

APRIL 2020

# FullCover

CURRENT ISSUES  
AFFECTING THE INSURANCE  
INDUSTRY IN NEW ZEALAND.



## What SMEs say they value most from their broker

**THE LATEST** research carried out by Vero Insurance says broker expertise was highest on the list for Kiwi businesses.

Small to medium sized business (SMEs) owners and decision-makers who were surveyed said they value finding policies that deliver the best value for money and being kept up to date about insurance changes, receiving guidance on their insurance policies and coverage, and benefiting from advocacy services from their broker.

SMEs today say they're looking for advisers who can help them maximise value from their insurance spend. Seventy-three percent who have a trusted relationship with their broker said they look to their broker to assess their business risk and recommend the right insurance policies and cover.

While many say they're already informed about cover options before they talk to their broker, the advice they are now seeking goes way beyond a simple product and price conversation. SMEs are looking to their



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broker to add value by providing in-depth knowledge and information about cover options and then recommend any necessary changes to minimise their risk.

New regulation and legislative changes mean business's risk profiles have become larger and it's clear that more options are needed to mitigate specific business risks.

**Kiwibank  
partners up  
with this  
Kiwi Broker!**

**KIWIBANK HAS** found a new Kiwi Broker. That's us!

We're really excited to be chosen by Kiwibank as their new broking partner. We'll be working with Kiwibank and their customers to provide commercial insurance advice and solutions, and achieve great customer outcomes.

We're thrilled to be helping more Kiwi businesses get the right insurance solutions to protect their business assets and their livelihoods.

**Kiwi  
bank.**

# Our locations and people



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# Cyber danger, more present and more menacing than ever

**CYBER RISK** is very real. Experts warn, it's not a question of if but when your business is targeted. Being prepared means having a plan in place so your business is ready to respond.

Last year, hackers acquired sensitive information of around 26,000 Generate, KiwiSaver members in a Christmas holiday raid. The hackers exploited weaknesses in the company's online application process and managed to obtain names, personal details, and Inland Revenue Department (IRD) tax number identifications, withholding tax rate

and copies of photographic ID. Generate said its members funds were safe but could be at risk of identity theft.

The Allianz Risk Barometer\*, an annual survey that identifies the top global business risks came out in January and for the first time ever, cyber incidents have topped the rankings.

Each year more and more Kiwi businesses are being affected by Cybercrime. Cyber criminals are getting smarter so you need to be smart too.

\*Source: <https://www.agcs.allianz.com/news-and-insights/reports/allianz-risk-barometer.html>



**Cyber criminals are getting smarter so you need to be smart too.**

**Check out our new Cyber Insurance video at [Rothbury.co.nz/cyber-liability-insurance](https://www.rothbury.co.nz/cyber-liability-insurance) to find out how Cyber Insurance can help protect your business.**



## COVID-19 Outbreak

The situation we find ourselves in is unprecedented. COVID-19 is causing global disruption and having a devastating impact on people and countries all around the world. As your broker we're here to provide guidance and advice about your insurance options and support you in any way we can.

Maintaining your insurances is important to protect your assets and your financial security at this time. We've published some information on our Blog <https://www.rothbury.co.nz/blog> to give you some general advice about Business Interruption and Liability Insurance and will be doing regular client updates.



Our full team is working from home and will continue to be available to assist you, either by email or by phone, and we remain committed to assisting you throughout these changing times. All our individual contact details are available at [www.rothbury.co.nz/contact-us](https://www.rothbury.co.nz/contact-us).

You can download our free MyRothbury App for instant access to your broker and policy details, including excesses and sums insured to assist with any information you require about your current insurance policies.

Stay safe.



# The insurance landscape is changing



We're here to provide personal service and quality advice to help you get the right insurance solutions.

**INSURANCE IN** New Zealand is changing and many homeowners remain unaware. There's been a steady shift by Insurers to move to risk-based pricing.

This means that if you purchase a home that comes with risk, you take on that risk yourself. It's no longer shared across the country. It also means that if your home is considered to be low risk you will enjoy the benefit of reduced premiums.

Many insurance companies are now pricing for seismic risk and flood risk areas, and calculating the effects of climate change and how this might impact homes across the country. They'll base your premiums on



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where you live and the type of property you have. So if you're thinking of buying a new home or building one, think about the risk

that might be associated with it. It's also important to think about your existing risk to make sure you're fully protected and covered for any loss. This means setting the right amount of sum insured.

We're here to give you expert advice and to find the right insurance solutions for you, so if you're looking to purchase a new property or would like to update your existing insurances, just give us a call.



## New rules about disclosure to Insurers

**THE INSURANCE** Contracts Law that governs insurance contracts is in the process of being reformed. The Government is looking to improve the rules around what you must disclose to Insurers and make changes so that you can more easily understand your insurance policies.

Some of the changes the Government has agreed upon include, placing the responsibility on Insurers to ask you the right questions when processing a new insurance policy, and ensuring that Insurers respond proportionately if you don't disclose something you should.

As well as strengthening your protection around unfair terms in insurance contracts, there will also be an increased focus to ensure insurance policies are written and presented in a way that can be more easily understood by the average Kiwi.

Part of our job as your broker is to help explain the terms to you and guide you about what you need to disclose. Remember we're here to serve you and your best interests. If you'd like to review any of your insurances just talk to your broker.

# The case of 'Right to Drive'



**SO JUST** who pays for the car rental after you've been in a collision and your car is off the road?

In a recent Court of Appeal case, a decision was upheld reinforcing vehicle insurers' liability for the cost of rental cars when it comes to their customers who are at fault in a car collision.

The issue was raised in the High Court in 2018 in the 'Right to Drive' case. Right to Drive (R2D), a credit hire company that targets innocent parties who have been in a collision, encourages them to hire a rental car while their damaged vehicle is in for repairs, telling them that the costs will be recovered from the 'at fault' party.

In the case of 'Right to Drive', the 'not at fault' party took his car in for repairs to a repairer (suggested by the 'at fault' party's insurer). The repair was going to take more than a month and the party was told to contact R2D to get a rental car. They told him he wouldn't need to pay as R2D would recover the money from the Insurer but that if they did refuse to pay then he would be liable.



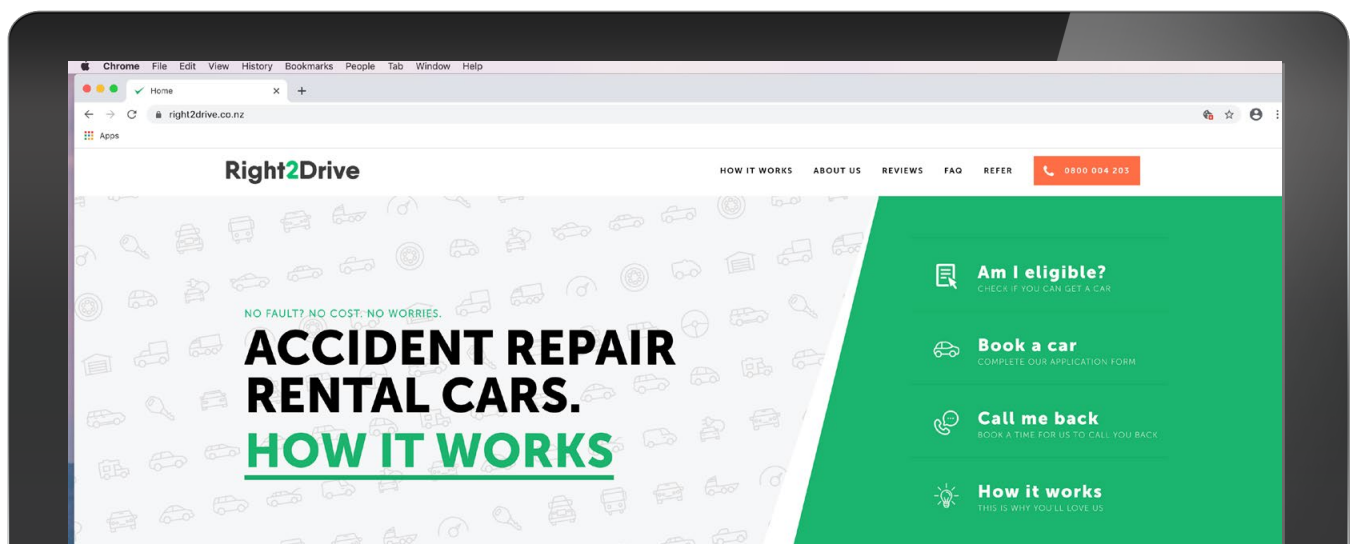
**People don't always understand the benefits of their policy when it comes to vehicle claims, so talk to your broker about what's possible if you're in an accident and have to make a claim.**

The Insurer did refuse to pay. But instead of trying to get the money back off the 'not at fault' party, R2D went after the Insurer instead and the Court found in their favour and ordered the Insurer to pay the costs of the rental.

The Court said that the 'not at fault' party had suffered the loss of his car and by renting a replacement car he had mitigated this loss. The Court found it to be reasonable to rent a car under those circumstances.

If the Insurer does not appeal to the Supreme Court and the case is upheld, the legal position in New Zealand will be that a negligent driver will be held legally liable for a third party's car rental costs, even if those costs are incurred by a credit hire company like R2D.

People don't always understand the benefits of their policy when it comes to vehicle claims, so talk to your broker about what's possible if you're in an accident and have to make a claim. You may be entitled to more than you think!





# Helping to support your business

**SUPPORTING YOUR** business is important to us, so we've partnered up with business advisory group, Grow NZ Business to help promote growth for all our business clients.

As part of the alliance, our business clients will receive **free** Grow NZ Business membership for a year.

Grow NZ Business is well known for linking Kiwi SMEs with trusted local and global business partners and can offer you access

to world class solutions across all facets of business. Our new alliance will provide you with access to trusted business advice and hands-on support to help you grow your business sustainably.

We're confident you'll gain value from being part of this network and benefit from the hands-on support and strategic business advice Grow NZ Business can provide. Talk to your broker about becoming a member.



Get free Grow NZ Business membership for 1 year.



## Big jump in Electric Vehicles predicted over the next 10 years

**A MASSIVE** lift in the global electric vehicle market is expected within the next decade and the fastest growth is expected to be here in the Asia Pacific region.

As governments around the world put more focus on a cleaner environment with zero-emission vehicles, the automotive industry in countries like China, Japan and South Korea is concentrating on innovation, technology and

the development of advanced electric vehicles. New products and devices mean that some can now even detect when a car has been stolen, damaged, towed and even where it is parked.

We're going to start seeing more and more of these cars on our roads. Projected numbers are almost 27 million around the world by 2030! Here in New Zealand, the Government is investing in projects that will add up to 110

new electric vehicle chargers and 50 electric ride-sharing vehicles around the country to get more electric vehicles on the road. There are currently 15,000 electric vehicles on the road according to Energy and Resources Minister Megan Woods.

While many insurers don't currently offer cover for electric vehicles as they become more common this is likely to change. Prices are slowly coming down as evidence proves that battery packs – the single most expensive part of an electric vehicle – are reasonably well protected in the event of an accident, reducing the likelihood of having to have a replacement.

At Rothbury, we've got access to over 60 insurance providers so if you're thinking of buying an electric vehicle, your broker can provide you with insurance options and competitive rates.

Source: EVtalk Magazine



Manage your insurance with My Rothbury

You can download My Rothbury from the App Store or Google Play today to gain instant access to your insurance information!

You can start a claim, send us photos of your claim and even access your travel insurance emergency phone number if you need help while travelling.

Check out our video at:  
[www.rothbury.co.nz/my-rothbury-app](http://www.rothbury.co.nz/my-rothbury-app)

