

# CLAIMS – IMPORTANT ISSUES

## Your Responsibilities and Obligations

Policies of Insurance are legally binding contracts and they impose certain commitments and obligations on each party. The main obligation of insurers is to pay claims. Your obligations and responsibilities are spelt out in the policy documents. In addition to the requirement for disclosure of material information referred to earlier, your responsibilities and obligations fall into three main areas, as follows;

§ **Preservation of insurers rights**

Insurers have the right to recover any claim payments from third parties who may have caused the incident that gave rise to a claim. You must not do anything that prejudices the position of the insurer.

§ **Preservation of the property or interests insured**

You must do everything that a reasonable or prudent person would do to avoid loss, damage or liability. In general terms this means that you should at all times act as if you are uninsured.

§ **Notification of and management of potential claim situations**

Any circumstance that might give rise to a claim should be treated as if it is a claim and immediately be notified to One Insurance Limited.

## Late Notification

A late reported claim or a claim where you fail to follow the requirements of the policy may:

§ Cause the insurer to incur additional costs

§ Hamper their efforts to recover from negligent third parties

§ Prejudice the efforts of the insurer to negotiate an equitable claim settlement

In these circumstances, **the Insurer may be entitled to decline all or part of your claim.**

## Average

Certain policies are subject to 'Average'. When a policy is noted as being subject to 'Average', it means that the obligation of insurers to pay a claim is limited to the proportion that the insured value bears to the actual value of the interest or item insured. For example, if an asset has an actual value of \$800,000, but is only insured for \$600,000 (75% of its value), the insurer is only liable for 75% of any claim made.

The policies most commonly subject to Average are Material Damage and Business Interruption.

# CLAIMS – PROCEDURES

## Material Damage Claims

In the event of a claim, or a circumstance, which may develop into a claim, you should immediately advise One Insurance Limited, and:

- § Take prompt action to minimise any loss, damage, or further threat to life or property.
- § Retain damaged property and other evidence for inspection by Insurers.
- § Record all costs in dealing with the event, or in reinstating damage.
- § In respect of any claim where a crime is suspected, notify the Police and give all reasonable assistance in recovering the property and in apprehension and punishment of any guilty person.

As detailed insurance knowledge may be necessary before determining whether an incident is a valid claim, always act as if uninsured and assume that all incidents are potential claims. Therefore, you should:

- § Complete the necessary documentation in all cases. If the police are notified ensure you obtain a copy of the police notification report.
- § Check that you are acting in accordance with the conditions stipulated in the policy.
- § Seek guidance when in doubt.
- § Comply with insurers requests for information.

## Business Interruption Claims

Business Interruption claims are triggered by a claim under the Material Damage policy, or damage at a suppliers or customers premises in New Zealand.

Although claims are few and far between, when they do happen it is important you 'manage the business through the claim' – not just manage the claim!

Every Business Interruption claim process is unique and is handled according to the situation. It is therefore critical that you advise One Insurance Limited as soon as possible.

One Insurance Limited will work with you and the loss adjustors to ensure that you are properly indemnified.

## **Motor Vehicle Claims**

### **Instructions to Drivers**

#### **If you are involved in an accident :**

- § Stop and exchange the following information with the other driver or persons involved:
  - § Name and address of driver (& owner if different to driver).
  - § Registration numbers/descriptions of vehicles and damage.
  - § Insurance company details.
- § Where damage to other property has occurred (e.g. fences, gates etc), record details of damage and details of owner(s) if available.
- § At the scene of the accident, record the names and addresses of any witnesses.
- § If the vehicle is immobilised remove valuables and arrange for it to be towed to a convenient place of safety for repair.
- § If the accident involves injury to any person or animal it must be notified to the police.

### **DO NOT ADMIT LIABILITY**

#### **If the vehicle is stolen :**

Report the theft to the nearest Police station immediately and obtain a complaint acknowledgement form.

#### **To commence repairs:**

- § Take the vehicle to a repairer of your choice and have the panel beater telephone One Insurance Limited
- § An assessor will be appointed to examine the damage and if appropriate authorise repair.
- § Complete a claim form describing the incident accurately and send it to One Insurance Limited immediately.
- § You will usually be required to pay your excess to the repairer directly. Your insurer will try to secure recovery of the excess where the other driver was at fault.

## Liability Claims

### Notification

If you become aware of any occurrence, which might give rise to a claim under any liability policy, or on the receipt of any writ, letter or notification of claim, immediately notify One Insurance Limited of the following in writing:

- § Location
- § Date
- § Time
- § Nature of incident
- § Estimate of Liability (alleged or otherwise)
- § Original copies of any communications received

One Insurance Limited will notify the Insurers so that if necessary an assessor or legal advisor may be appointed.

### Always

- § Retain any evidence, whether by way of damaged property, contract conditions, correspondence, witness statements or similar that will help insurers establish where responsibility should rest.
- § Send all correspondence regarding the potential claim to One Insurance Limited
- § Contact your broker if you are unsure whether a particular circumstance or event requires notifying to insurers.

### Important

- DO NOT** do anything that may prejudice your position or the insurers
- DO NOT** comment on the incident that could in anyway frustrate the claimant
- DO NOT** offer any compensation or explanation for the incident.  
If pressured, you should say that the matter has been referred for advice and you will be in touch
- DO NOT** mention that the situation may be insured – such comments may serve to increase the quantum of a potential claim

**DO NOT IN ANY WAY ADMIT LIABILITY – EVEN IF PRESSED**