a third party are due immediately on receipt of our invoice, unless you have advised us that you wish to arrange premium financing through us. While it is not our usual practice to pay any amount due from our clients to a third party (for example, premiums due to your insurers) before receiving it, if we choose to do so, you must immediately reimburse us on request.

Where we place New Zealand risks with overseas insurers we are deemed by law to be their agent and are liable for the payment of New Zealand Fire Service Levies. You must indemnify us against any liability we may incur in this regard.

5. REMUNERATION

- 5.1. We may agree a fee payable by you covering the placement of a specific insurance policy or policies and/or we will be entitled to receive commission/brokerage payable by your insurer.
- 5.2. We reserve the right to retain in full all remuneration deemed earned even where an insurance policy is amended, terminated or otherwise cancelled. Our remuneration is not conditional on the placement of an insurance policy being made, and we reserve the right to be remunerated for the work we have undertaken.
- 5.3. Your insurers may also pay us, or MMA, or other MMC companies sums in addition to commission/brokerage or the fee we receive from you for Services or benefits we provide to them in connection with placements we make for you and other clients.
- 5.4. We may recommend contracts of insurance which are arranged through facilities in place with insurers whereby Marsh, or another member of the MMC group of companies, acts as the agent of the insurer and/or we may obtain the assistance of another broker or member of the MMC group of companies in New Zealand or overseas, in order to carry out your instructions to arrange contracts of insurance.

Where we do so, we, a member of the MMC group of companies, the other broker and/or the agent may receive additional remuneration from the relevant insurer or charge a fee.
- 5.5. Where we, or another MMC group company, are instructed by insurers to place reinsurance on their behalf, we or they may receive remuneration from the insurers or their reinsurers.
- 5.6. If a fee payable by you is not stated to include or exclude GST and/or any other applicable tax or levy, then it is payable by you in addition to the fee.
- 5.7. If we spend more than 10 hours on a claim or series of related or similar claims, we may charge you an hourly rate for any further claims services provided.
- 5.8. We may also make an administration charge to you of a minimum of \$75 plus GST per policy, endorsement or invoice. These charges are disclosed on our invoices.
- 5.9. If any adjustments are made to your insurance during the policy period, mid-term or at year end, we will be entitled to receive commission/brokerage on the increased premium. We may retain any commission/brokerage already received on downward premium adjustments or in the case of policy cancellation or avoidance. We will not be entitled to additional commissions if a fee has been agreed for the placement of that policy, unless the additional work falls outside the scope of that fee.

- 5.10. If during the term of this Engagement, you instruct us to arrange a contract of insurance (that was not included in the insurance program at the commencement of this Engagement) or premium funding contract, we will agree with you additional remuneration which may include:
- a) commission/brokerage from an insurer or premium funder as the case may be in accordance with customary market practice; and/or
 - b) an additional fee.
- 5.11. If during the term of this Engagement, you instruct us to provide any additional services we will agree with you additional remuneration.
- 5.12. We earn and retain interest income on monies received from you between the time of receipt and disbursement. We receive commissions and/or other payments from premium financiers.

6. DISCLAIMERS; EXTENT OF LIABILITY

- 6.1. We shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or meet its other financial obligations.
- 6.2. We do not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to you.
- 6.3. We do not guarantee that any tax or Fire Service Levy payment advantages will result from the way in which we arrange your insurances and we disclaim liability for any additional expense or liability that may be incurred, or planned saving which is not made.
- 6.4. We will not be responsible for the adequacy or effectiveness of any insurance programmes or policies implemented by a non-MMC broker, nor any of their acts or omissions.
- 6.5. If we directly cause any loss or damage, we will be liable only to the extent and in the proportion (which may be nil) that our conduct or the conduct of someone whom we are responsible for (rather than the conduct of another party) caused the loss or damage.
- 6.6. If as a result of your engagement of Marsh, insurance broking or risk consulting services are provided to you by other MMC group companies or our contractors they will be provided as our agent. Claims for any form of loss or damage (even in the case of negligence) may only be made against Marsh Limited, not other MMC group companies nor their or our respective directors, representatives, contactors and/or employees.

7. LIMITATION OF LIABILITY

- 7.1. In no event shall either party to this Engagement be liable for any indirect, special, consequential or punitive damages or for any lost profits arising out of or relating to any Services provided by:
- a) Marsh and/or its related companies and associated entities and their representatives (including but not limited to its / their employees, agents, consultants and authorised representatives); and/or
 - b) Marsh & McLennan Agency Limited or any other entity within the Marsh & McLennan Companies Inc, group of companies or its / their related companies and associated entities and its / their representatives (including but not limited to its / their employees, agents, consultants and authorised representatives) (these entities and individuals shall collectively be referred to as the "Relevant Persons").
- 7.2. **The aggregate liability of Marsh and the Relevant Persons combined, arising out of or relating to the provision of Services or any additional services, shall not exceed one million dollars (NZ\$1,000,000).** This provision applies to the fullest extent permitted by applicable law for all events giving rise to any liability on the part of Marsh and/or the Relevant Persons, whether arising in contract, tort (including negligence), equity, statute, or on any other basis, but does not apply to any liability arising as a result of fraud by Marsh and/or the Relevant Persons.

8. TERM AND TERMINATION

- 8.1. Either you or we may terminate our appointment upon written notice to the other, in which case:
- 8.2. **If you pay us a fee.** If we terminate this Engagement, or if you terminate this Engagement due to our material breach of this Engagement or following our insolvency, our fee will be adjusted. Any annual fee from you for placing insurance is deemed 40% earned for any service provided up to placement, 30% earned on placement and 30% earned for ongoing servicing activities pro-rata in the following months.
- If you terminate this Engagement for any other reason, our annual fee from you and any other remuneration will be deemed fully earned as at the effective date of termination.
- 8.3. **Where we receive commission/brokerage.** If this Engagement is terminated by you for any reason, all commission/brokerage received by us will be retained.

- 8.4. **If you pay us a fee which is based on an appointment for a fixed term in excess of 12 months.** If this Engagement is terminated by you within that term (other than by you due to our material breach of this contract, or following our insolvency), we shall be entitled to (i) receive or retain any remuneration which is deemed earned at the effective date of termination and (ii) be paid 50% of the outstanding fee(s) which would have become payable for the remainder of the term.
- 8.5. **In all cases.** Any obligation we have to provide Services to you will cease upon the effective date of termination, unless otherwise agreed in writing. If requested, we will assist you in arranging a smooth transition process, subject to receipt of all amounts due to us from you (or as the case may be, from your insurers). We will be entitled to be fairly remunerated for any pre-insurance marketing work for which we have not received any remuneration, along with any handover costs.

9. INTELLECTUAL PROPERTY

- 9.1. We shall retain all ownership, title, copyright and other intellectual property rights in all materials developed, designed or created by us (or any of the MMC group of companies) before or during the Engagement, including systems, methodologies, software, knowhow and working papers. We will also retain all ownership, title, copyright and other intellectual property rights in all reports, written advice or other materials provided by us to you, and we grant you a perpetual and royalty free licence to use those materials, but only for the purposes for which they were created under this Engagement.

10. CONFIDENTIALITY AND PRIVACY

- 10.1. We will keep all information about you and your business confidential and, except where necessary for the purpose of providing Services, which includes offering premium finance, we will not disclose it outside the MMC group of companies and our or their contractors without your consent. This does not apply to information that is already public knowledge.
- 10.2. We may store information (including personal information) that we receive or hold about you in secure server locations outside New Zealand.

- 10.3. Where we collect personal information from individuals, those individuals have the rights of access to, and to seek correction of, personal information about them. Marsh or other MMC group companies may wish to contact you, including by email, with goods or services which may be of interest to you, including sending you newsletters and service offerings. If you do not object to this, which you may do at any time, your and your staff's consent will be assumed.
- 10.4. We may obtain information about you and where you are a company your related entities, from third party sources (such as banks), as is necessary for the purpose of establishing the origin of unidentifiable payments we receive, and such third parties are hereby authorised by you to make such disclosure to us.

11. ENTIRE AGREEMENT

- 11.1. This Engagement sets out the entire understanding of the parties in relation to the matters that it deals with and supersedes and invalidates all previous letters, agreements and understandings (oral or written) in relation to those matters.

12. CLIENT AS REPRESENTATIVE

- 12.1. If, in performing the Services, we arrange contracts of insurance for you under which another entity is also indemnified, we will rely upon you to:
- give and receive all notices on behalf of you and the other entity;
 - make available to the other entity a copy of the policy document for each contract of insurance we arrange on that entity's behalf;
 - give us, on the other entity's behalf, all information relating to the other entity that is required by us for the performance of the Services;
 - pay premiums, and receive return premiums in relation to the contracts of insurance on behalf of the other entity; and
 - give a valid release for any claims monies paid to you on behalf of the other entity.

13. MISCELLANEOUS

- 13.1. We shall not have any liability for any failure or delay in performing any Services because of an event beyond our reasonable control.
- 13.2. We are entitled to retain copies of any documents which in our reasonable judgement we deem necessary for the conduct of our business and in order to comply with our legal obligations.
- 13.3. You will provide reasonable access to any files and documents delivered by Marsh to you (including making copies) in the event that Marsh wish to review them for the purpose of addressing any allegations, claims or actions which may be made against Marsh or where Marsh are legally compelled to disclose documents to third parties.
- 13.4. You consent to us including the name of your company or group in Marsh's internal publications, new business reports or tenders.
- 13.5. We may assign this Engagement at any time to any member of the MMC group of companies.
- 13.6. We reserve the right to amend these terms by giving notice to you.
- 13.7. The laws of New Zealand govern this Engagement and the New Zealand courts have exclusive jurisdiction over any dispute between you and us.

FOR FURTHER INFORMATION

For further details, please contact your Marsh Client Executive - 0800 627 744

www.marsh.co.nz



Marsh Ltd

Level 11, PwC Tower, 15 Customs Street West
PO Box 2221, Shortland Street
Auckland 1140, New Zealand
www.marsh.co.nz

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