

## How We Do Business

### Staff Qualifications

Your broker is acting on behalf Saffron Business Insurance Limited and is a General Insurance Broker. Under NZ law they are authorised to carry on a financial service business to provide advice on and deal in general insurance products.

We are able to issue, apply for, acquire, vary or dispose of such products to our clients, or on behalf of another person.

We provide these services on your behalf, unless we tell you otherwise. On occasion, we may act under a binder agreement authorising us to effect insurance and/or settle claims on behalf of an insurer. We will tell you whenever we act for the insurer and not for you.

Our quality services are delivered competently with integrity and honesty. We are members IBANZ and proudly follow the Insurance Brokers Code of Practice (see [www.ibanz.co.nz](http://www.ibanz.co.nz)).

### When We Provide Advice

Whenever we give you Advice by considering your objectives, financial situation or needs, we will provide that advice in the appropriate manner e.g. a Statement of Advice (SOA); or a written record of advice; or verbal advice.

In each instance, we will detail our advice; the reasons for that advice; our remuneration; and any potential conflicts of interest. If our advice is verbal, we will record and retain it, and make it available to you upon your written request.

When we give you advice of a General nature, rather than a personal one, we will tell you so and advise you carefully to read the relevant policy documents to ensure the cover is right for you.

### Arranging Insurance

We will collect relevant information from you to enable us to arrange quotation/s from suitable insurance markets.

When we submit the quote/s to you, we may also give you advice or recommendations. We will either ask for your instructions in writing or we will confirm your verbal instructions back to you in writing as agreed.

Your instructions will be carried out promptly and confirmed to you by us and/or insurer formal documentation e.g. our Tax Invoice and Schedule of Insurance; Certificate of Currency; and/or Policy.

### Confirmation Of Policy Transactions

Any policy transaction will be confirmed to you in writing. At times, we will retain the insurer's documentation on your behalf; however, we will provide it to you upon request. Alternatively, we will inform you that we are endeavouring to obtain the documentation from the insurer.

### Associations and Relationships

We endeavour to avoid any associations or relationships that do not benefit you in some way. In this Document and at other times, we will tell you about those that are capable of influencing our services so that you can make an informed decision.

### How we are paid

Our main remuneration for services is calculated as either commission paid to us by the insurer or underwriting agency, or a fee paid by you, or a combination of commission and fee. Commission is a percentage of the base premium i.e. the premium before the addition of EQC levy, fire services levy, GST and any other charges or fees. The rates of commission can vary between 0% and 20% and is payable on most transactions We will advise you about any fee we intend to charge you prior to providing the service and it will be shown on the Tax Invoice. Any fee is dependent upon factors such as the type and extent of your insurance program; and the time and costs associated with the administration performed and services provided.

## Retention and application of additional fees

We will retain any fee charged for the period of insurance if your insurance is altered midterm.

Each transaction may also attract an additional Administration Fee. If you are owed a refund of premium, we may retain the total commission for the full policy period by charging you an additional Administration Fee to offset any loss of commission due to the refund transaction.

## Premium Funding

We can arrange premium funding with preferred companies who charge you interest to enable you to pay premiums by instalment.

Before you enter into a contract with a funding company, you should read it carefully to ensure you agree with its terms and conditions. We may receive commission from the funding company calculated in the range of 0% to 4% based on the amount funded.

## Our Professional Indemnity Insurance

Saffron Insurance Limited, its representatives and employees are covered by Professional Indemnity Insurance that we believe meets the requirements of our membership to the Insurance Brokers Association of New Zealand (IBANZ).

The insurance, subject to policy terms and conditions, also covers claims in relation to our representatives and employees who no longer work for us, but who did at the time of the relevant conduct.

## Client Obligations

### Your duty of disclosure

Remember, your premium and insurance cover will be based specifically on the details you provide and the Insurance Contracts Act 1984 sets out your duty to disclose certain matters before you enter into a contract of general insurance with an insurer.

You have a duty to inform the insurer about every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision about whether to accept the risk and, if so, on what terms. You have the same duty each time you renew, extend, reinstate or vary the policy and during the policy period.

This duty is especially important in matters relating to physical risk including alteration of risk, and new or changed business activities or changed location, past claims, refusal or cancellation of other policies or increased premiums by insurers, fines or penalties, criminal convictions, insolvency or bankruptcy matters.

Your disclosure requirement may not be limited to specific questions in the Proposal, Declaration or Application Form or matters applying to you alone. It also includes other matters like past business or private insurance and applies to all persons and entities to be insured under the policy.

If you breach this duty, the insurer may be able to reduce its payment if you make a claim or in certain circumstances may be able to cancel the contract. If the non-disclosure is fraudulent the insurer may treat the policy as if it never existed.

### Change of risk or circumstances

Please make sure the information you give us in complete and accurate and inform us immediately of any change in circumstances that may affect the services provided by us or the cover provided by your policy. This is particularly important before taking out a policy but it also applies throughout the life of a policy.

Some examples are changes to:

- Insured names or Interested Parties
- Location, fire and burglary protection
- Sums Insured
- Type of business activities, products or areas of operation

### Under Insurance/Average Condition

Before you buy insurance, you should carefully consider whether your sum insured is adequate to cover any loss. You should insure for the full value of your property taking into consideration the type of insurance cover arranged e.g. replacement, reinstatement, indemnity or market value.

Many policies covering property e.g. Business Insurance, Fire, and Business Interruption contain an Under Insurance or Average Clause. In simple terms, this means that if you are underinsured, your claim may be reduced in proportion to the amount of that underinsurance. As a simple example:

If full Replacement Value of your property is \$1,000,000; and you chose a Sum Insured of \$500,000, you would effectively be under insured for 50% of the Replacement Value. If a claim occurred for \$200,000, the amount payable by the insurer would be 50% of the \$200,000 i.e. \$100,000.

### Policy Conditions

We know that reading insurance policies is the last thing you would think about doing but we can't stress enough that you can't absolve your responsibility for understanding what you are covered for if you don't read your policy documents. So read and check all policies to ensure that you are aware of the cover, limits and other terms that as failure to comply with them could invalidate it.

### In the event of a claim

In the event of a claim, you should take note of the required procedures, such as letting us know as soon

as possible. Prompt action could avoid unnecessary cost and distress.

As with any insurance, you have an obligation to take reasonable steps to mitigate any loss.

## Your cancellation rights

If you change your mind, and you have received your policy documents within the last 14 days you can cancel your policy and we will return any premium you have paid in full (provided no claims have been made on the policy). At any other time, you can cancel this policy by giving us 30 days' notice.

## Complaints Policy

### Our Service Goals

We aim to provide our Clients with excellent service at all times. We aim to be accurate, honest and fair, and provide a duty of care. Occasionally, however, disputes can arise.

If you believe we have not met up to the high expectations we wish to be held to, please let us know, and we will try our best to resolve it by listening to you carefully and responding in a professional, fair and timely manner.

Our goal is to have happy and satisfied long term Clients, by conducting our services competently, with integrity, honesty, care and skill, and in accordance with the Insurance Brokers Code of Practice. A copy of the Code can be found on the website of Insurance Brokers Association of New Zealand of which we are a member:  
[www.ibanz.co.nz](http://www.ibanz.co.nz)

### How To Make and Resolve Complaints

In the first instance, you can let us know about your complaint by:

Speaking to the broker who handles your insurance and explain your complaint, or,

By writing to us, explaining your complaint, and attaching any relevant documentation, or,

By visiting us and explaining your complaint.

We will only ask you for relevant information and you will have access to the information we have relied upon in assessing your complaint.

We will also take the opportunity to correct any mistakes in that information. In special circumstances, we may decline to release certain information but will not do so unreasonably. In these circumstances, we will give you our reasons in writing.

We value every client and have always focused on building strong client relationships. We expect that the fair and prompt way our people handle your

Complaint and our final decision will reflect that value.

### If Your Complaint Is Not Resolved

If your complaint is not resolved to your satisfaction, our Complaints Manager will confirm to you in writing whether the dispute must be handled by:

1. The Insurance Brokers Association of New Zealand in relation to our broker services and advice; or

2. Financial Services Complaints Limited.



Legislation requires that, as a registered Financial Service provider, we must be registered with a disputes resolution service. Visit <https://www.fscl.org.nz/> for more details.