

# Aon Important Notices

As **your** insurance advisor, **we** want to draw **your** attention to certain important matters that relate to **your** insurance.

For the purposes of this document, the following words (and any variation of them) that appear in bold shall mean the following:

- (i) **Aon/we/us/our** - Aon New Zealand; and
- (ii) **you** - an **Aon** client who instructs **us** or for whom **we** may provide services.

## 1. Advice Given for Your Benefit

Any advice, report or information that **we** provide is given solely for **your** benefit and cannot be given to or relied upon by any third party without **our** prior written consent.

## 2. Aon Terms of Business

Except as otherwise agreed (in writing), **you** agree that **Aon's** Terms of Business apply to the provision of **our** services. These terms are available here <https://www.aon.co.nz/About-Aon/Terms-of-Business> and apply to all new business and renewals. **You** accept these terms by continuing to instruct **us**.

Key provisions include:

- **Our** obligation to perform **our** services competently, with reasonable care, skill and integrity.
- **Your** obligation to supply **us** with all material information and facts in relation to the provision of **our** services, (relevant information includes all information and facts that may be material to an insurer's assessment of a risk for which **you** have asked **us** to arrange insurance cover).
- **Our** remuneration. **Aon** may receive consideration from insurers, banks and/or finance companies with whom **we** place insurance and associated services, on **your** behalf.
- Service and administration fees: minimum fees may apply;
- Limitation of liability: Among other things, to the extent permitted by law:
  - ▶ **our** aggregate liability in respect of any claims howsoever arising in connection with the terms or **our** services is limited to NZ\$1 million or such other amount as may be expressly agreed between **us** in writing; and
  - ▶ **we** are not liable for any consequential, incidental, indirect or special damage or loss of any kind.

## 3. Business Description

It is important that the business description declared in **your** proposal for insurance is full and accurate. **You** need to check that this description is reflected accurately in the policy. Insurers will only indemnify **you** for claims that arise from **your** business as described in the policy (subject to the other terms of the policy).

## 4. Change of Circumstances must be notified

It is also important that **you** advise **your** insurer of any material changes to **your** business or circumstances (including location change, change in size or value, increase in number of premises/sites owned or occupied, any mergers or acquisitions, or the nature of business activities) that may occur during the period of insurance. **We** can assist **you** in notifying the insurer of any material changes or circumstances.

## 5. Claim Notification

**You** are responsible for notifying claims or potential circumstances that may give rise to a claim, in accordance with the terms of **your** policy. In presenting a claim it is **your** responsibility to disclose all facts which are material to the claim. **You** should familiarise yourself with the specific coverage conditions and procedures relating to claims and their notification under the policy. Failure to adhere to those requirements and report a claim or circumstance in a timely manner, may jeopardise coverage or entitle insurers to disclaim liability.

## 6. Claims Made

Directors' and Officers' Liability, Crime, Professional Indemnity, and Trustees' Liability policies, and some other liability policies are typically written on a "Claims Made" basis.

This means that the policy responds to claims first made against **you** and notified to the insurer in writing during the period of insurance, provided that the originating act or omission occurred after any retroactive date (see Retroactive Date below). Where **you** give notice in writing to the insurer of any facts that might give rise to a claim against **you** as soon as reasonably practicable after **you** become aware of those facts, but before the expiry of the period of insurance, the policy will, subject to its terms and conditions, provide cover even if that claim is made after the expiry of the period of insurance.

In order to ensure any entitlement to indemnity under the policy is protected, **you** must report all incidents or circumstances that may give rise to a claim against **you** to the insurer without delay prior to expiration of the policy period.

#### Retroactive Date

Directors' and Officers' Liability, Crime, Professional Indemnity, and Trustees' Liability policies, and some other liability policies that are written on a "Claims Made" basis may have a retroactive date.

This means that coverage is limited to acts and omissions that occur or are alleged to have been committed on or after the retroactive date. For example, if **you** have a retroactive date of 1 July 2017, the policy will not cover a claim arising from acts or omission occurring prior to that date. If this applies, please ensure that the retroactive date **you** select is sufficient and that **you** have no uncovered periods.

### 7. Contractual Liabilities

Insurers may only provide indemnity for liabilities that arise from **your** common law obligations arising from the conduct of **your** business. Where **you** have entered into a contract with another party that extends **your** liability beyond what **you** would have been liable for had the contract not been in place, **you** may not be indemnified for these assumed liabilities under **your** policy. Further, **you** may not be indemnified for any express guarantees or warranties which extend beyond common law obligations, unless liability would have attached in the absence of any express guarantee or warranty.

### 8. Duty of Disclosure

Before **you** enter into a contract of general insurance, **you** have a duty to disclose to the insurer every matter that **you** know, or could reasonably be expected to know, may affect the insurer's decision to insure **you** and on what terms. **You** have that duty after the proposal, and up until the time the insurer agrees to insure **you**. **You** have that duty before you renew, extend, vary or reinstate a contract of general insurance.

**You** do not need to tell the insurer anything that:

- reduces the risk;
- is common knowledge;
- **your** insurer knows or should know as an insurer; or
- the insurer waives compliance with relating to **your** duty of disclosure.

If **you** are uncertain about whether or not a particular matter should be disclosed to the insurer, please contact **your** Aon Client Relationship Manager.

#### Non-disclosure

If **you** do not tell your insurer anything **you** are required to, the insurer may cancel **your** contract or reduce the amount that it is required to pay **you** if **you** make a claim, or both. If **your** failure to disclose is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

#### Disclosure by Subsidiary, Related & Associated Entities

Where cover is arranged for subsidiary, related or associated entities, those entities have the same duty of disclosure as the named insured. Please ensure that each such entity is made aware of its disclosure obligations and makes the necessary disclosures in the proposals for insurance.

### 9. Insured Description

It is important that the description of all entities and persons sought to be insured in your proposal for insurance is full and accurate. You need to check that this description is reflected accurately in the policy and policy schedule.

## 10. Interest of Other Parties

**Your** policy/policies may exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned, leased or subject to finance, the interest of the joint owner, lessor or financier may be excluded if it is not specifically noted on the policy. Generally, the safest course is always to have all interests in all property insured noted on each policy. If anyone other than **you** has an interest in property **you** are insuring, please let **us** know.

## 11. Leasing, Hiring and Borrowing Property

When **you** lease, hire or borrow property, plant or equipment, make sure that the contract clearly identifies who is responsible to insure the property under contract. Please contact **your** Aon Client Relationship Manager should **you** have an obligation to insure such property.

## 12. Occurrence Basis

Combined General Liability, Material Damage/Business Interruption, Travel, Aviation, Contract Works, and Marine policies and some other policies are written on an "occurrence" basis. This means that the policy responds to claims when the incident occurred or when the injury, loss or damage manifested itself, not when the claim itself was received.

## 13. Policy Warranties and Conditions

**Your** policy may contain warranties and/or conditions that may impose specific obligations which must be complied with. Failure to do so may invalidate **your** policy or enable insurers to disclaim liability.

## 14. Recovery Rights/Hold Harmless/Waiver of Subrogation

Many policies exclude or limit the insurer's liability if **you** enter into an agreement that excludes or limits **your** rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to **your** loss or liability.

## 15. Schedule of Values or Property Insured

In New Zealand, the Schedule of Values (also known as the Schedule of Property Insured) typically attaches to the policy so as to:

- Limit insured property to only those assets listed on that Schedule of Values;
- Limit the maximum amount payable by the insurer for each asset to its declared value on the Schedule of Values with or without a margin; and
- Record the time limits applying to the Business Interruption section of the policy.

To avoid assets being uninsured or underinsured, it is therefore imperative that **you** carefully and thoroughly include and describe all insured assets on that Schedule of Values and have updated valuations from a registered insurance valuer for each insured asset prior to inception and renewal.

It is also important to ensure that the business interruption indemnity period is adequate for **your** business. When selecting the indemnity period, it is important to know that the indemnity period is not just the time it takes for **your** building to be restored or contents replaced. It is the entire period that **your** business is affected by the disruption.

## 16. Understanding Your Policy Terms and Conditions

Please carefully review all documents **we** give **you** (including policies and endorsements) containing the terms of **your** cover (including applicable limits, sub-limits and deductibles and **your** obligations) to ensure that the cover suits **your** needs and so **you** understand and comply with **your** obligations under **your** policies. Failure to do this may result in uninsured losses. Please advise **your** Aon Client Relationship Manager immediately if **you** notice any mistakes of fact or believe the contents do not address **your** needs.

## 17. Utmost Good Faith

Every contract of insurance is based on the principle of utmost good faith, requiring each party to act towards the other party in respect of any matter arising under or in relation to the contract, with the utmost good faith. If **you** fail to do so, you may prejudice **your** rights under the policy and in particular, any claim.