

A Guide for our Clients - Terms and Conditions

Introduction

Lifetime Insurance Brokers 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 is a member of the Insurance Brokers Association of New Zealand (IBANZ) and a trading arm of the Lifetime Group Ltd.

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.

We are proud to have been a finalist in the small-medium category of the New Zealand Insurance Awards in both 2012 and 2013.

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
- Cyber Risk

Rural & Lifestyle block insurances

Personal Insurances

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

We will perform our Services:

- With reasonable care and skill and with integrity; and
- Based upon the demands and needs that you have expressly advised to us.

We will also:

- Provide you with policy documents as soon as practicable after we receive these from your insurer(s)
- Handle any money received from you (for the payment of premium), or received for you in accordance with the requirements of the Insurance Intermediaries Act 1994.
- Retain appropriate documents relating to insurance effected on your behalf in electronic or paper format in accordance with Lifetime Group's records retention policies as may be in effect from time to time. You remain responsible for your records and should keep your policy documents in a safe place.

Our role is limited to the provision of insurance and risk management related advice. Under no circumstances do we or will we act as an insurer. Nor do we provide safety inspections, valuations or advise on every potential hazard or threat to your business.

Limitation of Liability

We will provide our services with reasonable care and skill. All representations (whether express or implied) and all other implied conditions, warranties and terms as to the provision of the services are otherwise excluded to the extent permitted by law.

To the extent permitted by law, we and our related entities (as defined within the Companies Act 1993) will not be responsible or liable for:

- Any consequential, incidental, indirect or special damage or loss of any kind;
- The supply, by you or others, of incorrect or incomplete information (including information that we may use to calculate the premiums and other charges relevant to your insurance);
- The failure by you or others to supply appropriate, relevant or timely information
- The failure by you or others to act on our advice or to respond promptly to any communications from us or any insurer; or
- The default, negligence, or lack of care on the part of any person other than ourselves

Our aggregate liability (including interest and costs) in respect of any claim howsoever arising, under or in connection with these terms, the services or our business relationship, shall be limited (to the extent permitted by law) to NZ \$10,000,000 or such amount as may be expressly agreed between us in writing.

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) upon your instruction as agreed. We will supply you with the relevant insurance documentation which may include:

- Letter of Confirmation – 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.

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 a premium financing agreement on your behalf through Argent Finance Ltd (interest charges apply).

Please refer to 'Terms of Payment' (page 6) of this guide.

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.

Electronic Communications

We may correspond with you by electronic communication unless you instruct is not to do so. Electronic communications are not always secure and they may be read, copied or interfered with in transit. We are not responsible for any of the risks associated with electronic communication.

Conflicts of Interest

Occasions may arise where either we, one of our clients, or one of our service or product providers may have a potential conflict of interest in connection with the services we provide to you. If this occurs and we become aware that a potential conflict exists, we will contact you and work together to find a suitable solution.

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 and a proposal (if required) to you and ask that you fully complete, sign and return this to us as soon as possible time 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. 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, or prior to the renewal date). In some circumstances we may be able to arrange 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 Joss 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 all parties noted on your insurance policy 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.

Where a claim has been made under any cover that is being cancelled there may be no refund of any premium, and where payment has been made by monthly instalments, the balance outstanding at the time of cancellation must be paid in full.

Payment for Our Services

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

Our Remuneration

We normally receive a commission from insurers and any other service providers that we may recommend to you.

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 or earthquake commission charges if applicable, GST or any other Government charges, taxes, or levies).

Lifetime Insurance Brokers may charge administration fees to cover administration expenses and disbursements.

As at May 2015, our broker revenue (commission 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 may 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 risk 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 a nominated bank account. If you take up this option your premiums are funded under a finance agreement with Argent Finance Ltd.

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 a 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 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 if 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 cannot 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 premiums in monthly instalments by direct debit from your bank account. We can arrange instalment billing on your behalf by setting up a premium finance agreement with Argent Finance Ltd. You will receive a finance agreement to complete which details the full terms and conditions of your premium funding. If you accept these terms you will need to complete, sign and return the agreement to us. The finance agreement complies with all legislation including the Credit Contracts and Consumers Guarantees Act 2003 and Amendment 2014

- Paying monthly means that your insurance premium is premium funded by Argent Finance Ltd.
- Argent Finance Ltd pays your full insurance premium to Lifetime Insurance Brokers by the due date on your behalf, you then repay Argent Finance Ltd in monthly instalment amounts

Benefits of using premium funding:

- Frees up working capital
- Competitive interest rates
- Convenient way to manage general insurance costs

Instalment deductions from your bank account will be scheduled for either the 1st or the

15th of each month whichever is your preference (or closest working day thereafter).

Please note that all insurance contracts are for a 12 month period – hence if 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 (8% flat rate) will be applied to the total invoice amount. An administration fee of \$20 will be charged on all finance agreements.

An additional 5% default interest is imposed on your instalment if your regular payment dishonours. Please note your bank also may charge you additional fees in the event of a default.

Complaints and Disputes

In the first instance you should contact the CEO of the Lifetime Group Ltd, PO Box 25-130, Christchurch.

If we cannot 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 Financial Services Complaints Limited (FSCL). This service will cost you nothing, and will help us to resolve any disagreements.

Disputes Resolution Scheme - Financial Services Complaints Limited Level 4, 101 Lambton Quay, PO Box 5967, Wellington 6011

Free Phone - 0800 347 257

Fax - (04) 472 3728

Email - info@fscl.org.nz / complaints@fscl.org.nz

How to Contact Us

Whether it is for information or to give 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.co.nz). Contact for all Branches of Lifetime Insurance Brokers is available on our websites www.lifetime.co.nz

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.

Collection and Use of Client Information

We gather data containing information about our clients and their insurance placements including but not limited to: names, industry codes, policy types and policy expiration dates, as well as information about the insurance companies that provide coverage to its clients or compete for its client's insurance placements.

This information is maintained in one or more databases. In addition to being used for the benefit of our clients, these databases may also be accessed by other Lifetime Group members for other purposes, including providing consulting and other services to insurance companies for **which we or our related entities may ear compensation.**

Your Information & Confidentiality

We are committed to protecting your privacy. We will hold any personal information that you provide to us in accordance with the Privacy Act 1993. Any such information that we request from you will be used pursuant to the provision of the services. In this respect, it will be necessary for us to pass on your information on to insurers and other product or service providers which may provide us with additional support in connection with our provision of services. 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 (192 Moorhouse Ave, Christchurch) 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 1993.