

A Code of Practice that:

- sets service standards for insurance companies
- describes the responsibilities that you and your insurance company have to each other
- encourages professionalism in the insurance industry

■ INTRODUCTION

All insurance companies that belong to the Insurance Council must comply with this Code. This Code covers all products sold by the Insurance Council's members, and:

- explains your insurance company's responsibilities to you
- explains your responsibilities when you apply for insurance or make a claim
- tells you what you can expect if you make a complaint about your insurance company to the Insurance Council.

In the Code:

"we, us, our" refers to the insurance company

"you, your" refers to the customer.

FAIR INSURANCE CODE

■ OUR RESPONSIBILITIES TO YOU

- We will act fairly and openly in all our dealings with you. This means we will:
 - answer your questions accurately
 - explain the information you need to give us when you apply for insurance, renew your policy, or make a claim
 - explain the importance of you giving us information that is honest, complete, up-to-date and relevant
 - give you or your broker a copy of your policy which sets out in plain English what is insured, what is not insured, and what your obligations are
 - tell you or your broker about any changes to your policy.

- We will train our staff so that they can fulfil our responsibilities to you.
- You are entitled to ask for and receive clarification on the terms, conditions and exclusions of your insurance policy.
- You are entitled to ask for and receive a copy of the information given to us when you applied for insurance.
- When you make a claim, we will:
 - explain how to report your claim
 - explain what information you must give us to process your claim
 - explain the steps we will take while handling your claim
 - tell you that the information you give us must be honest, complete, up-to-date and relevant
 - keep you informed of the progress of your claim
 - settle all valid claims quickly and fairly
 - clearly explain how we reached our decision
 - clearly explain the reason if your claim is declined.

- We will treat your information confidentially including where you have given us permission to pass this on to nominated third parties

■ YOUR RESPONSIBILITIES TO US

- You need to give us honest, complete, up-to-date and relevant information when:
 - you apply for insurance
 - you renew your policy
 - you make a claim
 - your circumstances change.

Please ask us or your broker for help if you are not sure what information is relevant.

- To help us decide whether to insure you and on what terms, you need to tell us any facts that may affect our decision – whether we ask a specific question or not.
- If you do not give us these facts, we may refuse to pay your claim or we may even cancel your insurance from the start date of your policy.

Examples of relevant facts about you, your partner, or others insured under your policy, include:

- criminal convictions, subject to the Criminal Records (Clean Slate) Act 2004

- traffic violations
- previous claims, accidents or history of losses, whether insured or not
- refusal by an insurance company to insure you, or any claims declined by other insurance companies
- any change of drivers, including a change of the 'main driver' of an insured motor vehicle
- non-factory modifications to vehicles or boats
- any change of use of the vehicle or property (eg; car now used as a courier vehicle, or home now used as a bed and breakfast)
- bankruptcy
- previous history of flooding.

This list does not include everything that we may need to know. Please ask us for help if you are not sure about what information is relevant. Giving us this information does not necessarily mean your application or claim will be declined.

- ❑ You need to read your insurance policy and let us or your broker know if there is anything you want explained or corrected.
- ❑ You need to tell us or your broker about any changes to your contact details.

■ COMPLAINT PROCEDURES

If you make a complaint to us, we will:

- let you know that we have received your complaint within 3 working days
- make sure your complaint is fully investigated as soon as possible by someone not involved in the original decision
- give you the name and contact details of the person handling your complaint
- send you written advice about the progress or outcome of the complaint within 10 working days of receiving your complaint
- tell you within 2 months if we are unable to resolve your complaint
- when necessary, tell you about any other people who can help such as our dispute resolution provider approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

Disputes Resolution Scheme (DRS)

All insurance companies are required to have a DRS which is an independent service, free to you, that can help you settle a range of insurance disputes against insurance companies.

The DRS can help with complaints about policies and claims for personal and small business insurances to a stated maximum sum (unless the insurance company agrees to a higher amount). The DRS will help you settle your complaint by agreement, or the DRS will make the decision. The decision may be in your favour, or in the insurance company's favour. The DRS's decision is binding on the insurance company, but not on you. If you are unhappy with the DRS decision, you can take your complaint to the Disputes Tribunal or to court.

The DRS will refer to the Fair Insurance Code to help them make their decision.

Your insurer will advise you which DRS they belong to.

■ GENERAL INFORMATION

Administration of the Fair Insurance Code

The Insurance Council has prepared the Code and is responsible for its administration.

The Insurance Council is the industry representation body for general insurers and comprises 26 members who write approximately 95% of New Zealand's general insurance business.

All members of the Insurance council must comply with the obligations of the Code, which are additional to their statutory obligations.

The Insurance Council, working with community and consumer groups, reviews the Code every 3 years.

Breaches of the Fair Insurance Code

Where you feel there has been a breach of the Code, you should write to your insurance company's Dispute Resolution Scheme. The DRS will investigate your complaint thoroughly with your insurance company and take appropriate action.

■ ANY QUESTIONS?

If you have any questions about the Fair Insurance Code, please contact your insurance company or the Insurance Council of New Zealand – they'll be pleased to help you.



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