

# Thorner General Insurances Limited

# Terms of Business

(to be read in conjunction with our disclosure document)

## Agreement

You have appointed us as your financial advice provider in accordance with the terms of this agreement. By allowing us to continue to act as your financial adviser you agree to be bound by the terms of this agreement.

This agreement sets out the terms and conditions on which we will provide all services to you unless we agree otherwise in writing. These terms apply until they are varied by agreement in writing between us, or until our appointment is cancelled. We may vary the services we provide you from time to time, on providing notice to you. These terms are in addition to any other terms we may agree from time to time. In the event of any inconsistency between these terms and such additional terms, the additional terms will prevail over these terms.

You will be taken to have accepted the terms of this agreement by continuing to instruct us unless otherwise agreed in writing. This Agreement is governed by New Zealand law and the New Zealand courts have exclusive jurisdiction.

## About Us and our services

Thorner General Insurances Limited is a privately-owned independent insurance financial advice provider (FAP). We have been operating since 1991 and since that time have helped numerous clients with robust insurance solutions. We can assist with all types of business and personal insurance requirements and as an independent FAP we have access to a wide range of insurance providers. To provide you with the best possible insurance and risk management, we maintain strategic partnerships with New Zealand's leading insurers, including access to offshore insurance markets such as Lloyd's of London.

All General Insurance financial advisers at Thorners are appropriately qualified and are acting on behalf of Thorner General Insurances Limited. Under NZ law they are classified as Financial Advisors and must comply with the requirements of Financial Services Legislation. This includes disclosure obligations, minimum qualifications, ongoing professional development requirements and a code of professional conduct as set out in regulations. It confirms that you are receiving advice from a professional adviser who is authorised to provide advice on and deal in general insurance products including the ability to issue, apply for, acquire, vary, or dispose of such products to our clients.

Our financial advisers are members of the Insurance Brokers Association of New Zealand (IBANZ), a professional body representing general insurance financial advisers in NZ who sets and maintains professional standards and professional development requirements for its members. Thorners is also part of the Steadfast Cluster Group (a nationwide network of financial advisers). Steadfast is Australasia's largest general insurance broking network and being part of this network provides us with improved buying power, a broader range of exclusive products and services and more flexibility when negotiating with major insurers. Visit [Steadfast](#) to find out more.

## Our contact details.

If you need to make any amendments to your insurance cover at any stage or have any insurance requirements please contact this office, our contact details are set out below.

Contact details	
Name of company	Thorner General Insurances Limited
Physical address	22-26 Main Street, Upper Hutt
Postal address	PO Box 40-190, Upper Hutt 5140
Phone	04 528 8088
Facebook	<a href="http://www.facebook.com/thorners">www.facebook.com/thorners</a>
Website	<a href="http://www.thorner.co.nz">www.thorner.co.nz</a>
E-mail	<a href="mailto:info@thorner.co.nz">info@thorner.co.nz</a>

## Claims

When an insured event happens, our role is to assist you to ensure your claim is settled promptly and fairly.

- We may suggest steps to mitigate your loss,
- We will guide you through the claim process,
- Help with the paperwork and represent your interests to the insurer.

**To help us help you when you are in a situation that could give rise to a claim, please;**

Claim event		
What you should do	Please don't	Items to note
<ul style="list-style-type: none"> <li>➤ Make sure everyone is safe.</li> <li>➤ Notify the police (where required) and collect witness details.</li> <li>➤ Take some photos of the damage.</li> <li>➤ Take any action to reduce further damage.</li> <li>➤ Tell us as soon as possible, please ring us on 04 528 8088, office hours are 8.30-5pm</li> <li>➤ After hours, please ring 04 528 8088 and our after-hours contact details will be provided.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Admit fault or liability to another person/third party</li> </ul>	<ul style="list-style-type: none"> <li>➤ Most policies are subject to an excess. This is the first amount of the claim, which you must pay. The amount of the excess is detailed in your policy schedule.</li> <li>➤ Please note your premium may need to be paid to us before any claim can be considered.</li> </ul>

## The way we conduct business.

Dealing with a financial adviser has several advantages, we work for you, not the insurer and offer a personal service which includes managing changes to your insurance requirements and assistance during a claim. We deal with a range of insurers that deliver a quality service at your time of need. At renewal as we are continually monitoring the market, we are able to remarket your insurances to ensure you are receiving all of the benefits available and value for money.

- If you have any insurance requirements, need to make changes, or have any queries contact our office,
- We are committed to finding the most appropriate and cost-effective insurance cover for you,
- We monitor changes in the insurance marketplace along with insurance regulatory changes and will keep you informed about changes that might affect you,
- Our advice does not stop once we have arranged your insurance policy – we will provide advice throughout your insurance contract, as your insurance needs evolve,
- We assist with the claims process from start to finish and will advocate on your behalf with the insurer.

## Remuneration

- We are paid a commission by the insurer or underwriting agency with whom the business is placed.
- The commission is a percentage of the premium (excluding any fire levies, EQC charges and taxes). Some insurers may pay us more than others and the rate of commission may vary according to the type of insurance cover provided.
- We sometimes pay a fee to a party who has referred you to us and we pay this fee out of the commission received from insurers.
- We may receive non-financial benefits from insurers such as social functions, small gifts, and gratuities.
- We may charge a small administration fee dependent upon factors such as the type, complexity and extent of your insurance programme, and the time and costs associated with the administration performed and services provided.

## Insurer security and solvency

In NZ insurers are required to comply with the provisions of the Insurance (Prudential Supervision) Act 2010 and any amendments. This requires us as your financial adviser to advise the insurers financial strength rating and the rating scale. We monitor the insurers publicly available security ratings; however, we accept no responsibility in any circumstances for the solvency of any insurer to pay claims.

# Paying your premium

We have a legal obligation under the Insurance Intermediaries Act 1994 to pay your premiums to the insurer within a contracted time frame upon inception of a new policy and/or upon renewal. Prompt payment by you assists this process and avoids complications.

- (a) You must pay the premium(s) as detailed in our invoice(s), unless premium funding has been arranged, in which case you will have a separate arrangement to pay with the premium funder.
- (b) It is your obligation to ensure you pay premiums and other relevant charges on time. Your insurer has the right to cancel your policy if premiums are not paid on time and you will not be insured. The insurer may also charge a short-term premium for the time they have insured the risk. You may be charged interest and/or fines and penalties for late payment.

If you are looking at maximising your cash flow, talk to us about our premium funding facility giving you the ability to spread your insurance costs over the policy period. We have the following premium payment options available:

- Monthly Direct Debit instalment (this service incurs a premium surcharge, please contact us to discuss)
- Annual payment via Eftpos facilities including Credit Card (credit card incurs a bank surcharge)
- Annual payments via internet banking or cheque

## Disclaimer

Our role is limited to the provision of insurance broking and risk management related advice and services. As part of our service to you we are happy to provide assistance, based on both our general insurance knowledge and experience. Please note:

- We are not qualified valuers, and you need to satisfy yourself as to the adequacy of the sum insured. For your home, contents and vehicle, we are able to provide you with links to online resources which will assist in setting a sum insured.
- For Commercial Buildings and Plant, we recommend that a registered valuer is engaged to determine the correct replacement cost.
- Similarly, if you require advice as to the legal implications of any matter you should seek independent legal advice. We are not lawyers and cannot assist with the interpretation of a commercial contract you enter into with your clients.

# Your Responsibilities

In respect of the services, we provide under this agreement, you are responsible as follows:

- (c) Your policy documents contain the terms and conditions of your insurance cover and impose obligations on you. You should carefully read and understand this information ensuring the insurance cover satisfies your needs, you understand what is and is not covered and that you understand your obligations. If you have not received or have misplaced your policy document, please ask us for another one.
- (d) Before taking out an insurance policy and at the time of renewing any policy, you must provide us with accurate, complete, and timely information, including all information which may be material to an insurer's assessment of any risk for which you have asked us to arrange insurance cover. This includes any material or relevant change of circumstance during the term of your policy. 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).
- (e) You must advise us, as soon as practicable, on becoming aware of any event or circumstance that may give rise to you making a claim. Failure to advise an insurer of such an event or circumstance could prejudice your rights under your insurance policy. If you fail to disclose or misrepresent any relevant information, this could invalidate your policy and mean that any claims may not be paid. We will advise you if you need to complete a claim form or other documentation to support your claim.
- (f) 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.
- (g) We will comply with our obligations under the Health and Safety at Work Act and expect you to assist us in ensuring, as reasonably practicable, that the safety of our people is not put at risk when they may visit.
- (h) We hold file material and correspondence regarding the services provided to you for at least 7 years, after which we may destroy your file without notice. It may be possible that you need to make a claim against a policy after this period. You remain responsible for your paperwork and correspondence and should keep your policy documents in a safe place.

# What you need to update us on

You have an obligation to keep your insurer advised of any changes, please tell us immediately so that we may consider whether your insurance programme needs to be reviewed. If you do not inform us, you may not be insured for these changes, or it may affect the current covers you have. Some of the things you must tell us about are set out below.

We also encourage you to obtain, and regularly update, valuations for the replacement cost of your assets (Home, contents etc) so that you are not underinsured.

## Domestic Insurance

<b>House</b>	Making extensions or alterations House is refinanced. Unoccupied periods (generally for more than 60 days) Change in use (tenants, rented, boarders, Airbnb etc)
<b>Contents</b>	Large purchases Unoccupied periods (generally for more than 60 days) Change in use (tenants, rental, boarders, Airbnb, extended holidays etc) Change of address
<b>Personal or portable items</b>	If you intend to take expensive personal items overseas Purchases or gifts of Jewellery, Artwork, Bikes, Watercraft (e.g., windsurfers) <i>Depending on value these may need to be listed separately on the policy.</i>
<b>Car</b>	Change of car or additional car. New drivers (children or young persons) Speeding fines or convictions (e.g. drink driving) Accidents including when driving other vehicles. Modifications made to vehicle. Change in garaging of vehicle. Change in use - for business purposes or as part of your job. Change of address
<b>Boats/Trailers</b>	Boat or trailer purchases Boating related speeding fines or convictions Accidents (boating) Modifications Change of address
<b>Travel</b>	When you intend to travel overseas

## Commercial Insurance

Some of the things you must tell us about are below.

<b>Agreements</b>	Before entering into any agreements, it is important to understand the implication on your insurance arrangements. Please discuss existing or potential agreements with us, we may suggest that you seek legal advice
<b>Business</b>	<ul style="list-style-type: none"><li>- Creation or acquisition of new companies / subsidiaries, mergers, joint ventures</li><li>- Changes in directors</li></ul>
<b>Loans</b>	Mortgages or other lending Advise us if a lender needs their insurable interest noted on the policy.
<b>Premises</b>	<ul style="list-style-type: none"><li>- Purchase, construction, alteration, extension or change of occupation.</li><li>- Increases in value of assets.</li><li>- Alteration, disconnection or malfunction of fire or burglary protection systems</li><li>- If it becomes unoccupied or there are new tenants</li></ul>
<b>Products &amp; Activities</b>	New and significant changes to existing products, processes, or activities
<b>Plant, Equipment and Stock</b>	<ul style="list-style-type: none"><li>- Acquisition or replacement</li><li>- Increases in value.</li><li>- Hire, lease or borrowing equipment.</li><li>- Installation or use of any key machinery or pressure vessels</li></ul>
<b>Contractors</b>	Use of contractors, sub-contractors, or agents
<b>Contracts</b>	Undertaking liability under contract (including providing indemnities or "hold harmless" agreements)
<b>Employees</b>	<ul style="list-style-type: none"><li>- Significant changes in number of employees</li><li>- Employees travelling outside New Zealand on company business</li></ul>
<b>Air and Watercraft</b>	Supplying products and services to any aircraft, watercraft or working on airport grounds
<b>Overseas Operations</b>	<ul style="list-style-type: none"><li>- Establishment of overseas entities</li><li>- Purchase of overseas companies or operations</li><li>- Export of products</li><li>- Tendering for work or contracts outside New Zealand.</li></ul>
<b>Criminal Convictions</b>	<ul style="list-style-type: none"><li>- Any criminal convictions for directors or staff</li></ul>

**These lists are not exhaustive and relates only to significant changes. If anything changes while you are insured be sure to let us know. If in doubt ask us.**

# Information you need to know.

<b>Utmost good faith</b>	Contracts of Insurance are based on good faith. This means that you must act towards your insurer with the utmost good faith and your insurer must treat you with good faith.
<b>Duty of disclosure</b>	<p>Before you enter into or, renew, extend, or vary an insurance contract you have a duty to disclose to the insurer every matter that you know, or could reasonably expect to know and is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.</p> <p>You also have an obligation not to provide any incorrect information to your insurance company.</p> <p>This disclosure is required, not only about the insured named in the policy, but also about associated insurances AND associated insureds.</p> <p><b>Please contact us if you have any questions about whether information needs to be disclosed.</b></p>
<b>Non-Disclosure</b>	If you do not comply with your duty of disclosure, the insurer may be entitled to reduce its liability in respect of a claim or, may avoid (cancel) the contract of insurance from its inception, renewal or date of alteration.
<b>Obligation to notify</b>	Insurance contracts impose a continuing obligation to notify the insurer of material changes to the risk.
<b>Policy Documents</b>	It is important you read the policy documents for all terms, conditions, and exclusions of your insurance policy. You should also read your policy conditions so that you are aware of your obligations under the policy. If you do not meet these obligations, it could result in a claim being denied.
<b>Complaints</b>	If you have a problem, concern, or complaint about any part of our service, please tell us as soon as possible so that we can try to fix the problem.
<b>External Dispute resolution service</b>	<p>If we are unable to resolve your complaint within 30 working days to your satisfaction, you may contact the Insurance &amp; Financial Services Ombudsman ("IFSO") Scheme.</p> <p>This service is free and will help us resolve any disagreements. You can contact the IFSO at— Postal Address: PO Box 10-845, Wellington, Telephone number: 04 499 7612 or 0800 888 802, Email address: info@ifso.nz</p>

# Glossary

Term	Meaning
<b>Accident</b>	An event causing injury to an insured person and was not intended by them to happen
<b>Agreed value (vehicles)</b>	The set amount an insurer will pay for an item or asset
<b>Claim</b>	A request for payment according to the policy terms made by you to the insurer
<b>Cover</b>	The amount of protection an insurance policy provides
<b>Exclusion</b>	A provision in a policy that excludes cover for certain events or conditions
<b>Event</b>	A single event or a series of events which have the same cause
<b>EQ Cover</b>	The cover provided by the Earthquake Commission in the event of damage to houses caused by natural disaster such as an earthquake. It is funded by the compulsory levy which is included in every home policy premium
<b>Excess/deductible</b>	This is the first amount payable by the insured towards the cost of the claim
<b>Insured</b>	Someone covered by an insurance policy
<b>Indemnity Value</b>	This is the value of the item at the time of the loss. Indemnity value is designed to put you in the same financial position you were in immediately before the loss occurred
<b>Invoice amount</b>	This is the full annual charge for your insurances, including fees, levies, and GST
<b>Liability</b>	When you are legally responsible for damaging someone else's property
<b>Market value (vehicles)</b>	The reasonable cost of replacing your car with one of the same make, model, year, specification, and condition at the time of the loss.
<b>Policy document / policy wording</b>	A document outlining terms and conditions of insurance agreement for a specific insurance policy
<b>Policy summary</b>	Document detailing your policy benefits
<b>Policy schedule</b>	The document that states the benefits of your policy
<b>Premiums</b>	The payment made to an insurer in order to keep the policy going
<b>Renewal</b>	The insurer and policy owner agree to continue insurance from one risk period to the next
<b>Replacement value</b>	Is the amount to replace an asset at the present time
<b>Sum insured/cover level/benefit</b>	The amount the insurer agrees to pay out under the policy's terms
<b>Underinsured</b>	Underinsurance is where someone does not have adequate levels of insurance, when insurance does not cover the full value of potential claims
<b>Underwriter</b>	Someone who assesses the risk of providing insurance to the person applying