



A Guide for our Clients - Terms and Conditions

Introduction

Lifetime Insurance Brokers Ltd was established in 2001 in Christchurch (originally named Argent Insurance Brokers Ltd – the name was changed to incorporate the other South Island arms of the business in 2006). Lifetime Insurance Brokers Ltd is a member of the Insurance Brokers Association of New Zealand (IBANZ).

We are a wholly-owned New Zealand company delivering general insurance solutions that best meet our clients' needs, as well as providing excellent service. It is our goal to deliver a level of product selection, service and advice across the full range of general insurance products available through our underwriters. We wish to develop a successful partnership with our clients, our staff members and our underwriters that respects the interests and goals of each party.

This 'Guide' contains important information on our service that you should know – if we act as your general insurance broker, we do so based on the terms set out in this Guide and the IBANZ Code of Practice.

Our Services

We can offer a comprehensive range of general insurance products including (but not limited to):-

Commercial Insurances

- Material Damage
- Business Interruption
- Liability Risks – Broadform, Public, Products, Employers, Statutory, Directors and Officers, Technology, Trustees, Carriers
- Commercial Vehicles
- Mobile Plant
- Contract works
- Professional Indemnity
- Marine Cargo / Goods in Transit
- Machinery Breakdown / Spoilage of Refrigerated Foods
- Electronic Equipment

Personal Insurances

- Home buildings, rental properties and holiday homes
- Landlords Protection
- Home contents
- Private motor vehicles



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- Pleasurecraft
- Travel

As a part of protecting the things that matter to you we will undertake on your behalf:-

Reviews

We need to understand your business or situation in order to review and advise on your insurance needs. It is important that we know and understand your business and circumstances so we will take the time to learn about this throughout the term of our relationship.

If you would like us to act as your insurance broker, we will ask you to sign a 'Letter of Appointment'. If you are only seeking a quotation, then you will sign a "Letter of Authority to Quote". We must have this completed before we can seek terms from any of the insurers we can access. You can terminate the 'Appointment' at any time.

Once we understand your situation we will review your current risks, analysing your existing insurance covers and determining which insurance solutions best meet your needs. We will access a range of insurers to give you options to consider noting any points of difference. For some risks a completed proposal is a requirement of the underwriter to provide terms however we will attend to this directly with you if this is the case.

Placing Covers

Once a solution is agreed on by you we will arrange the cover with the underwriter(s) as agreed. We will supply you with the relevant insurance documentation which may include:-

- Letter of Confirmation of quote – this is a summary of the advice given including information which was the basis of the advice we provided
- Proposal Document(s) and / or Declaration(s) – as required by the underwriter
- Confirmation Notices – these are provided in the form of an invoice and attach the schedule of covers now in place for you.
- Policy Documents – these are provided from the underwriter and detail the terms and conditions of the covers we have recommended for you

These documents are important and contain information to ensure that any decision you have made in regards to your insurance is an informed one. We recommend that you keep these documents in a safe place for any future reference.



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Monthly Instalment Billing

Many of our clients prefer the option to pay their insurance premiums in monthly instalments from their bank account. Should you wish to use this payment option we can arrange this on your behalf through Argent Finance Ltd (interest charges apply)

Claims – are they settled fairly and promptly

The real test of the value of insurance is the way in which claims are handled. Should a claim arise, it is our objective that claims should be settled fairly and promptly and your broker will assist you to achieve this.

Your Insurance Requirements

To ensure that you have the protection in place suitable for your circumstances, we need a complete understanding of the risks you face. To do this we need to be aware of all circumstances that may affect your exposure to protect your interests.

New Business

If you need cover for a risk that is not insured you need contact us as soon as possible - we can usually arrange immediate cover through a temporary contract of insurance (generally valid for a month or less). We will need full details of the property or risk to be covered and there may be other information that needs to be completed.

We will then issue a letter of confirmation of quote and a proposal (if required) to you and ask that you fully complete, sign and return this to us as soon as possible to ensure it is received prior to the expiry of any temporary cover.

Once the fully completed proposal has been received we will issue our confirmation notices to you and provide you with a copy of your completed proposal(s) Following this the Insurer will forward your policy documents and we will send these to you shortly after they are issued.

Renewals

The renewal date is often a good time to review the current covers in place and make sure that it remains appropriate for your needs.

Your broker will ascertain from market trends, the date of last review, premium increases or any other factors to determine if your risks should be remarketed. Once any pre-renewal information is gathered it is our goal to issue your renewal invoice at least 14 days prior to the expiry of your insurance contract. Unless you tell us otherwise, or we have not been able to collect the pre-renewal information required by the underwriter, we will automatically renew your insurance to ensure you continue to be covered.

Payment is required by the Payment Due Date shown on your invoice (30 days from the date that the invoice was printed). In some circumstances we may be able to arrange



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temporary cover with the Insurer before payment is received, but we cannot guarantee this.

In the unlikely event that an insurer doesn't offer a renewal we will work with you to find an alternative solution for your requirements.

If you arranged or renewed insurance directly with an Insurer through another broker we are not in a position to notify you of expiry or arrange renewal.

Amendments or Adjustments

We need to know if your circumstances change. As such, if you need to alter any of the current risks placed for you, or advise of any information that may affect your covers, we need to be aware of this at the earliest opportunity. Your broker is happy to discuss these changes with you and advise you on what needs to be done.

Once the change has been accepted by the insurer we may issue a letter of confirmation and/or when processed issue our confirmation notices to you detailing any adjustment in premium.

Claims

Our staff members have the experience and ability to help you through the claim process and will assist and advise you regarding the cover and how to proceed.

Many of our underwriters no longer require claim forms for some events, however if they do, we will arrange this as soon as we are advised of the claim. If a loss adjuster is appointed we will need to provide them with your contact details for them to arrange a time to meet with you. If we receive any documentation, settlement cheques or any other information from the Insurer, we will send this on to you directly.

Cancellation

We must receive written notification from you if you wish to cancel any covers.

This request must come from a person (s) who is authorised to represent the named Insured (s) in the contract of insurance.

If a contract of insurance is cancelled before the expiry period of insurance we will refund any pro-rata return premium received from the Insurer (this refund is subject to any cancellation or administrative fee imposed by the Insurer). We do not refund any brokerage we have received. We may also charge or retain service margin for processing your cancellation request and will confirm the cancellation in an updated confirmation notice detailing any refund amount or invoice for the time on risk.

Please note that if you have elected to pay by monthly instalments, we will also need to settle your current finance agreement, this may incur settlement charges.



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Payment for Our Services

This details what we will charge for our services and other remuneration we may receive.

Our Remuneration

We are paid brokerage by the Insurers we do business with when we arrange your insurance. As a general rule, the brokerage we receive is a percentage of the Insurer's company and disaster premium (i.e. premium excluding fire service levy if applicable, GST or any other Government charges, taxes, or levies).

We may charge you a administration fee in addition to this.

As at October 2010, our broker revenue (brokerage and administration) as a % of the invoice value to customers (all net of GST) averaged approximately 15%. The actual broker revenue (brokerage and administration fee) charged on a particular invoice will vary by client/risk by risk basis and can be significantly more or significantly less than the average.

Please contact your broker if you want to know what brokerage and administration fee is payable in relation to any particular invoice.

Broker revenue is our main source of revenue and covers the cost of providing services to you, including administration and processing costs related to servicing and arranging your insurance covers.

This revenue also covers any distribution functions we may perform for the Insurer such as marketing, annual renewal marketing and underwriting. Broker revenue is the income from which we cover all normal business overheads including staff costs, IT, travel and so on.

We have payment arrangements with Insurers as provided in the Insurance Intermediaries Act 1994. As a result we earn investment income from handling premium funds.

Our Financial Services experience means we are often in a position to refer you to a financial planner or life insurance adviser for Financial Planning, Superannuation, Life, Kiwisaver, Disability or Trauma Insurance, or other financial services such as investments and mortgage broking. We may receive remuneration for this referral. This will not result in any additional cost to you for the services provided.

As an extended service offering, Argent Finance Ltd provides clients an option of paying by monthly instalment from your bank account. If you take up this option your premiums are funded by Argent Finance Ltd. We are paid a commission of the premium funded for providing this referral.

Our client focused service means we also attract business from referrals. If a person has referred you to us, we may pay them a commission for the referral they make. This will not result in any additional cost to you for the services provided.

Some of the Insurers we do business with give us other benefits such as sponsorship of conferences, our annual golf charity match, training and invitations to social business functions. Our employees or advisers may from time to time also receive small gifts and



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gratuities. These benefits do not result in any additional cost to you for the services provided.

Terms of Payment

Invoices

You should know that all insurance contracts are for a 12 month period – hence you are always required to pay the full 12 month premium for the risk unless advised otherwise. We will send you an invoice for the premium which will include any statutory charges (government levies and GST) and any service margin we charge for arranging your insurance. You must pay us by the Due Date shown on the invoice or within 30 days from the date of printing.

If you do not pay the premium on time we are required to notify the Insurer. The Insurer has the right to cancel the contract of insurance and you will not be insured. The Insurer may also charge a short-term premium for the time they have insured the risk. In some circumstances we may be able to arrange for the Insurer to cover you temporarily before payment is received, but we can not guarantee this.

Alternative Payment Methods

We offer alternative payment methods as part of our services such as:-

Cheque

Cash or Eftpos (at reception at our offices)

Bank or Internet Transfer

Credit Card (Visa or MasterCard only)

Instalment Billing

Instalment Billing enables you to pay your annual premiums monthly by direct debit from your bank account. We can arrange instalment billing on your behalf by setting up a finance agreement with Argent Finance Ltd that you will need to complete, sign and return to us. The finance agreement complies with all legislation including the Credit Contracts and Consumers Guarantees Act 2003. You should allow 10 working days for the finance agreement to be processed and actioned by the bank. Deductions will be scheduled for either the 1st or the 15th of each month.

Please note that all insurance contracts are for a 12 month period – hence you are always required to pay the full 12 month premium for the risk. If you cancel a risk mid term, please refer to the notes in the previous section 'cancellation' in regards to premium funded risks. It is important to note for motor vehicle covers that should your vehicle be 'written off' during an insurance period that you are still contracted to pay for the full 12 month premium for that period which ideally should be settled at the time of the claim.

An interest loading (10% flat rate) will be applied to the total invoice amount.



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An administration fee of \$25 will be charged on all new commercial finance agreements or a \$10 fee on alterations to existing finance agreements. An administration fee of \$10 will be charged on all domestic finance agreements or a \$5 fee on alterations to existing finance agreements.

Complaints and Disputes

In the first instance you should contact the CEO of the Argent/Lifetime Group, PO Box 25-130, Christchurch. If we can not agree on how to fix an issue through the internal disputes resolution service, or if you decide not to use the internal disputes resolution service, you can contact the Insurance and Savings Ombudsman (ISO). This service will cost you nothing, and will help us resolve any disagreements.

Disputes Resolution Scheme - Insurance & Savings Ombudsmen

Contact Information -

ISO, PO Box 10-845, Wellington 6143

Phone (04) 499 7612

Fax (04) 499 7614

Freephone 0800 888 202

E-mail – via website www.iombudsman.org.nz/contact

If you have any complaints in regards to general insurance in regards to the service you have experienced, please contact the Brokerage Manager.

How to Contact Us

Whether it is for information or to give is instructions, we are here to help. You can contact us in person, by telephone (0800 65 64 66), facsimile (03 3721901), letter (Freepost 135293, PO Box 25130, Christchurch 8144) or e-mail (insured@lifetime.net.nz).

Contact for all Branches of Lifetime Insurance Brokers Ltd is available on our website www.lifetime.net.nz



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Your Duty of Disclosure

Ensuring you have the best insurance cover for your situation is important to us. The best way to achieve this is for you to disclose relevant information about the risk you are insuring.

The information you provide is given to the insurance companies in order for them to assess the risk and determine the premium they require in order to cover this risk. They base their assessment on the information provided to them about the risk you are asking them to insure.

You have a duty to disclose certain information to the Insurer. This duty of disclosure applies before you enter into a contract of insurance for the first time, when you review, when you vary or extend that contract, and at any time your circumstances change during the period of insurance.

When you enter into a particular contract of insurance with the Insurer for the first time, you will be asked to answer specific questions on the insurance proposal form. You must answer those truthfully and accurately to comply with your duty of disclosure. On renewal, you are expected to disclose to your insurer every matter that you know, or could reasonably be expected to know, that may be relevant to the Insurer's decision whether to accept the risk and on what terms.

You do not have to disclose anything that:-

- Diminishes the risk to be undertaken by the Insurer
- Is common knowledge
- Your insurer knows, or in the ordinary course of its business, ought to know, or
- Your insurer has waived from your obligation to disclose

If you do not comply with your duty of disclosure, the Insurer may be entitled to cancel your contract of insurance. If the non-disclosure was fraudulent, the Insurer may be able to avoid (or cancel) the contract of insurance from its beginning. This would have the effect that you were never insured.

One important matter to be disclosed is the history of losses suffered by the person seeking insurance or any closely associated person or entity. As you are responsible for checking that you have made complete disclosure, we suggest that you keep an up to date record of all such losses and claims.

If you have any questions about whether information needs to be disclosed, or want additional help, please contact us.



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Your Privacy

We are committed to protecting your privacy. We use the information you provide us to advise and assist you with your insurance requirements. We do not trade, rent or sell your information.

You may visit our office by appointment to view the information we hold in your file. The information we will provide is at minimum complying with our obligations under the Privacy Act.

BROKER AUTHORITY

TO THE INSURERS CONCERNED

Current Underwriter _____

Renewal Date _____

This letter confirms that Lifetime Insurance Brokers Ltd:-

Client to delete whichever section that does not apply

AUTHORITY TO REPORT/OBTAIN A QUOTATION

has our authority to examine our insurance and to prepare a report and quotation. Please supply the necessary information to allow this to happen.

I/We understand that this is an authority to report and quote only. It is not an authority to act as a broker. If this report and quotation supplied is accepted the I/We will sign an "Authority to Act as Broker".

OR

AUTHORITY TO ACT AS OUR BROKER

has our authority to act as our exclusive insurance brokers effective from ___/___/___(date)

This authority replaces and revokes and previous authorities given, or implied, to any agent, or broker, previously handling our business and in particular to:

We acknowledge that the insurers with whom you place our business will provide consideration to you for doing so. We consent to this.

This appointment remains in full force and effect until cancelled in writing. This letter also authorizes Lifetime Insurance Brokers Ltd to obtain from, or disclose to any insurer, insurance broker or other appropriate party any information required to enable them to meet their obligations to us under this appointment. We acknowledge and consent to Lifetime Insurance Brokers Ltd receiving consideration from the insurers that Lifetime Insurance Brokers Ltd places our business with.

This authority relates to:

Full Name: _____

Trading As: _____

Postal Address: _____

Telephone: _____ **E-mail:** _____

Signed: _____ **Dated:** _____

(Print Client Name): _____ **Designation:** _____

Adviser/Broker: _____ (Print name)

Preferred payment method: Annual / Monthly (via direct debit)