



# TERMS OF BUSINESS

ROTHBURY INSURANCE BROKERS



# INTRODUCTION

Thank *you* for contacting Rothbury Insurance Brokers. *We* are pleased to set out *our* Terms of Business. These terms apply to all services provided by *us*.

By instructing *us* to place cover for *you* or engaging *us* to provide advice or another service, *you* are agreeing to these terms, unless *we* agree with *you* in writing otherwise. When these terms say "*you*" or "*your*" they are referring to the person *we* are giving advice to or the persons *we* put cover in place for or provide another service to, which may be different.

*We* may also publish revised terms on *our* website or send *you* a copy of revised terms from time to time. These will then apply to all services provided from that date forward. If there is any conflict between these terms and any subsequent legal agreement between *us* and *you* then that agreement will prevail unless agreed otherwise.

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## ABOUT US

**The Rothbury Group provides Fire & General Insurance advice, Claims management and advocacy, instalment services, employee benefit scheme advice and associated services.**

As part of the Rothbury Group, Rothbury Insurance Brokers Limited provides commercial, domestic and rural insurance solutions to small, medium and large enterprises and individuals, and helps protect the assets of thousands of Kiwis around the country.

We're a majority owned New Zealand company that was started up by enterprising Kiwis back in 1950. We pride ourselves on providing personal service and quality advice. When these terms say *we*, *our* or *us* it means Rothbury Insurance Brokers Limited. *Our* group of companies includes:

### **Rothbury Insurance Brokers Limited**

We employ Insurance Brokers with the competence, knowledge and skill to provide *you* with personal service and expert insurance advice.

We have access to over 60 insurance providers so we can provide *you* with advice on the most suitable cover options for *your* circumstances. We are part of the Steadfast Group which means we have access to exclusive products and services. We also work with Lloyd's of London so we're able to arrange insurance for complex and large risks that other brokers may not be able to advise on.

All *our* branches have dedicated Claims Advisers and, in the event that *you* need to make a claim, we will act on *your* behalf and manage *your* claim from beginning to end, working with *your* insurer to get the best possible outcome for *you*.

### **Underwriting Agencies**

Rothbury Group includes NZ Underwriting Agencies Limited and Southern Pacific Underwriting Agency Limited who act as an agent for certain insurers to obtain the most suitable insurance cover for *our* clients, sometimes combining different insurer products to meet *our* clients' individual needs.

### **Rothbury Instalment Services Limited (Instalment Services)**

Instalment Services offers *our* clients the ability to spread their payment of insurance costs throughout the year in weekly, fortnightly, monthly or quarterly instalments.

### **Rothbury Employee Benefits Limited (Employee Benefits)**

Employee Benefits offers advice to employers about workplace schemes for their employees and arranges cover from registered insurers. For example: employee health insurance schemes. Employee Benefits also provides advice about life insurance and other personal insurances to a small number of clients.

### **Our authority to provide financial advice:**

We hold a licence from the Financial Markets Authority to provide Fire & General, and other insurance advice. Fire and General Insurance refers to cover for *your* Personal and Business Assets, Business Liabilities and Specialist Risks. *Our* licence requires *us* to keep records of all financial advice, have an internal process for resolving client complaints and to comply with financial markets conduct regulations such as disclosing information to clients and reporting to regulatory authorities.

*Our* Brokers are qualified Financial Advisers and registered on the Financial Service Providers Register. *Our* advisers are expected to maintain the highest standards of professionalism and integrity at all times, including:

- Behaving ethically, showing good conduct and meeting standards for client care;
- Maintaining their competence, knowledge and skill to advise *you*;
- Exercising care, diligence and skill in providing *you* with advice; and
- Giving priority to *your* interests whenever a conflict of interest arises.

## HOW WILL ROTHBURY WORK ON YOUR BEHALF?

We act on *your* behalf according to the information & instructions *you* give *us*, in keeping with all regulations and industry codes of practice.

We will:

- Apply *our* knowledge and expertise about the insurance market and products to identify the most suitable cover option for *you* based on the information *we* receive about *your* circumstances;
- Negotiate with insurers on *your* behalf to obtain the most suitable terms for *your* needs. *We* are not an insurer, however, and cannot guarantee that any insurer will cover *your* risks on terms acceptable to *you*;
- Facilitate the payment of premiums to all insurers after receiving payment from *you*;
- Provide *you* policy terms and other documents to demonstrate and describe *your* cover.

### Our service commitment to you

We will also:

- Manage any claims made on cover placed by *us* and deal with the insurer on *your* behalf and facilitate payments from the insurer to *you*;
- Negotiate with insurers to make additions or changes to *your* policies during the cover period or at renewal, if *you* ask *us* to do so;
- Renew *your* insurance cover each year to minimise the risk of *your* cover coming to an end without being replaced, unless *you* instruct *us* in writing to do otherwise. By accepting *our* Terms of Business, *you* are giving *us* the authority *us* to do so;
- Cancel *your* cover when instructed by *you*.

Please know that:

- any offers of insurance cover *we* obtain may not be available on the same terms other than through *us*;
- *we* may not obtain offers from all insurers for *you* if *we* reasonably believe that some insurers will not offer terms as advantageous as those *we* do obtain;

- where *we* have negotiated an insurance scheme with insurers which is targeted to particular clients and *we* believe this is suitable for *your* insurance needs, *we* may recommend that scheme without presenting alternative quotes;
- *we* do not offer advice about tax, accounting, regulatory or legal matters and nothing *we* say should be read as such advice.

## OUR REMUNERATION

*We* will not charge *you* for the time *we* spend understanding *your* needs, identifying and negotiating offers of insurance or advising *you*, except where *you* ask *us* to provide specialist risk management advice or surveys. If *you* choose not to take *our* advice then there is no other cost to *you*.

If *we* put cover in place for *you*:

- the insurer will pay *us* brokerage equal to a percentage of the insurer premiums *you* pay, which *we* will deduct and retain.  
Note: brokerage rates differ between insurers (for the same type of policy) and between policy types (for the same insurer).
- *we* will charge *you* a service margin as a percentage of the insurer premium plus a documentation charge in order to provide and maintain *our* high service, subject to any package discount *we* may agree.

These amounts are charged when *we* put cover in place for *you*; undertake mid-term changes or renew *your* cover; and will be included in *your* invoice. They are not refundable – for example: if *you* cancel *your* policy before the end of *your* cover period.

In some circumstances, *we* may apply a package discount to the total cost of insurance where *we* decide this is appropriate for particular client circumstances, on a case by case basis and at *our* sole discretion. If cover is cancelled before the end of the policy, *we* may recover a proportion of this discount from any refund due to *you*.

*We* do not charge additional fees for managing claims, cancelling cover or making changes to *your* policy where no additional insurer premium is charged.

We may recover from *you* external costs we incur in arranging *your* insurance or managing *your* claims such as legal fees, consultants, valuers and other experts. We will endeavour to discuss these costs with *you* in advance.

In a situation where meeting *your* claims management requirements involves substantial additional time or out-of-pocket expenses because of factors outside *our* control, we would discuss these circumstances with *you* before sending *you* any invoice.

We may also earn interest income on funds held between receipt of *your* payment and *our* payments to insurers, as permitted by NZ legislation.

*Our* brokers are paid by *us* out of *our* income. The majority of brokers' remuneration is a fixed salary. Remuneration may also include amounts calculated as a proportion of new and continuing total revenue, as *our* measure of the value and difficulty of risk covered, the quality of advice provided and the level of personal service provided to *our* clients. However, individual instances of advice may not receive any identifiable incentive.

Remuneration is also affected by client management and regulatory compliance measures. From time to time we may also reward staff who excel in meeting client needs, which may also be based on revenue, service or compliance measures.

*Our* brokers are required to prioritise client interests. We actively monitor client feedback to ensure advice given by *our* brokers consistently targets the best client outcomes. We also review examples of advice for each broker on an ongoing basis to ensure advice meets *our* standards.

We may also reward *our* business partners for referring clients to *us*.

## YOUR RESPONSIBILITIES

To enable *us* to obtain cover *you* must:

- provide *us* with all the information relevant to an insurer assessing the risks *you* are seeking cover for, including information we may not have specifically asked for;
- inform *us* about any material change in circumstances during the life of *your* policy as this may affect *your* insurance;
- ensure the information *you* provide is correct and complete;
- check all policy documentation supplied to *you* to ensure that the cover provided meets *your* needs and *you* understand *your* obligations – please advise *your* broker immediately if *you* believe there is any error or the cover is not suitable or doesn't comply with *your* instructions;
- pay all premiums and other amounts owing in full by the due date, as late payment may mean *your* insurance cover will be cancelled or reduced and *you* may be left with amounts owing to *us* or to the insurer;
- notify *us* of potential claims and provide all relevant information within the timeframe for claims outlined in *your* policy documents, as late claims may be rejected by *your* insurer.

If *you* do not provide *us* with the relevant information, this may mean that an insurer cannot provide *you* with insurance cover. If the information *you* provide is incorrect or incomplete then this may cause an insurer to decline a claim. We are not responsible for verifying that the information *you* provide or that *your* application is correct and complete.

## PAYING YOUR INSURANCE COSTS

*We will send you an invoice for the total cost of your insurance and you are responsible for payment of the invoice to us in the form requested, including when an invoice is sent to another party at your request. We are responsible for on-payment of amounts owing to your insurers. If you do not pay your invoice then your insurance may be cancelled.*

*As well as the insurer premium and our charges (as set out above), the invoice will include GST and other applicable taxes, levies or duties payable to a New Zealand government agency – e.g. some policies attract Earthquake Commission and/or Fire Service levies.*

*We may provide you with an option to spread your annual insurance cost by making payments to Instalment Services. We are not a credit provider but would be acting as Instalment Services' agent. Our staff do not offer a recommendation or opinion about this option. You must obtain your own advice about spreading your payments across the year if you require advice. If you do not meet your payment obligations then Instalment Services may instruct us to cancel your insurance to recover amounts owing. If there is a shortfall then Instalment Services may ask you to pay this. If early cancellation of your insurance results in a loss of revenue to us then we may ask you to pay this.*

*If cover is placed with an offshore insurer this can attract offshore government taxes. We would include these in your invoice. We will endeavour to discuss offshore taxes with you before cover is placed where possible.*

## CONFLICTS OF INTEREST

*If you choose to spread your payments then Instalment Services will earn interest and pay us a fee for referring you to them. We avoid a conflict of interest arising by our brokers not offering advice about this service and we do not reward individual brokers when their clients choose to use it.*

*We may give advice about cover provided by underwriting agencies that are related parties. If we put cover in place via an underwriting agency which is a related party, then they will pay us brokerage equal to a percentage of the insurer premiums you pay. This is instead of and not in addition to brokerage from an insurer. Our brokers are not incentivised to prefer any products provided by a related underwriting agency.*

*We register and manage all conflicts of interest. If a conflict of interest arises between you and one of our staff involved in giving you advice, we will advise you of the steps we will take to manage that conflict and give your interests priority.*

*We may provide services to insurers from time to time which are unrelated to the advice we give to our clients and for which the insurer pays us a fee. We may also receive training in products, sponsorship for conferences or other non-monetary consideration from time to time which assists us to provide effective services to our clients. We do not believe these things create a conflict of interest with our advice to clients.*

## CONFIDENTIALITY

We will keep confidential all non-public information we receive from *you* to enable *us* to give *you* advice. We will protect *your* information from unauthorised access, use or disclosure and only use it to provide *you* with *our* services, except with *your* consent or as provided for by the relevant laws of New Zealand. *You* consent to *us* disclosing *your* information to insurers and other third parties in connection with obtaining and maintaining *your* insurance cover and to *us* contacting *you* about *your* cover or other services.

All documents, templates, methodologies, data, reports and other intellectual property used by *us* to give advice to *you* remain *our* property. *You* may not forward these to another party without *our* written consent.

## REGULATORY COMPLIANCE

### Health & Safety

We take care to protect the health and safety of *our* employees and clients visiting *our* premises, as part of meeting *our* obligations under health & safety laws & regulations. When *our* employees visit *your* premises we expect *you* to ensure, so far as reasonably practicable, that their safety is not at risk and we will consult with *you* to promote this outcome wherever *you* believe it necessary.

### Foreign Account Tax Compliance (FATCA)

*You* may be obliged to pay additional tax on *your* premium if *your* cover includes USA risk and is placed with a non-FATCA compliant insurer. We may be obliged to deduct and pay such amounts from *your* premiums. *You* must advise *us* if *your* cover includes USA risk. We will endeavour to identify if an insurer we recommend is non-FATCA compliant but *you* remain responsible for any additional FATCA amount under all circumstances.

### AML & Sanctions

We may be required to collect information to enable due diligence about *you* as part of *our* legal obligations under the Anti-Money Laundering & Countering Financing of Terrorism Act and economic sanctions regulations. We may ask *you* to provide *us* with additional information to complete this. If required due diligence cannot be completed then *we* or another party (such as an insurer) may not be able to lawfully provide *you* with the services or cover *you* require. We may take actions (or avoid taking actions) as required to ensure *our* own compliance with legislation and regulations.



## PRIVACY

We are committed to protecting *our* clients confidentiality and privacy including fully complying with the Privacy Act 2020 and the Code of Professional Conduct for Financial Advisers. We have published *our* Privacy Policy on *our* website. This sets out how we collect, use and store personal information as well as the circumstances under which we may disclose it to other parties such as insurers.

By using *our* services, *you* agree that we may collect, store, use and disclose any personal information received from *you* or about *you* as described in *our* Privacy Policy. If *you* do not agree to this then we may not be able to provide *you* with *our* services or insurers may not be able to offer *you* cover.

*You* have the right to request access to *your* personal information and that we make corrections, as described in *our* Privacy Policy.

*You* must obtain any consent required from other persons before *you* provide their personal information to *us*.

The advice we provide is solely for the use of the person it is addressed to. *You* agree that when advice is given to one representative or agent, it will not be deemed to be given to other people jointly unless expressly addressed to other persons. No outside party may rely on *our* advice and *you* must not forward *our* advice to any third party without *our* consent. *You* own the advice received from *us* but we retain ownership of the methods, tools and other intellectual property relied on.

We may communicate with *you* by electronic means (e.g. email) and we employ many controls to protect the confidentiality of *your* information. *You* acknowledge that we are not responsible for any breach of privacy or confidentiality from the malicious action or negligence of any third party.

## LIMITATION OF LIABILITY

We are a licenced Financial Advice Provider and are subject to the requirements of relevant legislation and regulations in New Zealand. Any additional representations, or warranties about *our* services are excluded to the extent permitted by law.

We are not an insurer and do not represent that insurance cover will be offered by any insurer for a given risk. We also do not guarantee the solvency of any insurer or that they will accept and pay any given claim. Financial strength ratings for licenced insurers in New Zealand are published by the Reserve Bank of New Zealand on their website.

We do not take responsibility for any inaccuracy in the information received by *us* or any other default, negligence, error or omission by any party other than ourselves. *You* indemnify *us* for loss caused or contributed to by any incorrect, inaccurate or incomplete information provided by *you*. While we will take care, be diligent and exercise skill in providing *our* services to *you*, it is *your* responsibility to decide whether the residual risks *you* bear are acceptable to *you*.

We are not responsible for any consequential, incidental or indirect loss suffered by *you* – for example: loss of revenue, profits, opportunity, contract, data, supply, production, business value, reputation or goodwill or increase in costs. We are not responsible for any circumstance contributed to by any delay caused by *you* or by any third party or any Force Majeure event.

*Our* liability in respect of any loss suffered by *you* will be proportional to *our* contribution to such loss and *our* aggregate liability in respect of all claims arising from the services we provide to *you* is limited to NZ\$10,000,000 to the extent permitted by law. *You* must make any claim for liability by *us* within 12 months of the date *you* know (or reasonably ought to know) of the potential for this.

## TERMINATION

*You* or *we* may terminate the provision of services by *us* to *you* upon 30 days written notice. In this event, *we* will instruct the insurers to deal directly with *you* from the effective date unless *you* and *we* agree otherwise.

*We* may terminate the provision of services by *us* to *you* without prior notice if it becomes illegal for *us* to continue to provide the services to *you* or if *we* would suffer a materially adverse effect for, which *we* are not responsible, by continuing to provide the services.

Termination will not oblige *us* to rebate the service margin or other costs but *we* reserve the right to pay *you* a pro rata amount at *our* sole discretion. *We* are not obliged to pay *you* any part of the brokerage paid to *us* by any insurer under any circumstance.

Termination of the provision of services by *us* to *you* will not terminate:

- *our* privacy obligations to *you*;
- provisions relating to confidentiality; and
- limitations of *our* liability.

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## COMPLAINTS AND DISPUTES

*We* appreciate it when clients take the time to notify *us* of any concerns and are open to receiving *your* feedback on ways *we* can improve *our* service to *you*.

If *you* wish to make a complaint about any aspect of the advice or services *you* receive then please contact the relevant Branch Manager. *You* may be asked to complete a Complaint form. *You* can download a complaint form from *our* website and send it through to any Rothbury Insurance Brokers branch.

*We* will record *your* complaint and respond (if a response is expected) within two working days. If *we* do not resolve the issue immediately then *we* will investigate and review *your* complaint before informing *you* of the outcome.

If *you* are a retail client (as defined by the Financial Service Providers (Registration and Dispute Resolution) Act 2008) and the issue is not resolved to *your* satisfaction then *you* can contact Financial Services Complaints Ltd at their website **[www.fscl.org.nz](http://www.fscl.org.nz)**. This is a free and independent dispute resolution service.

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## INTERPRETATION

These terms and any services *we* provide to *you* are subject to the laws of New Zealand and the New Zealand Courts have exclusive jurisdiction.

If any provision of these terms is or becomes invalid, unenforceable or contrary to New Zealand law then it will not affect the validity, enforceability or legality of any other provision.

If *we* choose not to enforce any of *our* rights or *your* obligations under these terms then this does not limit or waive *our* right to do so at a later time.

# SOME COMMON INSURANCE TERMS EXPLAINED

## Brokerage

Amounts received by Rothbury from an insurer when we place cover with them.

## Claims Advocacy

Dealing with insurers and other suppliers on *your* behalf when *you* need to make a claim under *your* policy.

## Conflict of interest

Any interest of the Financial Adviser or Financial Advice Provider that a client would reasonably expect to materially influence the insurance advice if we didn't take steps to avoid this.

## Cover Limit

The maximum amount that can be claimed under a policy or category of loss.

## EQC levy

An amount charged by the Earthquake Commission and included in *your* invoice to cover up to \$150,000 loss from damage to residential dwellings resulting from a natural disaster (\$300,000 from 1 October 2022).

## Excess

An amount *you* pay toward a claim before the insurer pays *you* for the remainder.

## Exclusion

Specific circumstances or types of loss which are not covered by a policy.

## Financial Advice

A recommendation or opinion about acquiring or disposing of a financial product. Rothbury only provides financial advice about Fire & General Insurance.

## Financial Advice Provider (FAP)

A person or business that provides a financial advice service such as Fire & General Insurance advice – e.g. Rothbury Insurance Brokers Ltd.

## Financial Adviser

A broker who gives the financial advice about insurance to *you*.

## Fire and Emergency Levy

An amount charged by Fire and Emergency New Zealand and included in *your* invoice for policies which insure real or personal property assets.

## Incentive

Anything of value that a Broker or Rothbury may receive as a result of giving advice or a client acting on the advice and which a client would reasonably expect to materially influence the insurance advice if we didn't take steps to avoid this.

## Insurer Premium

The amount charged by the insurer for providing the insurance cover, **excluding** any Government fees and levies or GST.

## Natural Disaster Premium

An amount included in *your* premium, by the insurer, to cover the natural disaster risk to *your* property.

## Service Margin

*Our* fee charged for the services we provide such as putting *your* cover in place, managing claims, cancelling cover or making changes to *your* policy. Service margin is calculated as a percentage of the insurer premium.



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LEVEL 25, 188 QUAY STREET  
AUCKLAND 1010, NEW ZEALAND

[rothbury.co.nz](http://rothbury.co.nz)