



Fair Insurance Code 2016

Entrusted with safeguarding New Zealand

Insurance Council of New Zealand

The Insurance Council of New Zealand (ICNZ) was established in 1895 to represent the fire and general insurance industry in New Zealand. The Council represents 28 members and is governed by a Board appointed annually at the AGM.

The Council aims to assist members in key areas affecting their business through effective advocacy and communication. The Insurance Council plays an active role in representing the insurance industry.

Our members are all licensed under the Insurance (Prudential Supervision) Act 2010 and are signatories to the Fair Insurance Code that requires insurers to act ethically. The Council also performs an important role in informing and educating consumers about key insurance issues and risks.

The Council advocates on behalf of its members who collectively write more than 95% of all fire and general insurance in New Zealand. Our role is to work on behalf of members and the public of New Zealand to promote understanding and trust in insurance. Insurance is fundamentally important to the security of our personal assets and businesses. It brings many benefits because it:

- » Protects individuals, communities and institutions from unexpected events;
- » Restores a loss at a future time in return for premiums paid now;
- » Supports the economy by reducing business uncertainty, encouraging increased investment and reducing the capital business needs to operate;
- » Enables higher risk/return activities to be undertaken to support growth;
- » Invests premiums to support capital growth in the wider economy;
- » Saves taxpayers/government from provisioning for catastrophic events;
- » Signals through premiums the need for other risk mitigation measures;
- » Is a major sector employer in its own right.

This revised Fair Insurance Code will come into effect on 1 January 2016.

This edition of the Fair Insurance Code was published by ICNZ in June 2015.

For more information on the Fair Insurance Code 2016 please contact:

Insurance Council of New Zealand

Level 2 Asteron House,

139 The Terrace,

PO Box 474, Wellington

New Zealand

www.icnz.org.nz

Phone +64 4 472 5230

About the Fair Insurance Code

1. The Fair Insurance Code is a code of practice that:
 - » sets minimum service standards for insurance companies
 - » describes the responsibilities that you and your insurance company have to each other, and
 - » encourages professionalism in the insurance industry.
2. In this Code:
 - » 'We', 'us' and 'our' refers to the insurance company.
 - » 'You' and 'your' refers to the policyholder. If you do business with us through an insurance broker or adviser, then that broker or adviser is your agent for the purposes of this Code.
3. This Code covers all insurance products except health insurance and life insurance.
4. This Code only applies to individuals and entities with 19 or fewer employees.
5. All members of the Insurance Council of New Zealand ('ICNZ') must comply with this Code. However, Lloyd's underwriters must only comply with this Code for business placed through a coverholder that is domiciled in New Zealand.
6. We are registered by law with an independent, external dispute resolution scheme. We must tell you which scheme we are registered with and provide you with their contact details. The schemes are responsible for resolving complaints about us and can apply remedies for breaches of this Code.
7. We will comply with this Code and fulfil our obligations under the laws and regulations that govern the insurance industry. This Code takes effect from 1 January 2016.

Our general responsibilities to you

8. We are committed to high standards of service.
9. We will act honestly, fairly, transparently and with utmost good faith towards you. We will:
 - » answer your questions accurately and in writing if requested
 - » 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 access to your policy wording, which sets out in plain English what is insured, what is not insured and what your obligations are, and
 - » tell you about any changes to your policy.
10. We will train our staff and our agents so they can fulfil their responsibilities to you. Their training will include the requirements of this Code and information about our products, and may also include principles of insurance and relevant consumer laws.
11. You are entitled to ask for and receive clarification on the terms, conditions and exclusions of your insurance policy. We will communicate clearly, concisely and effectively with you. We will take all reasonable steps to assist people with disabilities, or for whom English is a second language.
12. You are entitled under privacy laws to ask us for information we hold on our records about you.

Your general responsibilities to us

13. You must act honestly, fairly, transparently and with utmost good faith towards us.
14. You must take care to provide us with all material information about yourself, your partner, and others insured under your policy. That information must be complete and up-to-date. You must provide that information when:
 - » you apply for insurance
 - » you renew or change your policy
 - » you make a claim
 - » your circumstances change.
15. Please ask us for help if you are not sure what information is considered to be material.

What happens when you apply for or buy insurance from us

Our responsibilities

16. We will ask questions that will allow you to fully disclose any prior claims and other material information which may affect your ability to take out insurance or make a valid claim.
17. We will give you a clear summary of the key features of your policy.
18. We will explain your responsibilities to us and what may happen if you do not meet your responsibilities to us. We will do this:
 - » when you buy insurance from us
 - » during the term of your insurance with us, and
 - » when you renew your insurance with us.

Your responsibilities

19. You must tell us any facts that may affect our decision to insure you and on what terms, whether we ask a specific question or not. You must do this:
 - » when you buy insurance from us
 - » during the term of your insurance with us, and
 - » when you renew your insurance with us.
20. If you do not tell us something that would have affected our decision to insure you or the terms under which we insure you, we may refuse to pay all or part of your claim, or we may even cancel your insurance from the start date of your policy. We will respond reasonably in relation to what you did not disclose.
21. You must read your insurance policy and let us know if there is anything you want explained or corrected.
22. You must tell us about any changes to your contact details.

Facts you may need to provide to us

23. Examples of relevant facts about you, your partner, and others insured under your policy may include:

For all applications for insurance

- » Any criminal convictions, subject to the Criminal Records (Clean Slate) Act 2004.
- » Any previous refusal by an insurance company to insure you.
- » Any previous claims, including any claims that were declined by an insurance company.
- » Any current or previous bankruptcy, receivership or liquidation.

24. Examples of relevant facts about different types of insurance you are applying for may include:

For house and contents insurance

- » The age, size and address of the house.
- » Previous accidents or history of losses – whether you were insured at the time or not – including burglary, fire, water damage, earthquake, wind, flooding and landslip.
- » Any change of use of your property (for example, if your home is used as a business or if the house is unoccupied for an extended period of time).
- » If you are renting out your property.
- » If you plan to do major repairs or renovate your property.
- » If you are renting someone else's property.
- » If the people who come to live with you have criminal convictions.
- » Any pre-existing damage to your property.
- » If you put your contents in storage.

For motor insurance

- » Any change of drivers, including a change of the main driver of an insured motor vehicle.
- » If you are a parent insuring your child's motor vehicle in your own name.
- » Any previous traffic violations including speeding, reckless driving, drink-driving or drug driving.
- » Any non-factory modifications (whether structural, performance or cosmetic) to an insured motor vehicle.

- » Any change of use of an insured motor vehicle (for example, a private car now used as a courier vehicle).
- » Any previous accidents, or history of your losses, whether you were insured at the time or not.

For travel insurance

- » Any pre-existing medical conditions or symptoms.
- » All countries where you are travelling, including any changes to your itinerary.
- » The country you normally reside in.
- » The length of time you are seeking cover for.
- » Whether the insured travel is for personal, or business, or both purposes.
- » Any high-risk activities you will be engaging in (for example, extreme sports and winter sports).

For business insurance

- » The location of the business.
- » Any activities undertaken by the business, including any change in activities undertaken by the business.

25. These lists do not include everything that we may need to know. Please ask us for help if you are not sure what information is relevant. Giving us this information does not necessarily mean your application or claim will be declined. It helps us assess the risks we are insuring you for.

What happens when you make a claim

Our responsibilities

26. We will manage your claims quickly, fairly and transparently.

27. 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 or reasons, if we decline your claim.

28. When you make a claim, we will:

- » acknowledge receipt within 5 business days of receiving your claim, and
- » determine whether or not to accept your claim within 10 business days of the date we have all the information we need to determine your claim.

29. We may not always be able to determine whether or not to accept your claim within 10 business days. You might have a complex claim which takes us longer to evaluate, or we might depend on receiving information from third parties. If we cannot meet these best practice timeframes for whatever reason, we will:

- » explain why
- » tell you how long we expect it will take to determine your claim, and
- » update you at least once every 20 business days, or another such interval as we may agree with you, until your claim is resolved.

30. We will ask for and take into account only relevant information and material information when investigating and making decisions about your claim.

31. You have a right to:

- » access the information that we have relied on in evaluating your claim, and
- » ask us to correct any mistakes or inaccuracies in that information.

32. We can withhold that information from you in some circumstances. If we withhold information from you, we will give you reasons. You can ask us to put our reasons in writing. You can request a review of our reasons through our complaints handling procedures or the Privacy Commissioner. You can contact the Privacy Commissioner on 0800 803 909 or www.privacy.org.nz

33. We will treat your information confidentially, including where you have given us permission to pass this on to third parties, such as advisers and assessors, repairers and suppliers.

Your responsibilities

34. You must act honestly when making a claim.

35. You must contact us as soon as you can after you are aware of loss or damage giving rise to a claim.

36. You must cooperate with us by providing the information we seek to settle your claim.

What happens in a catastrophe or disaster

37. When a catastrophe or disaster strikes we may receive a large number of claims, and we may be especially reliant on third parties. This means we may not be able to meet the timeframes set by this Code.

38. However, when a catastrophe or disaster strikes, we will:

- » use our best efforts to meet all of our commitments in this Code
- » respond as quickly as possible and in a professional, practical and compassionate manner
- » update you at least once every 20 business days, or another such interval as we may agree with you, until your claim is resolved, and
- » prioritise our service for our most vulnerable customers.

What happens when you make a complaint

39. We are committed to high standards of customer service. If you are not satisfied with any aspect of our service, please advise us and we will try to put it right.
40. If we cannot put a customer service issue right for you, you can make a complaint.
41. A complaint is an expression of dissatisfaction made to us related to our products or services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.
42. Any complaint you make will be referred to our internal dispute resolution process.

Our responsibilities

43. If you make a complaint to us, we will:
 - » Acknowledge receipt within 5 business days of receiving your complaint.
 - » Give you the name and contact details of the person handling your complaint.
 - » Ensure that someone experienced who has not been handling your case fully investigates your complaint.
 - » Respond to your complaint within 10 business days of the date we have all the information we need to determine your complaint. Where further information, assessment or investigation is required, we will agree reasonable timeframes with you. If we cannot agree on reasonable timeframes, you can contact our independent external dispute resolution scheme about those timeframes.
 - » Update you at least once every 20 business days, or another such interval as we may agree with you, until your complaint is resolved.
44. If we cannot resolve your complaint to your satisfaction through our internal dispute resolution process within 2 months, we will explain our reasons to you in writing and provide you with a 'deadlock' letter so you can take your complaint to our independent, external dispute resolution scheme.
45. If you feel your human rights have been breached you can contact the Human Rights Commission on 0800 496 877 or through its website: www.hrc.co.nz

Your responsibilities

46. If our internal dispute resolution process does not resolve your complaint, please let us know. You may be able to refer your complaint to our independent, external dispute resolution scheme. We must tell you which scheme we are registered with and provide you with their contact details.

What happens if we breach this Code

47. As a member of ICNZ, we are committed to follow the Fair Insurance Code.

48. Our independent, external dispute resolution scheme can consider breaches of this Code. We are bound to comply with the decision of that scheme. If our scheme decides that we have significantly breached the Code, we must report that breach to ICNZ.

49. We can be reprimanded, fined or expelled from ICNZ by its Board for significant breaches of this Code. The independent, external dispute resolution schemes report significant breaches of this Code to ICNZ for this purpose.

How we will promote this Code

50. We will advise you where you can access a copy of this Code when you take out or renew your insurance cover with us.

51. ICNZ will promote this Code and make copies widely available.

