



Insurance & Lending Group

ILG INSURANCE BROKERS LIMITED

**TERMS OF BUSINESS
MARCH 2021**

INTRODUCTION

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

By instructing us to place cover for *you* or engaging us to provide advice, *you* are agreeing to these terms, unless *we* agree with *you* in writing otherwise. *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 ILG Group provides advice on Fire & General Insurance, Life, Health, Trauma, Income Protection and Retirement insurance products and Kiwisaver, Claims management and advocacy, and associated services.

As part of the ILG Group, ILG 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 New Zealand owned company that was started up back in 2003 and we pride ourselves on providing personal service and quality advice. When these terms say *we*, *our* or *us* it means *our* group of companies which includes:

ILG 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 all major insurance providers, including Lloyds of London, 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 are however not able to offer you products or advice on products that may be available only to specific financial advice providers or via membership of any professional or other bodies.

We 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*.

Insurance & Lending Finance Limited ("ILF") (Premium Funding Services)

ILF offers *our* clients the ability to spread their payment of insurance costs throughout the year in monthly instalments.

Our authority to provide financial advice:

We hold a licence from the Financial Markets Authority to provide advice on Fire & General, Life, Health, Trauma, Income Protection & Retirement insurance products, Kiwisaver, Investments and Mortgages. 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 ILG 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 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;
- *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 cost to *you*.

If *you* do take *our* advice and *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).
- ILG will charge a fee for implementing the advice given to *you* if *you* instruct *us* to place insurances as recommended and for amending or updating *your* policies and dealing with claims lodged during the period of insurance. The amount of this fee will be \$75 per policy or insured item (if more than one) under a private or domestic insurance policy covering *your* home, contents, motor vehicle/cycle or pleasure craft or up to 15% of the total amount charged to *you* in respect of a commercial/business insurance policy and this fee will be payable on payment of *your* premium. **All of the above quoted amounts are exclusive of GST.**
- *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. If such costs are to be incurred *we* will endeavour to discuss these costs with *you* in advance.

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 remunerated by ILG Insurance Brokers Limited by payment of a salary and participation in a merit bonus scheme.

We actively monitor client feedback to ensure advice given by *our* brokers consistently targets the best client outcomes.

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;

- 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. 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 will provide you with an option to pay your annual insurance cost in monthly instalments through Insurance & Lending Finance Limited (“ILF”), an associated company within the Insurance & Lending Group. ILG Insurance Brokers Limited is not a credit provider and does not receive any commission or other remuneration from ILF for introducing business to them. ILG Insurance Brokers Limited would be acting as the agent of ILF and 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 ILF may instruct ILG Insurance Brokers Limited to cancel your insurance to recover amounts owing. If there is a shortfall then ILF 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

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 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 Act (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 perform due diligence on *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 *we* cannot complete due diligence required, 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 *your* use. 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\$1,000,000 or five times the commission received and fee charged to *you* on the relevant policy, whichever is the lessor, 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 any fee charged 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.

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 your adviser. *You* may be asked to complete a complaint form.

We will record *your* complaint and respond (if a response is expected) within three 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 the issue is not resolved to *your* satisfaction then *you* can contact the Insurance & Financial Services Ombudsman Scheme at P O Box 10-845, Wellington, 6143 or on their website www.ifso.nz. This is a free and independent dispute resolution service.

For full details of our complaints handling procedures refer to our website www.ilg.co.nz

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.

INSURANCE TERMS EXPLAINED

Brokerage

Amounts received by ILG 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.

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. ILG only provides financial advice about Fire & General Insurance, Life, Health, Trauma, Income Protection and Retirement insurance products and Kiwisaver.

Financial Advice Provider (FAP)

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

Financial Adviser

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

Incentive

Anything of value that a Broker or ILG 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.

Administration Fee

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.

