



## **Hutchison Rodway Insurance**

Hutchison Rodway (Waikato) Ltd

---

### **TERMS OF BUSINESS ARRANGEMENT**

---

#### **1. Agreement**

1.1 You have appointed

*Hutchison Rodway Insurance*

*PO Box 19497, Hamilton*

*Physical address*

*07 974 9234*

*07 839 3611*

*info@hutchisonrodway.co.nz*

as your insurance broker.

We will provide you the services in accordance with this Terms of Business Arrangement (terms).

1.2 These terms apply until they are varied by agreement in writing between you and us, or until our appointment is cancelled or revoked. We may vary the services we offer you from time to time, without prior notice.

1.3 These terms are in addition to any other terms set out in any letter of authority, appointment, authorisation signed by you, or any other terms we may provide you with from time to time which you agree to in writing. In the event of any inconsistency between these terms and such additional terms, the letter of authority, appointment, authorisation and additional terms will prevail over these terms.

#### **2. Services**

2.1 We are members of;

- (a) The Insurance Brokers Association of New Zealand Inc. (IBANZ), a professional body representing the interests of paid up member insurance brokers, and we subscribe to the IBANZ Code of Practice.
- (b) The Allied Insurance Group Limited which supplies management, marketing, buying benefits and services to us.

2.2 Insurance brokers operating in New Zealand are governed by the Insurance Intermediaries Act 1994. This Act sets out certain things and procedures that insurance brokers must adhere to concerning premiums, claims and investment monies.

2.3 We offer a wide range of insurance products and risk management services to both business and the individual. These may include;

- a review of your risk exposure and insurance needs. This includes reviewing your current risks, auditing your existing insurance portfolio and researching your insurance needs;
- advice about insurance products. This includes making recommendations for your consideration regarding cover, improvements or premium including any cost savings available in the market where available;
- arranging, amending and renewing of insurance contracts (policies) on your behalf. This includes providing you with statements of advice, policy documents, insurance schedules, confirmation notices including variations in cover, and advising you of policy expiry dates;
- arranging premium funding by instalment if required and
- assistance with insurance claims. This includes managing and administering your claim.

We may provide additional services upon request.

2.4 As your insurance broker we normally act as your representative regarding arranging insurance on your behalf. We will make recommendations and suggestions to you regarding potential insurers based on your requirements however the final choice of insurer will remain your responsibility.

2.5 We may arrange insurance for you with insurers domiciled in New Zealand or elsewhere or a combination of both. We may engage the services and assistance of third party brokers, reinsurance brokers, underwriting agents, consultants or others to assist us with the provision of the arranging and placement of such insurance for you.

2.6 We may provide you assistance with the placing and servicing of insurance for risks domiciled outside New Zealand, or the management of risks outside New Zealand. We may engage the services and assistance of third party brokers, consultants, insurance brokers, reinsurance brokers or others to assist us with the provision of such services to you.

2.7 We make no representation or warranty concerning the solvency or ability of any insurer to pay claims. In New Zealand, insurers are required to comply with the provisions of the New Zealand Insurance Companies (Ratings and Inspections) Act 1994, Schedule of Ratings and Notices of Election Not to be Rated as may apply from time to time. We are required to inform you of such ratings or non-rating in the terms of the above Act.

- 2.8 We will negotiate with insurers on your behalf and will keep you informed of any significant developments. We will do our best to ensure that policies and endorsements for insurance we place on your behalf are issued by your insurers promptly and correctly. These documents detail the precise terms and conditions relating to the insurance we have arranged for you and the information contained in them is important. We recommend you keep these documents in a safe place.
- 2.9 Upon our receipt of premiums and related statutory charges from you, we will arrange for their timely disbursement to the relevant insurers and authorities in accordance with market practice. We hold all client monies separate from our business operating accounts.
- 2.10 While we will endeavour to provide you with relevant and up to date information, we are not responsible for the accuracy or reliability of information we receive from an insurance company, reinsurer or other party which we then forward to you.
- 2.11 If your insurances were arranged by another party prior to our appointment:
- (a) we will not be responsible for any payments made in relation to those insurances prior to our appointment (including payment of premiums and claims);
  - (b) we will review the policies within 60 days of our appointment, or upon receipt of the document, whichever is the later, and discuss with you any relevant issues we identify with the policies; and
  - (c) we will not be responsible to the adequacy or apportionment of such insurances for your needs prior to our review.
- 2.12 We may enter into binder arrangements with insurers from time to time to arrange insurance policies on their behalf.
- 2.13 You can provide us with instructions in person, by telephone, email or in writing using our contact details above.

### **3. Remuneration**

- 3.1 In accordance with normal market practice, insurers with whom we transact provide us with premiums that include brokerage / commission.
- 3.2 The brokerage / commission is a percentage of the premium (excluding government charges, levies and taxes). Some insurers provide higher commissions than others. The rate of commission can vary according to the type of insurance and cover provided and the way the transaction is arranged.
- 3.3 On commercial insurance accounts we rebate all insurer commissions back to our clients. A disclosed fee is charged to on the insurance transaction for carrying out our broking services as described in these terms of business
- 3.4 On domestic insurance transactions we may be remunerated by commission as described in 3.1 & 3.2 above. We may also charge an administration fee.

- 3.5 Where we arrange the placing and servicing of insurance overseas, our overseas representatives may also receive remuneration from insurers in accordance with normal market practice.
- 3.6 If you wish us to provide services in addition to those already agreed, we may charge you an additional fee. Such additional fees will be disclosed to you.
- 3.7 We sometimes pay a fee to a party who has referred you to us and pay this fee out of the commission received from insurers and fees you pay us. The same applies if you are part of a rewards program such as Smart Trade. A fee is paid to Smart Trade to enable them to administer and issue you with reward points.
- 3.8 If we arrange premium funding for you, we may earn a commission from the premium funder. This is usually calculated as a percentage of the amount funded.
- 3.9 We may earn interest on funds held in our insurance broking client account and during this time it will generate interest at the standard banking rate.
- 3.10 We may also receive non-financial benefits from insurers including training grants, conference fees, equipment, social functions.
- 3.11 We reserve the right to set off any outstanding sums that you owe us in connection to any contract of insurance, from any money we receive on your behalf in relation to that insurance.
- 3.12 We reserve the right to make an administration charge for issuing replacement policies, certificates, copy policies or certificates requested by other parties.
- 3.13 In the event of a policy being cancelled mid term, and not replaced by another policy, we will refund the returned premium we receive from insurers subject to any cancellation or administrative fee imposed by the insurer. We reserve the right to retain any income, fee or commission we have received for arranging and managing the insurance.

#### **4. Your Responsibilities**

- 4.1 Insurance is a contract of *"utmost good faith"* and it is a minimum standard that requires both the buyer and seller in a transaction to act honestly toward each other and to not mislead or withhold critical information from one another. The doctrine of utmost good faith applies to many common financial transactions. It is also known in its Latin form as "uberrimae fidei". You have a duty of disclosure. You are responsible on an ongoing basis for providing us with all material facts relating to the insurance contracts we arrange on your behalf. Material facts are those that would influence an insurer when they were deciding whether to accept the risk, and the terms and conditions that would apply. Failure to provide full and accurate information may mean that your cover is reduced, cancelled, or if the non-disclosure is fraudulent, the insurer may be able to avoid (cancel) the contract from the very beginning. If you are in any doubt as to what facts are considered to be material you should disclose them to us.
- 4.2 You must provide accurate, complete and timely information to us. You are responsible for all information you provide in any proposal, claim form or other material document. We are not responsible for checking the accuracy or completeness of any information you provide to us or

any insurer. We will not be responsible for any consequence resulting from a failure by you to disclose all material facts to an insurer (including, without limitation, the possibility of your insurance policies being rendered void or limited).

- 4.3 You must advise us on an ongoing basis of any change in your business that might affect your insurances. This may include acquisitions, disposals, mergers, sale of principal assets, or material changes to business operations.
- 4.4 If you want to vary any insurance e.g. by increasing the sum insured or adding other property, you must provide us with details of the changes you require and any other information you need to disclose to insurers. Any adjustment to the premium will be advised to you.
- 4.5 You must advise us (or your insurers) as soon as is reasonably practicable of an event or circumstance that may give rise to a claim or potential claim under your insurance policy(ies). If you do not inform us (or your insurers) of such a claim or potential claim you may prejudice your rights under your insurance contracts. You will be advised if you need to complete a claim form or produce documentation to support your claim.
- 4.6 After receiving your insurance documents from us, you must check them and advise us promptly of anything that does not meet your requirements. Any errors should be notified to us immediately.
- 4.7 You must pay the premium(s), any statutory charges, government levies, taxes, GST and fees when due as set out in our invoice(s), unless premium funding has been arranged. We will give full information about premium payment options when we provide quotations
- 4.8 If you do not pay the premium on time, we are required to advise the insurer. The insurer has the right to cancel the insurance and you will not be insured. The insurer may also charge a short-term premium for the time they have insured the risk.
- 4.9 Please note that we have no obligation to fund any premium, taxes or fees (if applicable) on your behalf and we will have no responsibility for any loss you may suffer as a result of insurers canceling the insurance or taking any prejudicial steps as a result of late payment.

## **5. Disclosure of Interest**

- 5.1 We make every attempt not to have a situation where there is a conflict of interest. Should a situation arise where a conflict of interest could be perceived we declare it as soon as it is practicable for us to do so.
- 5.2 Allied Insurance Group Limited and us as a shareholder member have entered into a binder arrangement with American Home Assurance Company (New Zealand branch) trading in New Zealand as Chartis ("Chartis") to arrange and issue insurance policy documentation as their agent.
- 5.3 We are not authorised to advise you on the insurance contracts on behalf of Chartis or to deal with or settle claims on their behalf. We are able to do so only on your behalf.

- 5.4 Chartis subscribes to the Fair Insurance Code and has internal and external dispute resolution procedures. Chartis reserves the right to carry out surveys as and when required.
- 5.5 Hutchison Rodway Ltd is a shareholder in Allied Insurance Group Limited (Allied). Allied has arrangements with insurers under which Allied receives commission for each product arranged by us with those insurers. These payments are used to operate Allied. We may receive a proportion of that commission at the end of each financial year.
- 5.6 The shareholders of Hutchison Rodway (Waikato) Ltd are also shareholders, either directly or indirectly as interrelated directorships through other legal entities they control, in Initio Insurance Ltd and Initio Web & Systems Development Ltd

## **6. Free Look or Cooling Off Period**

- 6.1 Some insurers may provide insurance which allows for a “free look” or “cooling off” period during which the insurance may be cancelled by you without penalty and without giving reason.
- 6.2 Cancellation may be exercised by notice in writing to us from a person(s) authorised to represent each of the parties who are named as insured, quoting your policy number.
- 6.3 Should you cancel the insurance; the insurers will normally refund any premium, provided no claim has been made.

## **7. Complaints and Disputes**

- 7.1 If you are not fully satisfied with our services please contact us in writing, addressed to “The Manager” and provide details of your complaint. Your complaint will be acknowledged in writing and we will endeavour to resolve your problem within 20 working days.
- 7.2 If you remain dissatisfied, you have the right to refer your complaint to The Insurance Brokers Association of New Zealand Inc (IBANZ) Discipline and Complaints Committee. Refer to the website [www.ibanz.co.nz](http://www.ibanz.co.nz) for additional information.

## **8. General**

- 8.1 YOU MAY CANCEL OUR APPOINTMENT BY GIVING US ONE MONTHS NOTICE OF CANCELLATION.

Upon such cancellation notice being received, we will cease providing you services and:

- (a) withdraw from any negotiations in progress, including, without limitation, any claims or renewals of policies;
  - (b) return any premiums we have received from you but not yet allocated or disbursed; and
- upon request, deliver to you copies of relevant correspondence we have had with your insurer in respect of any current claim.

If a contract of insurance is cancelled before the expiry of the period of insurance, we may refund the net premium we receive from your insurers(s). We reserve the right to retain our fees, commissions or brokerage earned when the policy was arranged.

- 8.2 We will not cancel your contract of insurance without written instruction from a person(s) who is/are authorised to represent each of the parties who are named as insureds in the contract of insurance or the approval of any interested parties noted in the contract. We cannot cancel a policy without the insurers approval and some insurance contracts contain a non-cancellation clause or cancellation penalties which, for the avoidance of doubt, you will be responsible for paying.
- 8.3 We will keep all information you provide us about your business confidential and only disclose it in the normal course of negotiating, arranging and administering your insurance and, except where disclosure is required by law or where the information is already in the public domain.
- 8.4 You consent to being entered into our marketing database and, for the purposes of the Unsolicited Electronic Messages Act 2007, you expressly consent to receiving email communications from us with regard to our business or the insurance industry. You may revoke such consent at any time, and we will remove you from our marketing database.
- 8.5 Any failure by us to enforce any right or obligation under these terms, will not in any way limit or waive our right to subsequently enforce such right or obligation.
- 8.6 If any part of these terms becomes invalid or unenforceable for any reason whatsoever, the remaining terms will continue to apply subject to any modifications as is necessary to continue to give them effect.
- 8.7 These Terms of Business Arrangement are governed by the laws of New Zealand and the parties submit to the exclusive jurisdiction of the New Zealand Courts.
- 8.8 We accept no liability for instructions received until we acknowledge receipt and acceptance of the instructions to you in writing.
- 8.9 No cover or action by us shall be deemed to be taken or given until confirmed by us in writing.
- 8.10 We shall be entitled to rely on all written instructions without further enquiry, including email instructions.