



# NEWSLETTER 8.1

**'OUR NAME IS YOUR PROTECTION'**

The Insurance Market  
Contents Policy Exclusion  
Tips for Smoothing the Claims Process  
New Services - Working Safe and Crash Brokers  
Landlord Insurance



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## The Insurance Market

The media has documented this fairly comprehensively and you are no doubt aware that insurance prices for both commercial and domestic insurances have risen. Commercial policies have risen a minimum of 5% with domestic policy rising between 5-20% depending on the policy type.

When compared to premiums charged internationally New Zealand has been experiencing very 'soft premiums over the last few years due to a highly competitive market. However, results from some of the major insurers here have shown that for every \$1 charged in premium they have expended \$1.20 in claims—thus the anticipated market correction is currently hitting our pockets. This is therefore a **good time to review your excess levels as an increase in excess can provide a saving in premium.**

## Important Message - New Contents Policy Exclusion

Please note that due to increasing theft of personal items from vehicles the insurers have restricted their wordings. **For those customers insured with Ansvar Limited** please note that if you leave personal items in your vehicle exposed to sight, then your contents policy will no longer cover that loss. You need to ensure that your personal items are secured out of sight in the boot or glove box.

## Tips for Smoothing the Claims Process

For many of us we rarely make a claim and it is helpful to know how some of the processes work. Below are a few tips to assist.

**Call your broker** — Often the first document you pull out of the drawer is the policy document which has the name and number of the insurer. However, to them you are just a number. One of the most important services that a broker provides is a claims assistance service. We send out the claim form to you, advise the insurer and track the claim through the entire system until it is settled.

**Never Admit Liability** — One of the requirements of any insurance policy is that you minimise the cost to the insurer and protect their interests. Part of this entails that you never admit liability to a third party when there is an incident. Let the insurers work that out between them.

**Minimise Loss**— Whether it is a dishwasher leak or a broken window, the important thing is to minimise loss and prevent any further costs or damage. The first thing to do in the event of water damage is call the plumber and get the leak stopped. If you have a broken window you need to protect your property by securing the building so get the repairer in quickly—then call your broker.

**Windscreen Claims** — Provided that you have full comprehensive cover (not Third Party or Third Party Fire & Theft) then windscreen claims are automatically covered. The recommended supplier for repairs is Smith & Smith Glass. If your windscreen is damaged just phone your local Smith & Smith Glass outlet, provide them with the name of your insurer and the policy number and they will do the rest. No claim form, no excess.

**Replacement of Goods**—The insurers have special arrangements with suppliers of electronic goods such as laptops, cameras, televisions, etc. If your goods are stolen or damaged **do not replace these goods yourself** without authorisation from the insurer. They can always replace the goods for less than retail and you will jeopardise the amount of claim settlement you may potentially receive.

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**Assisting the Insurer in Cost Recovery**— In accordance with the policy contract you as the insured must always act to protect the interests of the insurer and this means assisting them to recover their costs against the third party. If the insurer needs to take the third party to the Small Claims Tribunal in order to extract recovery, it is your responsibility to assist in this endeavour.

Although an inconvenience, the advantage is that if you haven't already received a refund of your excess, you are likely to receive this if the action is successful. Also the amount of the claim will no longer be on your claims record as it will be reduced by the amount paid by the third party.

## New Services

In our capacity as insurance brokers we often come across new services which may potentially be of interest to our clients and which may add value to their insurance / risk management programme.

**Crash Brokers Ltd**—If you have a motor vehicle claim, depending on your requirements we may refer you to Crash Brokers to provide an additional service. Whilst we continue to handle the claim in the normal manner, Crash Brokers take over a lot of the practicalities that can cause you inconvenience. Through Crash Brokers (phone 0800-227-274) we have access to a nationwide service which provides:

- Free pick up from home or office, or 24/7 salvage.
- Delivery of free late model courtesy car or van—the ultimate convenience.
- Free car valet for your comfort and convenience.
- Free quality inspection with written guarantee ensures peace of mind.
- Free re-delivery ensures continuous mobility and no down-time.
- All service providers are CRA certified Structural Repair Centres and accepted by all major insurance companies.

The pick up, delivery and courtesy car services are proving to be a great convenience for many of our clients.

**Working Safe**—Risk management is about insuring what you can't afford yourself and managing the risk for those issues where it can be effectively minimised or eliminated. The Health & Safety in Employment Act has a number of ramifications for businesses. There is the need to safeguard the health and safety of your staff and potentially minimise the risk of claims under your Statutory Liability policy. A safe working environment can have a number of spin-off benefits such as reduced downtime, decreased ACC payments etc.

However, a large amount of the risk management process is in the hands of your staff and by necessity is controlled by specialised training.

Working Safe have developed an online training programme for staff and management. Barley Insurances Ltd has purchased this system for its own needs and all staff have undertaken the training programme. If you are interested in investigating the suitability of this product for your needs we direct you to [www.workingsafe.co.nz](http://www.workingsafe.co.nz) and Keith Redit on 021-965-127 or [keithr@workingsafe.co.nz](mailto:keithr@workingsafe.co.nz).

## Landlord Insurance

Approximately two years ago the insurance market offered for the first time the option of Malicious Damage by Tenants cover as part of a more comprehensive Landlord's extension. Normally malicious damage by tenants is a specific exclusion. There is an additional premium for this cover but when landlords are pushed to the financial limit with rising interest rates, damage to the rental property and resultant loss of income can potentially bring financial ruin.

We bring this option to your attention again, so that you can decide if it suits your budget and risk management needs.

In simple terms the Landlords extension provides cover for malicious damage by tenants, loss of rents and landlords liability. For example, we have a young landlord client who works hard at his day job. He was recently adversely affected by tenants who literally trashed the property, leaving it in an appalling state.

Although the premium had been more expensive at the time, as our client utilised a property manager he had opted from the start to purchase the Landlord's Extension. As a result the damage to his property and the resultant loss of income is covered, providing real financial security in these circumstances. The use of a property manager isn't necessary in order to purchase this cover, however, it puts in place the necessary regular property and rental payment checks required under this policy.