



Quote of the Month

“There has been no recent outbreak of honesty”....Alex Tan, Director, Forensic Services, PricewaterhouseCoopers, speaking at a Lumley sponsored seminar on how the recession exposes long running corporate fraud.



Directors Liability

An address by Alistair Darroch at the recent Lumley sponsored seminar drew attention to the Fair Trading Act and the increasing awards now being made by the Courts in the area of personal liability. Whilst if a director has a contract with a company it is unlikely they will be able to be joined as a party to a dispute, the same does not apply to sole traders who may be exposed to greater liabilities. Fortunately it is unlikely that employees face the same exposures.

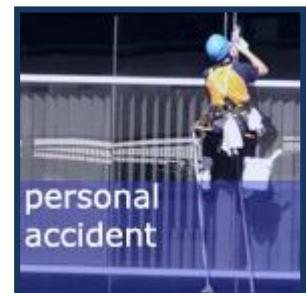
Internet Liability

The increasing use of the internet, especially for those using the web as a sales tool requires the need to ensure your web site contains a disclaimer, and that the site is not misleading. The recommendation to “don’t neglect”, attention to your web site content is extremely important and it may be necessary to review your current liability coverage to ensure that your activities from web site operation are adequately covered.



Personal Accident & Illness/Disability Insurance

This form of cover has lost popularity in recent times, no doubt in part due to ACC cover and cost. Recent re-releases by a number of underwriters has exemplified the often shortfall in ACC cover, especially when it may be difficult for a self employed person to prove their income, particularly in a start up business situation.



Personal Accident & Illness cover is arranged on an “agreed value” basis, so that it is not necessary to prove income in the event you are off work. Whilst cover must be tailored to the individual, depending on age, cover can be purchased for up to a maximum of 5 years. Talk to any of the Roughton Nelson staff who will be pleased to assist you.

New QBE Release

QBE Insurance has released a new combined liability package that covers not only the traditional general, statutory and employer’s liability covers, but also includes employment practice liability, directors & officers, internet liability and criminal defence legal costs.



New QBE Release (cont.)

The QBE package joins recent similar releases by other mainstream underwriters who have packaged liability covers previously only available as separate policies and which were in most cases only available following completion of complicated documentation and with some risks, provision of company financials.

These new “consolidated” packages, whilst generally having lower limits of indemnity, offer a wide combination of covers at extremely competitive pricing.

Plain English Marine Transit Policy

QBE have also released a “plain English” marine cargo policy, which in addition to being simple to understand, (the usual marine industry institute cargo clauses are generally accepted as requiring a law degree to understand), which includes a number of extensions that include loss of profits, cover for samples, clean up costs and many others.



QBE say that their new “Cargo Plus” cover provides a policy with a policy that has unusual width of cover and clarity.

Regulations of Insurance Brokers

A recent “Consumer” magazine report highlighted the need to differentiate as to who actually is a broker. Under current legislation essentially anyone can call themselves a broker, whereas in many cases, the so called broker is merely an agent of a single insurer. This will hopefully change as new laws mean that all brokers are affected by the Financial Advisers Act 2008 and the Financial Service Providers (Registration and Dispute Resolution) Act 2008. These Acts, whilst now law, are suspended pending the law makers implementing the systems to control and administer the requirements of the legislation.

The new laws will require that all brokers will need to be registered with the Securities Commission and most importantly, be a member of a dispute resolution scheme.

The laws are expected to come into full effect in 2010 and will hopefully remove rogue operators from the industry.

Roughton Nelson have for many years been members of the Insurance Brokers Association of New Zealand, (IBANZ), because membership of that organisation, and the consequent requirement to adhere to set standards requires a high level of professionalism. Claiming to be a professional lacks credibility unless there is a clear understanding and agreement as to what that means.

www.rougtonnelson.co.nz

310 Tristram Street, Box 457, Hamilton

Tel: 07 839 0110 Free: 0800 650 911

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