

## **Terms of Business Agreement**

### INTRODUCTION

Lockton Companies NZ Limited Partnership (LCNZ) is an insurance intermediary authorised to provide financial services and advice in New Zealand by the Financial Markets Authority (FMA). LCNZ holds a Financial Advice Provider licence (FSP 772011) authorising it to provide insurance and risk management advice to clients in general, employee benefits and life/health insurance products to wholesale and retail clients, acting as our client's agent. Furthermore, LCNZ is licenced by the Financial Supervisory Commission in the Cook Islands (IB02/2021) to carry on all classes of insurance business, pursuant to the Insurance Act 2008. Lockton NZ Holdings Limited is also licenced in Samoa by the Ministry of Customs and Revenue (289504/105793) to carry out the business and activities of insurance agents and brokers.

The purpose of this Terms of Business Agreement ("the Agreement") is to set out the terms on which LCNZ undertakes to act for you, our client or agent, including our regulatory and statutory obligations, how we get paid, how we manage conflicts of interest or any complaint you have about our service, plus important information you need to be aware of in purchasing a financial insurance product recommended by us. The Agreement also identifies your responsibilities both to us and to insurers and other third parties.

These are our standard terms and can only be varied with our written consent. Please contact us immediately if there is anything in this document which you do not understand or with which you disagree. If you continue to do business with us and we do not hear from you, this will serve as your consent to working with us on the terms set out in this Agreement. In the absence of an agreement, this document sets out the terms upon which we provide our services to you.

This Agreement will be governed and constructed in accordance with New Zealand law and any dispute or disagreement arising shall be subject to the jurisdiction of the New Zealand courts.

In this document "we", "us" and "our" means LCNZ.

Despite any attestation clauses set out in this Agreement, this Agreement will come into full force and effect as between the parties on the appointment by you of LCNZ and shall continue in full force and effect thereafter unless or until terminated by mutual agreement of the parties or by either party giving at least 30 days' written notice to the other.

### OUR SERVICES

#### **Insurance & Risk Management Services**

We will discuss with you and your representatives your insurance requirements, including the scope of cover, the limits to be sought and cost. Upon receipt of your instructions, whether written or oral, we will use all reasonable endeavours to implement your insurance programme, subject to available insurers, before the intended date of inception, renewal, or extension of cover (whichever is appropriate). If you have not provided specific instructions, you authorise us to take such steps as are reasonably necessary to ensure continuity of insurance coverage including placement or extensions and agree to pay all premiums, fees, charges and penalties that may arise from such placement, extension, or later alteration thereof.

#### **Claims Handling Services**

Where agreed with us by you, we will provide our claims handling services during the period of our appointment for the policies placed by us. These services can be continued beyond our appointment by mutual agreement and will be subject to a separate fee. Our claims handling services include, upon receiving the required information from you, the notification of the claim or circumstances to insurers, representing you in the resolution of the claim and arranging the collection and/or settlement of the claim in accordance with market practice and your policy terms and conditions. Where claims are to be dealt with by you with insurers directly, we will provide advice and support as requested. We may use third party claims handling services, however, where we intend to do so we shall inform you prior to the inception of the insurance contract. Further, our claims handling services will cease where we are satisfied that you have appointed another broker or adviser to act as your agent. If a loss adjuster is appointed, we shall, with your permission, pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend the initial meeting with the loss adjuster if you wish us to. We will promptly forward to you all claims documentation, insurance company settlement cheques and other information. If any claims are outstanding when you terminate our appointment as your insurance broker, we will provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf. Where we collect claims payments, they will be remitted to you as quickly as possible. However, we will not remit claims monies to you before we have received them from insurers.

#### **Claims Preparation Services**

In addition to claims advisory and administration services which are outlined above we also provide claim preparation services which is at an additional cost, but which will be funded by Underwriters (usually with their permission / agreement) under the "Claims Preparation" cover included within your policy.

The intention of this cover and the service is to make available to the business and the management team expert claim resources to efficiently navigate the claim process, prepare and document best practice claim(s) in accordance with the available cover, and to engage where required with Underwriters and their appointed experts and loss adjusters to obtain timely interim payments and responses to claim(s) as they are provided.

A formal letter of engagement will be provided which will set out the available Claims Preparation cover and costs associated with the specific insured incident / event.

We may use third party claims services, however, where we intend to do so we shall inform you prior to the inception of the insurance contract.

### **Additional Services**

If requested, available and appropriate, we may agree to provide you with a few additional services which fall outside our core service provision. Such services (including Claims Preparation Services referred to above) may be subject to the agreement of additional remuneration. Such services may include catastrophe or analytical modelling services in which case a separate Limit of Liability will apply – please see further below. We do not offer advice in relation to tax, accounting, regulatory or legal matters (including sanctions) and you should seek separate advice as you consider necessary regarding such matters.

## **YOUR RESPONSIBILITIES & KEY INSURANCE INFORMATION**

### **Disclosure of Information**

#### *General and Life/Health insurance contracts*

Before you enter into an insurance contract, you have a duty to tell the insurer all material facts in relation to your insurance needs. A statement is material only if that statement would have influenced the judgment of a prudent insurer in fixing the premium or in determining whether they would have taken or continued the risk upon substantially the same terms.

You have this duty until the insurer agrees to cover your risk. You have the same duty before you renew, extend, vary, or reinstate an insurance contract. You do not need to tell the insurer anything:

- i) that reduces the risk they insure you for; or
- ii) is common knowledge; or
- iii) they know or should know as an insurer; or
- iv) they waive your duty to tell them about.

#### *Non-disclosure - if you do not tell the insurer*

If you do not tell the insurer something you are required to, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them is fraudulent, they may refuse to pay.

### **Your Insurance Policy**

You are responsible for reviewing the evidence of insurance cover to confirm that it accurately reflects the cover, conditions, limits and other terms that you required. Particular attention should be paid to any policy conditions and warranties, as failure to comply may invalidate your coverage and the claims notification provisions. If there are any discrepancies, you should consult us immediately. Further, you should review the insurance premium payment terms provided to you. All premium payment terms must be met on time, or your insurers may have the right to affect a notice of cancellation for non-payment of premium. We shall also advise of any charges which are additional to the insurance premium. We will send you any policy documents, if applicable, and any amendments or endorsement to your policy as soon as reasonably practicable.

### **Fire and Emergency Levy (NZ only)**

LCNZ does not offer you any advice in relation to tax or legal advice in relation to any liability incurred by you under the Fire and Emergency New Zealand Act 2017. You are responsible for providing valuation declarations for any contract of fire insurance placed by LCNZ on your behalf and acknowledge that these arrangements may be audited by Fire and Emergency New Zealand (FENZ). You are responsible for any additional levies payable and indemnify LCNZ for any statutory claim FENZ has against LCNZ for any contract of fire insurance arranged on your behalf.

### **Change in Circumstances/Variations**

You should carefully monitor and review that your insurance contract is adequate to cover your assets or business activities and that you advise us of any departure from your "normal" form of business (i.e. that which has already been conveyed to your insurers). For example, acquisitions, changes in occupation or location, new products, or new overseas activities.

If you want to vary any cover, e.g. by increasing the sum insured or adding other property, business activities etc., please provide us with details of the changes you require and any other information you need to disclose to the insurer. We will arrange the variation with the insurer and provide you with written confirmation. Please consult with us if you are in any doubt as to whether your insurer should or should not be told of certain changes.

### **Claims**

You are responsible for notifying claims or potential circumstances that may give rise to a claim in accordance with the terms and conditions of your insurance contract. To ensure full protection under your policy or similar documentation you should immediately familiarise yourself with the coverage conditions or other procedures relating to claims and to the notification of those claims. Failure to adhere to the notification requirements, particularly timing, as set out in the policy or other coverage document, may entitle insurers to deny payment of your claim. In presenting a claim it is your responsibility to disclose all facts which are material to the claim. Claims may be made against certain policies long after they have expired. It is important, therefore, that you keep your policy documents in a secure place. It is generally the case that claims may become unenforceable by way of legal proceedings (or in some jurisdictions, completely extinguished) if they are not pursued by legal proceedings commenced within the relevant limitation period applying to your claim in the jurisdiction in question. It is your responsibility to monitor the position on limitation periods applying to your claims and to commence legal proceedings in relation to your claims where this is necessary. It is also your responsibility to enter into "standstill" or "tolling" agreements in order to suspend the application relevant limitation periods, where this is desirable. We will not commence legal proceedings

or enter into standstill/tolling agreements on your behalf, nor will we advise you if and when to do so. On these issues we recommend you take your own legal advice.

### **Renewals**

We will contact you on a timely basis giving you notice of expiry of any insurance contract. We will provide you with details of the offer to renew the insurance contract and invoice you for the cost of renewal and where required can discuss any amendments to the details of the cover. Depending on the type of insurance we arrange for you, you may have to provide us with written instructions if you wish us to renew the insurance contract on your behalf. We will inform you if written instructions are required. You also undertake to pay the premium and other charges before the date shown on the invoice.

### **Sums Insured – Average and Co-Insurance**

Some insurance contracts require you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the amount of the loss. These provisions are called 'average' or 'co-insurance' clauses. If you do not want to bear a proportion of any loss, when you arrange or renew your contract of insurance, you must ensure that the amount for which you insure is adequate to cover the full potential of any loss. If you insure on a new for old basis, the sum insured must be sufficient to cover the new replacement cost of the property.

### **Interests of Other Parties**

Some insurance contracts do not cover the interest in the insured property or risk of anyone other than the person named in the contract. Common examples are where property is jointly owned or subject to finance but the contract only names one owner or does not name the financier. Please tell us about everyone who has an interest in the property insured so that we can ensure that they are noted on the contract of insurance.

### **Cancellation/Alteration**

We cannot cancel a contract of insurance without written instructions from a person(s) who is authorised to represent each of the parties who are named as insureds in the contract of insurance. If there is a refund of premium owed to you as a result of a cancellation or alteration to a policy, we will retain any fee we have charged you. We will also retain commission depending on our arrangements with the insurer.

### **Claims Made Policies**

Some kinds of liability policies (including professional indemnity, directors & officers, and trustees' liability) are usually issued on a "claims made" basis. This means that (subject to the other terms of the policy) the policy covers claims made against you during the period of insurance. If your policy is a "claims made" policy, and if you give notice in writing to the insurer of facts that might give rise to a claim against you as soon as is reasonably practicable after you become aware of those facts but before the period of insurance expires, the policy will cover (subject to the other terms of the policy) any subsequent claim against you that arises from those facts, even if that claim is not made until after the period of insurance has expired. (If you presently have a "claims made" policy, please consider whether there are any facts that should be notified to your present insurer before that policy expires). If your policy is a "claims made" policy, and if it has a "retroactive date", it will not cover any claim that arises from any act, error, omission or conduct that occurred before that date.

### **Waiver of Rights (Subrogation)**

You may prejudice your rights with regard to a claim if, without prior agreement from your insurers, you enter into an agreement with a third party that prevents the insurer from recovering the loss from that, or another party. Your policies contain provisions, which allow the insurer to recover their liability from the responsible party. Any agreement you enter into that excludes or limits your rights to recover damages from another party in relation to any loss, damage or destruction contravenes these provisions. If you have any such agreements, we may be able to negotiate with your insurer to permit them and therefore we request you to advise us of their existence. Examples of such agreements are the "hold harmless" clauses, which are often found in lease agreements, maintenance and supply contracts pertaining to the installation and maintenance of fire protection systems and burglar alarms and in repair contracts.

### **Who Is Responsible for the Financial Services and Advice Provided?**

As your insurance broker, we act for you as your agent, unless we tell you otherwise. At times LCNZ issues insurance through a binder or agency with an insurer. When we do this, we are acting as the agent of the insurer and are not acting on your behalf as your agent. We will always tell you when the product we are recommending or arranging is being done through a binder.

### **Payment of Premium**

You agree to provide settlement with cleared funds of all monies due in accordance with the payment date(s) specified in our debit note invoice or other relevant payment documentation ("Payment Date"). We are under no obligation to pay premium to insurers on your behalf and failure to pay all monies due, in particular where the premium is subject to a warranty or other payment condition, may lead to the insurer cancelling your contract. Any interest or fines payable in the event of late payment of any government or statutory charges due are your responsibility. You agree that LCNZ may retain all insurance credits on your account and utilise those funds to offset any current outstanding debit amounts unless you advise otherwise. If there are no outstanding debit amounts on your account, please provide your EFT / bank deposit slip details via email as soon as possible so we may remit funds back to you.

### **How Will you Pay for the Services Provided?**

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges, and levies. We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges, and levies) called "commission", which is paid to us by the insurers. However, in some cases we will also charge you a broker administration fee. All fees charged will be shown on the invoice that we send you and for retail clients we will also disclose the dollar amount of any commission earned. Alternatively, we may rebate all commissions to you and charge you a fee based upon the

nature of the service we provide. Commission and fees are earned for the policy period and we will be entitled to retain all commission and fees in respect of the full policy period in relation to policies.

### **Remuneration**

Our remuneration for the services we provide you will be either commission, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom your insurance contract is placed, or a fee as agreed with you. If appropriate, we may receive a fee and commission. You agree that commission and fees are fully earned by us once a policy of insurance is placed for the period of the contract and we shall be entitled to retain all fees and commission in respect of the full period of the contract in relation to contracts placed by us, notwithstanding that you decide to withdraw our appointment mid-term. We shall disclose the form and amount of compensation we will earn in accordance with regulations. It may, at times, be appropriate (and for your benefit) for us to use other parties such as introducers or other insurance intermediaries. These parties may also earn and retain commissions for their role in providing products and services for you or in recognition of services they provide to us in relation to your business.

Where a percentage of our remuneration is shared with such a third party, we confirm that the overall remuneration has not been increased to allow for any such sharing. You may also choose to use a premium finance company or other service provider in connection with the insurance we place for you or the services we provide. If we receive any direct remuneration from any such service provider by reason of your use of their service, we will disclose to you the amount of that remuneration before you make a final decision to use that service provider. In the ordinary course of business, we may also receive interest on client and insurer monies from the date we receive the funds until we settle to those due to receive them. We confirm that we shall retain that interest rather than pay it to you or the insurer.

### **CPI Increase**

You acknowledge and agree that our fees under this Agreement will be subject to an annual increase in accordance with the increase in the consumers price index ("CPI") for the previous 12 months. The percentage increase will be taken to be the most recent figure for CPI published in the quarter prior to the 12-month anniversary of the Agreement.

### **Terms & Method of Payment**

Payment is due in accordance with the payment date(s) specified on our invoice or other relevant payment documentation. You can choose to electronic funds transfer (EFT), or we can arrange a premium funding quote for you.

### **Introducers (Referrers) and Distributors**

We may pay third parties or introducers who have introduced you to us or referred us to an insurer, either an agreed commission amount or a set amount. We may also pay distributors who assist us in arranging your insurance, for example by collecting application forms and payment from you or assisting you to lodge a claim, an agreed commission, or a set amount.

### **Interest Earned on Trust Account**

When you pay us your premium it will be banked into our trust account. We retain the commission from the premium you pay us and remit the balance to the insurer in accordance with our arrangements with the insurer. We will earn interest on the premium while it is in our trust account, or we may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium.

### **Other Revenue**

We provide services to insurers that are not directly related to the services provided to you and we receive usual and customary remuneration in recognition for those services. This remuneration may be a work transfer, management or administration fee. These payments recognise the services we provide to the insurer over that given period. It may be appropriate and for your benefit for us to use a member of Lockton Companies LLP or another intermediary to assist us in fulfilling your insurance requirements. These companies may receive usual and customary remuneration for the services they provide. If any such parties are part of Lockton Companies LLP, we will disclose the form of compensation they will earn before insurance is purchased.

### **Other Benefits**

From time to time our Associates may receive certain hospitality benefits. The receipt of these benefits is not based upon the volume of business placed with the provider but is more of an ad hoc reward received in the normal course of duty and are in compliance with our global policies in relation to Conflict of Interest, Bribery and Corruption. You have the right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by the licensee and/or representatives.

### **Electronic Communications**

We may communicate by electronic mail with each other and with other parties with whom we need to communicate in order to provide services to you, sometimes attaching further electronic data. We will also use hyperlinks to provide you with information and disclosure documents. By agreeing for us to provide services to you, you agree to receive communications by email, including updated versions of this document. By engaging in this method of communication we and you accept the inherent risks (including the security risks of interception of or unauthorised access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). Notwithstanding that we have reasonable virus checking procedures on our system, you will be responsible for virus checking all electronic communications sent to you. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidential standing of an electronic document and our system shall be deemed the definitive record of electronic communications and documentation.

## Dispute Resolution

If you are not fully satisfied with our services, please contact our Complaints/Disputes Manager, and tell them about your complaint or dispute. If your complaint cannot be immediately resolved, we will acknowledge your complaint/dispute in writing within 2 working days providing you details of our internal complaints process and the person responsible for managing your complaint. We will endeavour to resolve your problem within 20 working days. If your complaint cannot be resolved to your satisfaction by us, you have the right to refer the matter to an external dispute resolution service Insurance & Financial Services Ombudsman Scheme (IFSO) of which LCNZ is a member. This service is free of charge. A person may submit a complaint by using IFSO's online form or by contracting IFSO by phone or email. By submitting a complaint, the complainant is deemed to have agreed to have the complaint considered under the rules.

IFSO can be contacted as follows:

Phone: 0800 888 202 (freecall).  
Online: [www.ifso.nz](http://www.ifso.nz) or  
Post: PO Box 845 Wellington 6143 New Zealand

## BUSINESS PRINCIPLES

### Provision of Information & Ownership

All activities undertaken by us as outlined in this document are provided by us for your exclusive use and all data, recommendation, proposals, reports, and other information provided by us in connection with our services are for your sole use. You agree not to permit access by any third party to this information without our express written permission, which must not be unreasonably withheld, other than if such access is required by law or for the purposes of obtaining advice (legal, financial, other). While you retain ownership of all physical insurance contract documents, slips and any other documents created by us for you in the performance of the services ("Placing Documents"), subject to the duties of confidence set out in this document, ownership of all intellectual property rights in any Placing Documents vests in and remains with us. We grant you a non-exclusive, perpetual, royalty-free licence to use and reproduce the Placing Documents for your own internal business purposes subject to the provisos in this document. We reserve our right to take action to protect proprietary information.

### Third Party Rights

Unless otherwise agreed between us in writing, and to the extent permitted by applicable law, no terms of this Agreement is enforceable by a third party, except by members of Lockton Companies LLP.

### Privacy and Data Protection

We are committed to protecting your privacy and will apply reasonable endeavors to comply with the Privacy Act 2020 for any "personal information" we collect and hold and where applicable the European General Data Protection Regulations (2018) and any further amendments. We will comply with all applicable laws, regulations, rules, relating to the privacy of information for all jurisdictions that we do business in. We use the information you provide to advise about and assist with your insurance and risk management needs. We will apply reasonable endeavours to keep any personal information in our possession or control secure from loss or unauthorised access, modification, or disclosure, to return such information on request, and to notify you if there are any data breaches in relation to the information. Further details as to how we will collect, hold, use and disclose your personal information are contained in our privacy policy available here <https://global.lockton.com/nz/en/nz-privacy-statement> A copy of your file is available on request.

### Confidentiality

We will keep all information received from you confidential and use it solely for the purpose of performing our Services. We may disclose to third parties our Clients' confidential information where:

- i) disclosure is required to satisfy our legal obligations or regulatory requirements;
- ii) disclosure is reasonably required to carry out our Services; and
- iii) such information is, other than as a result of a breach of any obligation of confidentiality owed by any person to you, the Client, in the public domain or rightfully in our possession.

We will as soon as practicable provide, destroy, return or cause the provision or return of all documents and other materials in our possession, custody or control which contain, relate to, or concern the Client (including any material created or developed by us or any LCNZ personnel) on the Client's written demand.

### Limit of Liability

To the fullest extent permitted by law, and notwithstanding any other provision of this Agreement, the total aggregate liability of LCNZ to the Client and anyone claiming by or through the Client, for any and all claims, losses, costs or damages of any nature whatsoever related to our Services or the Agreement, from any cause or causes, shall not exceed NZD\$10,000,000. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law. The cap should not apply to loss caused by us with regards to:

- i) fraud, criminal offence, wilful default or wilful misconduct; or
- ii) personal injury to, or illness or death of any person; or
- iii) damage to, or loss of destruction of, a third party's property.

Where you agree, or have agreed, a separate limitation of liability in any other agreement with us or any of the Lockton group companies, including for services not covered by this Agreement, the higher limit of liability set out in any of such agreements shall apply as the total overall liability of Lockton Companies LLP and the Lockton Group Companies under all agreements you have entered into with us and all other Lockton Group Companies, collectively, ("Total Limit of Liability") and the limits of liability set out in such other agreements will not serve to increase our or any Lockton Group Companies liability above such Total Limit of Liability. Any amount paid by us or any Lockton Group Companies under any agreement with you shall be taken into account against any such Total Limit of Liability to reduce such Total Limit of Liability available accordingly.

### **Limit of Liability for Analytical Services**

If we are retained to provide any catastrophe or analytical modelling services, our total liability for those services will be NZD\$1 million.

### **What Arrangements Do We Have in Place to Compensate Clients for Losses?**

LCNZ has a professional indemnity ("PI") insurance policy in place. The PI insurance covers us and our Associates for claims made against us and our Associates by clients as a result of the conduct of us or our Associates in the provision of financial services and advice. LCNZ confirms that it has arrangements in place to ensure it continues to maintain PI insurance in accordance with the relevant regulations. In particular our PI insurance, subject to its terms and conditions, provides sufficient indemnity to the Sum Insured and our representatives and employees in respect of our authorisations and obligations under our New Zealand Financial Advice Provider's licence (FAP). This insurance will continue to provide such coverage for any representative or employee who has ceased work with LCNZ or work done whilst engaged with us.

### **Financial Crimes Prevention**

As a financial service provider, we may have an obligation under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 to verify your identity and the source of any funds. This means that we may ask you and/or directors of your company/organisation to present identification documents such as a passport and driver's licence. We will also retain copies of this information in accordance with our privacy policy. We assure you that this information will be held securely. We cannot provide you with services if you are unwilling to provide this information. We will comply with all applicable laws, regulations, rules, codes and sanctions relating to financial crimes of jurisdictions that we do business in (including but not limited to the NZ Crimes Act 1961, the UK Bribery Act, UK Criminal Finance Bill, and the US Foreign Corruption Practices Act) and shall not engage in any activity, practice or conduct which would constitute an offence or breach of any relevant requirements.

### **Conflicts of Interest**

Circumstances may arise where we may find we have a conflict of interest or otherwise have a material interest in or related to a matter in respect of which we are acting. We have conflict management procedures, and we seek to avoid conflicts of interest but where a conflict is unavoidable, we will explain the position fully and manage the situation in such a way as to avoid prejudice to any party. The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, we will act in your best interests and if a conflict arises from which there is no practicable solution, we will withdraw unless you wish us to continue to act for you and provide us with your written consent to that effect.

### **Ethical Business Practice**

We do not tolerate unethical behaviour either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, rules, regulations, and accounting standards.

### **Underwriting Agents & Wholesale Brokers**

In some cases, we use the services of an Underwriting Agents and Wholesale Brokers (insurance intermediary) to access products that are not available to us directly from the underwriter. You can identify where we have used an insurance intermediary as the Invoice/schedule will show that the policy is placed via another Insurance Intermediary. This situation usually arises where the insurance intermediary has developed a specialised product and competitive pricing for risks that are not commonly available directly but via the insurance intermediary. All insurance intermediaries that we deal with in New Zealand are required to hold a New Zealand Financial Advice Providers licence and to place all client funds received into a Trust Account and are required to meet the same high standards in the delivery of the services that apply to us. Importantly all claims will be the ultimate responsibility of and paid for by the insurer. In such cases should you wish to access the Financial Advice Disclosure of the Underwriting Agency or Broker please contact us and we will arrange to have a copy sent out to you.

### **Market Security**

The purpose of market security monitoring and evaluation is to ensure as far as possible that risk is transferred to (re)insurers with the resources to bear that risk when the insurance policy is placed. However, LCNZ does not guarantee the performance of any insurer or intermediary with which we place your business.

### **Insurers We Use**

When we recommend an insurance policy for you, we will usually only consider the policies offered by the insurers or insurance providers whose security has been examined and approved by our Market Security Committee. In giving you advice about the costs and terms of recommended policies, we have not compared those policies to all other policies available, other than from those insurers we deal with regularly. We undertake a review of all insurers with which we deal on a regular basis.

### **Third Party Rights**

Unless otherwise agreed between us in writing, and to the extent permitted by applicable law, no term of this Agreement is enforceable by a third party, except by members of Lockton Companies LLP.

### **Amendments**

You agree that we have a right to amend this document by sending you either a notice of amendment in writing or a revised Terms of Business Agreement. Any amendment will apply in respect of any service transaction entered into by us after notice of the amendment is given and may take effect either immediately or at such later date as the notice may specify. We will however give you at least 10 business days' notice of any change.

### **Termination**

Our services may be terminated either by us or you upon the giving of one month's notice in writing to the other party or as otherwise agreed. In the event our services are terminated by you, we will be entitled to receive any and all fees or brokerage payable in accordance with the terms of "Our

Remuneration” set out above. In the event that such remuneration has not been received by us in full at the time notice of termination becomes effective, you agree to pay us any outstanding amount within 7 days of the effective termination date and thereafter on demand.

**How Can We Be Contacted?**

You can provide us with instructions in person, by telephone or email or in writing. Our contact details are at the end of this document.

## **Financial Advice Disclosure**

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### INTRODUCTION

Lockton Companies NZ Limited Partnership (LCNZ) (FSP 772011) is Financial Advice Provider licenced and regulated in New Zealand by the Financial Markets Authority (FMA) to provide financial advice services.

### OUR SERVICES

Under the terms of our licence our financial advisers are authorised to provide financial advice to clients on general, life and health insurance products. We will establish the nature and scope of advice to meet your insurance requirements, including the scope of cover offered by the insurers we deal with in addition to the limits and cost of any insurance arrangement we place on your behalf.

In this document "we", "us" and "our" means LCNZ.

### FEES OR EXPENSES

Our remuneration for the services we provide you will be either commission, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom your insurance contract is placed, or a fee as agreed with you.

Under the terms of our licence where required to do so, LCNZ will advise you of the fees and expenses payable when we provide you with details of your insurance quote.

### CONFLICTS OF INTEREST AND INCENTIVES

We have conflict management procedures, and we seek to avoid conflicts of interest but where a conflict is unavoidable, we will explain the position fully and manage the situation in such a way as to avoid prejudice to any party.

Commission is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom your insurance contract is placed. Our commission will be calculated based on the following formula:

$X = Y\% \times P$ . In this formula: X = our commission, Y% = the percentage commission paid to us by the insurer. Our commission earned varies between 0% and 37%, P = the amount you pay for any insurance policy (less any government fees or charges included in that amount). Our charges include GST.

Under the terms of our licence where required to do so, LCNZ will confirm the amount of commission payable in the insurance quote.

In addition to the fees and/or commissions, LCNZ may charge an Administration fee to cover costs in relation to administering your insurance policies as well as other additional disbursement costs.

If you choose to arrange premium funding in connection with a premium funding quote provided by LCNZ, we will receive a commission and/or fee. The commission range will be 0% to 5% of the total amount funded.

Any premium funding arrangement will be subject to a separate agreement between you and the premium funder.

From time to time our Associates may receive certain hospitality benefits (such as tickets to sporting events, movies, meals, bottles of wine, hampers). The receipt of these benefits is not based upon the volume of business placed with the provider but is more of an ad hoc reward received in the normal course of duty and are in compliance with our Global policies in relation to Conflict of Interest, Bribery and Corruption. You have the right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by the licensee and/or representatives.

## COMPLAINTS HANDLING AND DISPUTES RESOLUTION

If you are not fully satisfied with our services, please contact your Financial Adviser and tell them about your complaint or dispute. Alternatively, you can contact our Complaints/Disputes Manager as follows:

- Post: Level 8, 1 Albert Street, Auckland 1010
- Phone: 0800 345 758 (freecall)
- Email: [info.NZ@lockton.com](mailto:info.NZ@lockton.com)

If your complaint cannot be immediately resolved, we will acknowledge your complaint/dispute in writing within 2 working days providing you details of our internal complaints process and the person responsible for managing your complaint. We will endeavour to resolve your problem within 20 working days.

If your complaint cannot be resolved to your satisfaction by us, you have the right to refer the matter to an external dispute resolution service Insurance & Financial Services Ombudsman Scheme (IFSO) of which LCNZ is a member. This service is free of charge. A person may submit a complaint by using IFSO's online form or by contracting IFSO by phone or email. By submitting a complaint, the complainant is deemed to have agreed to have the complaint considered under the rules.

IFSO can be contacted as follows:

- Phone: 0800 888 202 (freecall)
- Online: [www.ifso.nz](http://www.ifso.nz)
- Post: PO Box 845 Wellington 6143 New Zealand

## FINANCIAL ADVISER DUTIES

LCNZ is regulated by the Financial Markets Conduct Act 2013 (and amendment regulations 2020) and any adviser providing financial advice on our behalf must adhere to the duties relating to that advice.

We must.

- Comply with ethical behaviour, conduct and client care standards
- Give priority to your interests.
- Disclose prescribed information.
- Exercise care diligence and skill.
- Meet the standards of competence, knowledge, and skill.

More information is available on request of by visiting the Financial Markets Authority website at [www.fma.govt.nz](http://www.fma.govt.nz).



Lockton Companies NZ Limited Partnership

NZBN: 942 904 888 2224 / FSP: 772011