



Why NZI **Statutory Liability Insurance**



Why **Statutory Liability** insurance?

Navigating the many rules and regulations that come with running a business in New Zealand can be complicated and challenging.

Statutory Liability insurance is one of the main building blocks to a business' liability insurance programme. It provides vital cover for insurable fines, defence and reparation costs should you or your employees be prosecuted for unintentionally breaching New Zealand statutes such as the Health and Safety in Employment Act, the Resource Management Act, the Consumer Guarantees Act, the Building Act, the Privacy Act and the Fair Trading Act among others.

What Statutory Liability insurance covers

All businesses must comply with New Zealand law. Statutory Liability cover is there to protect businesses for an unintentional breach of most New Zealand Acts. Having Statutory Liability insurance as part of your liability Insurance programme will help to protect your business from the financial impact of a resulting prosecution.

NZI steps in to help you with the claims process and engages the right legal resources and experts to defend your business or to settle a claim.

Defence costs



Access to a panel of legal experts.



Access to other experts where required (eg. specialist engineers, accountants, loss adjusters).

Fines and Reparations



The costs of paying insurable fines awarded against you.



The costs of reparations awarded to an injured person if you are convicted under the Health and Safety at Work Act.

Types of businesses that need Statutory Liability cover

All kinds of businesses need Statutory Liability cover. NZI has extensive experience in protecting businesses across a broad range of industries.



Importers & Wholesalers



Transport



Trades & Construction



Manufacturers & Exporters



Motor Trades



Primary Sector



Retailers



Professions & Consultants



Hospitality

For more information on other types of businesses we provide cover for, **talk to your broker.**

Keep your business protected from mishaps

The following case study is based on a real-life claim. It shows the different ways in which Statutory Liability insurance can help protect your business.



CASE STUDY 1

Our Client keeps diesel in a storage tank in a sensitive location. The tank suffers a serious leak and spills around 20,000 litres of fuel contaminating a stream and nearby water supplies. The insured is prosecuted by the Local Authority under the Resource Management Act (RMA) and the Hazardous Substances and New Organisms Act (HSNO). NZI appointed legal representation for that client. After negotiation with the Council agreement is reached over a number of charges. The Client agrees to plead guilty to certain RMA and HSNO charges and other charges are dropped. The Client is spared a Health and Safety conviction. Guilty pleas are entered and the insured is fined \$240,000 under the Resource Management Act and \$60,000 under the Hazardous Substances and New Organisms Act. Both fines are covered by Statutory Liability insurance. In addition, the policy covered legal defence costs of \$125,000.

Each claim is assessed on a case by case basis and in line with the policy in place. Limitations, exclusions and conditions may apply. Please refer to the policy wordings for complete details of coverage or talk to your broker.

Where we provide cover

As Statutory Liability covers breaches of New Zealand Acts, we only cover businesses based in New Zealand.

Examples of how Statutory Liability insurance can provide protection



An accident occurs in the workplace due to insufficient safety training.



A farmer accidentally releases effluent into the environment.



A retailer inadvertently misleads customers on the sale price of a product.



An importer or wholesaler imports kids' toys and is unaware they do not comply with Product Standards.

Protection against misleading customers

The following case study is based on a real-life claim. It shows the different ways in which Statutory Liability insurance can help protect your business.



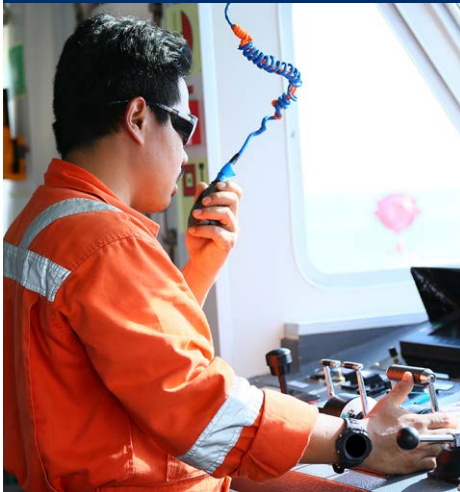
CASE STUDY 2

A retail chain's sales practices are investigated by the Commerce Commission which alleges breaches of the Fair Trading Act in relation to pricing of goods. The retailer – who has Statutory Liability cover – faces 14 charges under the Fair Trading Act, for which the Commission seeks fines of \$1.2m to \$1.5m. NZI appoints experienced lawyers to represent the Client on the charges-relating to misleading advertising, representations as to Recommended Retail Price and clearance prices. Following complex negotiations with the Commerce Commission guilty pleas are entered. A total fine of \$800,000 is imposed and is covered by the Statutory Liability insurance along with legal defence costs of \$70,000.

Each claim is assessed on a case by case basis and in line with the policy in place. Limitations, exclusions and conditions may apply. Please refer to the policy wordings for complete details of coverage or talk to your broker.

It's not just Employees you have to worry about

The following case study is based on a real-life claim. It shows the different ways in which Statutory Liability insurance can help protect your business.



CASE STUDY 3

A ferry service operator turns sharply and hits a wave, causing a number of passenger injuries including a broken leg, fractured hand and broken collarbone. Charges are laid under the Health and Safety in Employment Act against both the company and skipper. NZI's Statutory Liability insurance responds to cover the cost of defence and appointing lawyers for both parties. The NZI-appointed lawyer works with the prosecutor on behalf of the Client to achieve the best outcome. They agree a summary of facts which is presented to the Court and a guilty plea is entered. The Court awards the injured passengers reparation totaling \$78,000, which is covered under the policy along with defence costs of \$50,000. A Court imposed fine of \$35,000 is not covered by the policy.

Each claim is assessed on a case by case basis and in line with the policy in place. Limitations, exclusions and conditions may apply. Please refer to the policy wordings for complete details of coverage or talk to your broker.

Liability products that **protect** **you and your business**



Whether your business is big or small, NZI has a full range of liability insurance products to suit all New Zealand businesses.

Please talk to your broker about a tailored liability solution that fits the unique requirements of your business.

Public (Broadform) Liability	Provides cover for legal liability, should a business, its employees or products cause third party property damage or personal injury.
Statutory Liability	Provides cover for liability arising out of unintentional breaches of most New Zealand statutes affecting commercial businesses.
Employers Liability	Protects NZ business owners for legal liability and associated legal costs for an injury to an employee not covered by ACC.
Crime and Fidelity	Unfortunately, most loss to a business from fraud is caused by someone that you employ or someone who is related to one of your employees. A fidelity policy can protect against loss from theft by an employee. A crime policy offers broader cover and covers theft by an employee but also covers criminal acts perpetrated by a third party.
Professional Indemnity	Protects businesses and professionals against liability and associated legal costs arising from the conduct of their practice or business.
Directors and Officers	Provides business executives with cover for costs involved with legal action arising from carrying out their management duties.
Trustees Liability	This policy protects trustees from personal liability resulting from their decisions and actions while carrying out duties performed for the trust. It covers legal liability to pay damages and covers legal expenses in defending a claim.
Associations Liability	This policy is designed for incorporated societies and community associations (organisations that fall outside the Companies Act). The policy covers the officers for liability to pay damages and legal expenses in defending a claim for wrongful acts while carrying out their duties on the board. The policy covers the association and its board and committee members, employees and any volunteers acting on its behalf.
Information Technology Liability (professional indemnity and public liability)	The cover is designed to help meet the specific needs of businesses in the information and communication technology sector. Combining professional indemnity and public liability insurance in one policy, it provides cover for legal liability for errors in ICT related advice or services. It also covers liability for physical damage caused by technology products where ICT services have been provided.
Body Corporate Committee Liability	This policy is aimed at strata title or unit title properties governed by the Unit Titles Act 2010. This type of title is generally in an apartment type development and is administered by a body corporate committee. The policy covers committee members for liability to pay damages and legal expenses in defending a claim for wrongful acts while carrying out duties as a committee member for the body corporate.
Cyber Liability	Cyber insurance is designed to protect your business against a number of Cyber exposures. It provides cover for direct costs to your business as well as claims from third parties, and also covers expenses with defending Cyber claims, such as legal costs. NZI Cyber insurance also provides you with access to a 24/7 emergency helpline and a Cyber Expert team.

Liability insurance tailored to your business

Choosing the right insurer is no easy task. Here at NZI, we don't believe in a 'one size fits all' approach. We get to know our customers and what matters to them, so we can provide the right level of cover and back it up with a best in class claims service.

Our underwriters are real people with genuine experience in helping New Zealand businesses protect their financial assets and reputation for generations. Whether it's a new or established business; big or small, we're here for all New Zealanders.

Talk to us today about your insurance needs and we'll work with you to find the right cover for you and your business.

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