Fair Insurance Code 2020

Effective April 2020



ICNZ Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa

www.icnz.org.nz

Fair Insurance Code 2020

(Effective 1 April 2020)

Read your policy and ask questions

This code gives you some tips to help you manage your relationship with your insurer, but it doesn't override the terms and conditions in your insurance policy.

You should always read your policy to make sure of your obligations, and ask your insurer if there are any parts you don't understand.

Activate this QR code to access this document in other languages and formats including: NZSL, Spoken English and Te Reo Māori.

WriteMark®
Plain Language Standard

As part of our commitment to plain language, the Fair Insurance Code has been awarded the WriteMark. The WriteMark is a quality mark awarded to documents written to a high standard of plain language.

Cover Photography by **Tautini Hahipene**

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About the Fair Insurance Code

The Fair Insurance Code encourages good conduct and professionalism in the insurance industry. The code describes how your relationship with your insurer should work, including what you need to tell them and how they need to respond. The code:

- explains what the Fair Insurance Code covers and who it applies to
- describes the responsibilities you and your insurance company have
- explains what should happen when you make a claim or a complaint.

In this code:

- 'we', 'us' and 'our' refers to the insurance company.
- 'you' and 'your' refers to the policyholder. If you do business with us through an insurance broker or adviser, then that broker or adviser represents you for the purposes of this code.

This code covers all insurance products, except health insurance and life insurance.

This code applies to all members of the Insurance Council of New Zealand ('ICNZ').[1]

This code covers policyholders who are individuals or entities with 19 or fewer employees.

We're registered by law with an independent, external dispute resolution scheme.

We will tell you which scheme we're registered with and provide you with their contact details. The schemes consider complaints about us, including breaches of this code.

We'll comply with this code and fulfil our obligations under the laws and regulations that govern the insurance industry.

1 However, the code applies only to Lloyd's underwriters for business placed through a coverholder that is resident in New Zealand.

Our general responsibilities to you

This section explains how we'll work with you and communicate with you in general. It also covers your rights under the privacy law.

1. We're committed to high standards of service.
2. We'll act transparently, and with integrity and utmost good faith towards you.
3. We'll act in the interests of our customers by treating you honestly and fairly, and fulfilling our duties and obligations.
4. We'll develop, market, and sell our products responsibly.
5. We'll identify and address instances of poor conduct within our company.
6. We'll communicate clearly and will:
    - answer your questions accurately and in writing if requested
    - explain the information you need to give us when you apply for insurance, renew your policy, or make a claim
    - explain the importance of you disclosing information that is honest, complete, up-to-date and relevant
    - give you access to your policy wording, which sets out in plain English what is insured, what is not insured, and what your obligations are
    - tell you about any changes to your policy
    - explain the decisions we make accurately, clearly, concisely and effectively in all our interactions with you.
7. We'll train our staff and our agents so they can fulfil our responsibilities to you. Their training will include the requirements of this code, privacy law and information about our products, and may also include principles of insurance and relevant consumer laws.
8. You're entitled to ask for and receive clarification on the terms, conditions and exclusions of your insurance policy. We'll take all reasonable steps to help people with disabilities, or people who have English as a second language.

We'll comply with the privacy law

9. Under the privacy law you have the right to:
    - access the information we hold about you, including information we've relied on in evaluating your claim
    - ask us to correct any mistakes or inaccuracies in the information we hold about you, or to attach to that information a statement that a correction was asked for but not made
    - know what we'll use the information we hold about you for.
10. The list of privacy law rights above is not exhaustive.
11. We can withhold some or all of any information you request in some limited circumstances. If we withhold information from you, we'll give you reasons. You can ask us to put our reasons in writing. If you're not happy with the reasons we give, you can make a complaint through our internal dispute resolution process.
12. We won't use the information we hold about you for any other reasons than what we disclose to you.
13. We'll make arrangements for the security and storage of personal information we hold about you.
14. You can make a complaint to the Privacy Commissioner if you think that your privacy has been interfered with, including if you disagree with our reasons for withholding information[2].

2 If you have privacy concerns, you can contact the Privacy Commissioner on 0800 803 909 or www.privacy.org.nz.

Our general expectations of you

You should act honestly, fairly, transparently and with utmost good faith towards us.

You should take care to provide us with all material information about yourself, any other people and all property and risks insured under the policy. That information should be complete and up-to-date. You should provide that information when:

- you apply for insurance
- you renew or change your policy
- your circumstances change during the term of your insurance with us
- you make a claim.

If you're not sure what information might be material, please ask us for help.

If you have any disabilities or if English isn't your first language and you would like some help understanding, please ask us for help.

What happens when you apply for or buy insurance from us

This section explains what we need to know and what we expect from you when you apply for insurance from us.

15. We need to know all the information that will help us decide whether we should offer cover, and on what terms. To do this we'll:

- ask questions that will help you understand what kind of information we need to know
- tell you that we expect you to provide us all material information, whether we ask about it specifically or not
- give you a clear summary of the key features of your policy, including the things that it does not cover
- explain your responsibilities to us and what may happen if you don't meet your responsibilities to us. We'll do this:
  - > when you buy insurance from us
  - > during the term of your insurance with us
  - > when you renew your insurance with us.
- tell you that if you fail to disclose material information it may affect your ability to make a valid claim. Material information is information of enough importance to make a difference to our decisions about whether we should offer cover, and on what terms
- respond reasonably to information you did not disclose. However, if you don't tell us something that would've affected our decision to insure you or the terms under which we insure you, we may refuse to pay all or part of your claim, or we may even cancel your insurance from the start date of your policy.

Our expectations of you when you apply for or buy insurance from us

You should take care to provide us with all material information about yourself, any other people and all property and risks insured under the policy. Material means important enough to make a difference to our decisions about whether we should offer cover, and on what terms. That information should be complete and up-to-date. You should provide that information when:

- you apply for insurance
- you renew or change your policy
- your circumstances change during the term of your insurance with us
- you make a claim.

You should read your insurance schedule and the policy wording and let us know if there is anything you want explained or corrected.

You should tell us about any changes to your contact details.

Information you may need to provide to us

If you're not sure what information might be material, please ask us for help. Giving us this information doesn't necessarily mean your application or claim will be declined. It helps us assess the risks we're insuring you for.

The following lists give some examples of material information about you, your partner, and others insured under your policy that we may need to know.

For all applications for insurance

- any criminal convictions, unless you have a statutory right not to disclose them
- any previous refusal by an insurance company to insure you
- any previous claims, including any claims that were declined by an insurance company
- any current or previous bankruptcy, receivership or liquidation.

For house and contents insurance

- the age, size and address of the house
- previous accidents or history of losses – whether you were insured at the time or not – including burglary, fire, water damage, earthquake, wind, flooding and landslip
- any change of use of your property (for example, if your home is used as a business or if the house is unoccupied for more than 60 consecutive days)
- if you are renting out your property
- if you plan to do major repairs or renovate your property
- if you are renting someone else's property
- if the people who come to live with you have criminal convictions
- any pre-existing damage to your property
- if you put your contents in storage.

For motor insurance

- any change of drivers, including a change of the main driver of an insured motor vehicle
- any change of use of an insured motor vehicle (for example, a private car now used as a courier vehicle)
- if you are a parent insuring your child's motor vehicle in your own name
- any previous traffic violations, including speeding, reckless driving, drink-driving or drug driving
- any non-factory modifications (whether structural, performance or cosmetic) to an insured motor vehicle
- any previous accidents, or history of your losses, whether you were insured at the time or not.

For travel insurance

- any pre-existing medical conditions or symptoms you are aware of or become aware of up to the point of travel
- all countries where you are travelling, including any changes to your itinerary
- the country you normally reside in
- the length of time you are seeking cover for
- whether the insured travel is for personal, or business, or both purposes
- any high-risk activities you know you will be engaging in (for example, riding a motorised scooter, scuba diving, bungy jumping or skiing).

For business insurance

- the location of the business
- any activities undertaken by the business, including any change in activities undertaken by the business.

What happens when you make a claim

This section explains what we'll do and what we expect you to do when you make a claim.

We'll manage your claims quickly, fairly and transparently

16. When you make a claim, we'll:
    - explain how to report your claim
    - explain what information you must give us to process your claim
    - explain the steps we'll take while handling your claim
    - tell you that the information you give us must be honest, complete, up-to-date and relevant
    - keep you informed of the progress of your claim
    - settle all valid claims quickly and fairly
    - clearly explain how we reached our decision
    - clearly, concisely and effectively explain the reason or reasons, if we decline your claim in whole or in part.
17. When you make a claim, we'll:
    - acknowledge receipt within 5 business days of receiving your claim
    - decide whether or not to accept your claim within 10 business days of the date that we have all the information we need to determine your claim.
18. We may not always be able to decide whether or not to accept your claim within 10 business days. You might have a complex claim which takes us longer to evaluate, or which might depend on getting information from third parties. If we can't meet these timeframes for whatever reason, we'll:
    - explain why
    - tell you how long we expect it will take to make a decision on your claim
    - update you at least once every 20 business days, or another time interval we may agree with you, until your claim is resolved.
19. We'll ask for and take into account only relevant information and material information when investigating and making decisions about your claim.
20. We'll treat your information confidentially, including where you've given us permission to pass this on to third parties, such as advisers, assessors, repairers and suppliers.

Our expectations of you when you make a claim

You should act honestly when making a claim.

You should contact us as soon as you can after you are aware of loss or damage giving rise to a claim.

You should cooperate with us by providing the information we ask for to settle your claim.

A catastrophe or disaster can affect the way we usually do things

21. We may not be able to meet the timeframes set by this code when a catastrophe or disaster occurs because we may receive a large number of claims, and we may be especially reliant on third parties.

22. However, when a catastrophe or disaster occurs, we'll:

- use our best efforts to meet all of our commitments in this code
- respond as quickly as possible and in a professional, practical, and compassionate manner
- update you at least once every 20 business days, or another time interval we may agree with you, until your claim is resolved
- identify and respond to vulnerable customers based on their individual circumstances[3]
- take into account that this is a challenging time for you.

You can complain if you're not satisfied with our products or service

23. We're committed to high standards of customer service. If you're not satisfied with any aspect of our service, please tell us and we'll try to put it right.

24. If we can't put a customer service issue right for you, you can make a complaint.

25. A complaint is verbal or written advice that you are dissatisfied with our products or services, or the complaints handling process itself, and you expect something to be done about it.

3 This will include reference to the Human Rights Commission's Best Practice guidelines for the prioritisation of vulnerable customers.

What happens when you make a complaint

This section explains what we'll do and what your options are if you make a complaint.

26. If you make a complaint to us, we'll:
    - acknowledge receipt within 5 business days of receiving your complaint
    - give you the name and contact details of the person handling your complaint
    - refer it to our internal dispute resolution process
    - have someone experienced, who has not been handling your case, fully investigate your complaint if you request it
    - respond to your complaint within 10 business days of the date we have all the information we need to determine your complaint. If we have to do more work or ask for more information, we may agree a reasonable timeframe with you
    - update you at least once every 20 business days, or another time interval we may agree with you, until your complaint is resolved
    - tell you that complaints can sometimes be held up because we need information from third parties, but if this happens we will keep you informed.

We'll keep an open mind to resolving complaints through negotiation, conciliation, and mediation

27. We'll first try to resolve your complaint through our internal dispute resolution process within two months of you lodging it. If we can't do this to your satisfaction, we'll:
    - explain our reasons to you in writing
    - offer you a 'deadlock' letter so you can take your complaint to our external dispute resolution scheme
    - tell you which scheme we're registered with and give you their contact details.

28. We'll explain that you can take your complaint to our external dispute resolution scheme after two months, if you don't want to continue trying to resolve your complaint through our internal dispute resolution process. You don't have to do this.

29. If you think you've been discriminated against you can contact the Human Rights Commission on 0800 496 877 or through its website www.hrc.co.nz.

Let's work it out

Understanding our complaints process.



What happens if we breach this code

This section explains what can happen if we breach the Fair Insurance Code.

30. As a member of ICNZ, we're committed to following this code. As part of our commitment we'll:
    - have appropriate internal assurance processes in place to enable us to monitor our compliance with the code
    - report any significant breaches that we become aware of to ICNZ
    - provide code compliance reports to ICNZ as required.
31. The external dispute resolution scheme can consider breaches of this code once they have been through the internal dispute resolution process and a deadlock letter has been issued. We're bound to comply with the decision of that scheme. If our scheme decides that we have significantly breached the code, we'll report that breach to ICNZ.
32. If a significant breach is reported to ICNZ, it will be investigated by the independent Code Compliance Committee, who will then make a recommendation to the ICNZ Board on what action they should take.
33. We can be reprimanded, fined or expelled from ICNZ by its Board for significant breaches of this code. The external dispute resolution schemes report significant breaches of this code to ICNZ for this purpose.
34. A significant breach is a breach of any part of the code, or a number of breaches of the code, that could bring the insurance industry into disrepute, and for which there is no reasonable explanation. For example the following must be reported to ICNZ:
    - a claim still being unsettled after 12 months
    - the handling of a claim or complaint causing serious hardship to the policyholder
    - us not complying with the order from an external dispute resolution scheme upholding a complaint against us.
35. Any fine money paid by us will be used by ICNZ to provide public education on insurance.

We'll promote and share copies of the code widely

36. ICNZ and its members will promote this code and make copies widely available.
37. We'll tell you where you can access a copy of this code:
    - when you take out or renew your insurance cover with us
    - when you lodge a claim
    - if you make a complaint.
38. We'll display the Fair Insurance Code logo on our websites and claims and complaints documentation.

The Insurance Council of New Zealand

ICNZ represents general insurers who insure about 95 percent of the New Zealand general insurance market, including over half a trillion dollars' worth of New Zealand property and liabilities.

ICNZ's role is to work on behalf of members and the public of New Zealand to promote trust and confidence in insurance.

ICNZ's members are all licensed under the Insurance (Prudential Supervision) Act 2010 and are signatories to the Fair Insurance Code that requires insurers to act ethically. ICNZ also performs an important role in informing and educating consumers about key insurance issues and risks.

Where to go if you need some extra help

If you have difficulties understanding your policy, or during the claim or complaints process, the following organisations might be able to help you:

- Deaf Aotearoa www.deaf.org.nz
- The Translation Service – Te Pūtahi Whakawhiti Reo www.dia.govt.nz/Translation-Service

For more information on the Fair Insurance Code please contact:

Insurance Council of New Zealand

This code is also available in:

- Te Reo Māori
- New Zealand Sign Language
- audio.

All formats of the code can be found at www.icnz.org.nz/fair-insurance-code

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