



NEWSLETTER 6.1

'OUR NAME IS YOUR PROTECTION'

We trust that you have enjoyed the festive season and that 2006 will be kind to you. Despite the doom and gloom being reported (in conjunction with various high profile books being published), we believe that the year 2006 will be a good year if investment is made with moderation and caution. In talking to some of our clients who are heavily involved in investment they believe that if you have liquidity there will be many opportunities out there for a well considered bargain.



John Barley

CONTRACTUAL LIABILITIES

Over the last 3 years there has been a significant shift in focus on Public Liability insurances. With companies that occupy rented premises, and those that offer services within the major malls/commercial buildings, there is generally a contractual requirement to purchase Public Liability insurance in order to protect the leasing entity.

In the process of examining a variety of contracts for new clients in order to determine what the liability insurance levels are, it has been noticed that a number of company officers have signed off documents without fully understanding them and have not presented them to their lawyers prior to signing. It has proved beneficial for our clients to return to their lawyers and ask for a redraft of the contract deleting the onerous indemnity clauses whereby they would otherwise have accepted full responsibility for a particular loss situation. This would have effectively made their Public Liability policy null and void as it prevented the insurer from recovering costs from a negligent third party (subrogation). Thus they would be paying money for a policy which would not respond. Therefore, when reviewing a contract, it is very important to check for:

- Any reference to 'Hold Harmless'.
- Level of Public Liability insurance required.
- Jurisdictional Limits.
- Any risk associated to consequential loss and liquidated damage due to failure to perform.

Please note that you, as the insured, do not actually have to sign a specific contract to fall within this trap. On the basis that you supply a product or a service to an organisation which utilises a sale/purchase order you may be interested to know that on the reverse side of these documents are the terms and conditions of that order – and invariably those clauses stipulate issues of liability.

It is important to be very careful with these documents and if necessary discuss them with your legal advisor and/or your buyer.

LAPTOPS

Although many have taken on board the risks associated with owning laptops (and the efforts of the light fingered to relieve you of that ownership) thieves are still one step ahead – despite endeavours to protect ourselves as much as possible. Soon after Christmas we received yet more claim forms for stolen laptops. Many clients are making a concerted effort to ensure that laptops are not left in the back seats of cars and are moving them to the boot prior to absenting the vehicle. However, please be aware that thieves are often watching in carparks and observing your actions. In two recent claims it was clear that when relocating the laptop to the boot the owner was observed and the culprit entered through the main body of the car, accessing the boot via the split back seat. We are therefore suggesting that you should not be leaving your laptop in your vehicle at all and taking it with you instead.

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In ancient Celtic times Barley was used for protection and for prosperity.

NZI NEW SECURITY PROGRAMME



Premiums with NZI are currently discounted for customers that have a monitored burglar alarm installed. Despite rising crime rates and evidence that burglar alarms are a major deterrent to intruders, only 79% of their domestic customers currently have an alarm. NZ Police statistics indicate that there were over 60,000 recorded burglary offences last year.

As a result NZI have launched 'Crimecheck®' in conjunction with Cactus Security. Crimecheck® is a new quality home security solution.

Customers can receive a discount of up to 20% of their annual Home Contents premium once the CrimeCheck security system has been installed and verified by NZI. Cactus Security will notify NZI when the security system has been installed and the discount will be arranged automatically.

NZI have created a variety of packages to suit varying needs. The basic CrimeCheck kit costs only \$169 with a \$35 monthly monitoring charge. For more information on this, or other security options please phone us on (09) 827 7269.

4WD INSURANCE

We bring to your attention that under our exclusive 4WD cover the insurer is now **providing full commercial cover for the same premium as the private policy**. There is no surcharge should your vehicle be used for commercial as well as private purposes.

We are also working on further enhancements which we believe will be very attractive to off-roaders and which other insurers do not offer. Watch this space.

IMPROVED COVER FOR RENTAL PROPERTIES



For those who own rental properties we bring to your attention the fact that it is now possible to purchase cover for Malicious Damage caused by tenants.

Effective October 2005, we have been advised that NZI are now offering insurance for malicious damage caused by tenants to rental properties. This cover was previously unavailable (although we note that as a result of competitive action it is now also being offered by other insurers).

Under Section 1.5 'Burglary or theft or intentional damage by any of these persons (unless it is intentional damage by fire or explosion): any tenant, or any person living at the house, or any person who is lawfully at the house' is excluded from cover. Under the Malicious Damage extension this clause would no longer apply, subject to the following conditions being met.

You or any person acting as your agent has:

- a) *completed an internal and external inspection of the home not less than 90 days before the loss or damage was first discovered.*
- b) *a properly certified written record of all defects and damage discovered during that inspection.*

If your agent has completed that inspection on your behalf, a written record of having told you of all defects and damage covered during that inspection is also required.

This extension costs an **additional 30%** on the company premium and has a \$500 base excess for damage, vandalism or theft by tenants. (If you have voluntarily already elected a higher excess your elected excess will apply.)

If you have any questions in regard to the attached or would like to purchase this extension please don't hesitate to call us. This cover has been required for a long time and it is good to see the insurance industry responding to market demand.

If you have any questions about any of the issues mentioned above please don't hesitate to contact Barley Insurances Ltd

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