

“

Howden Broking Limited

René Hattingh

Head of Technical Delivery

---

# Howden Group Holdings

**\$38bn+**

Premium placed into  
international markets

**16,000+**

Howden specialists  
across the globe

**100+**

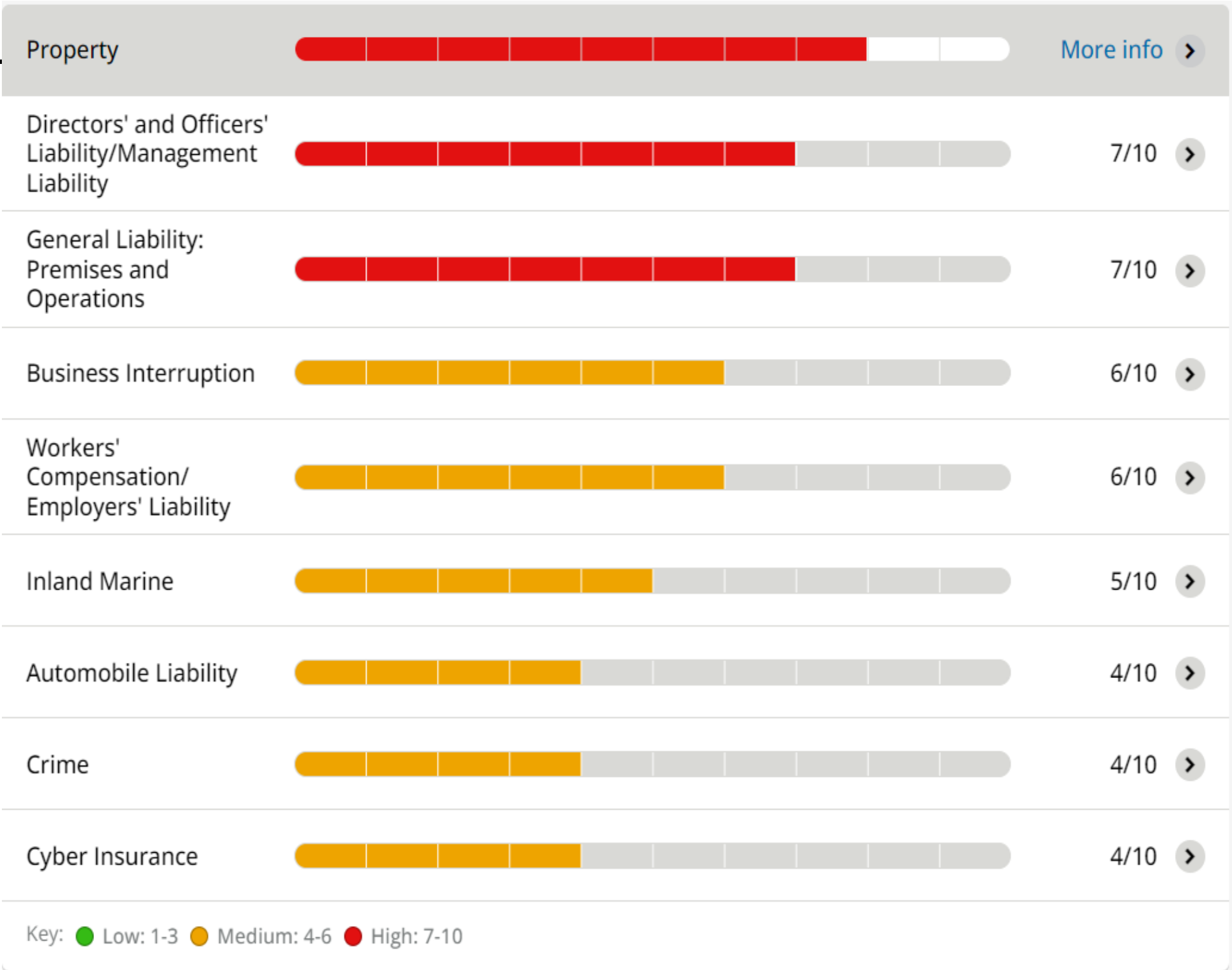
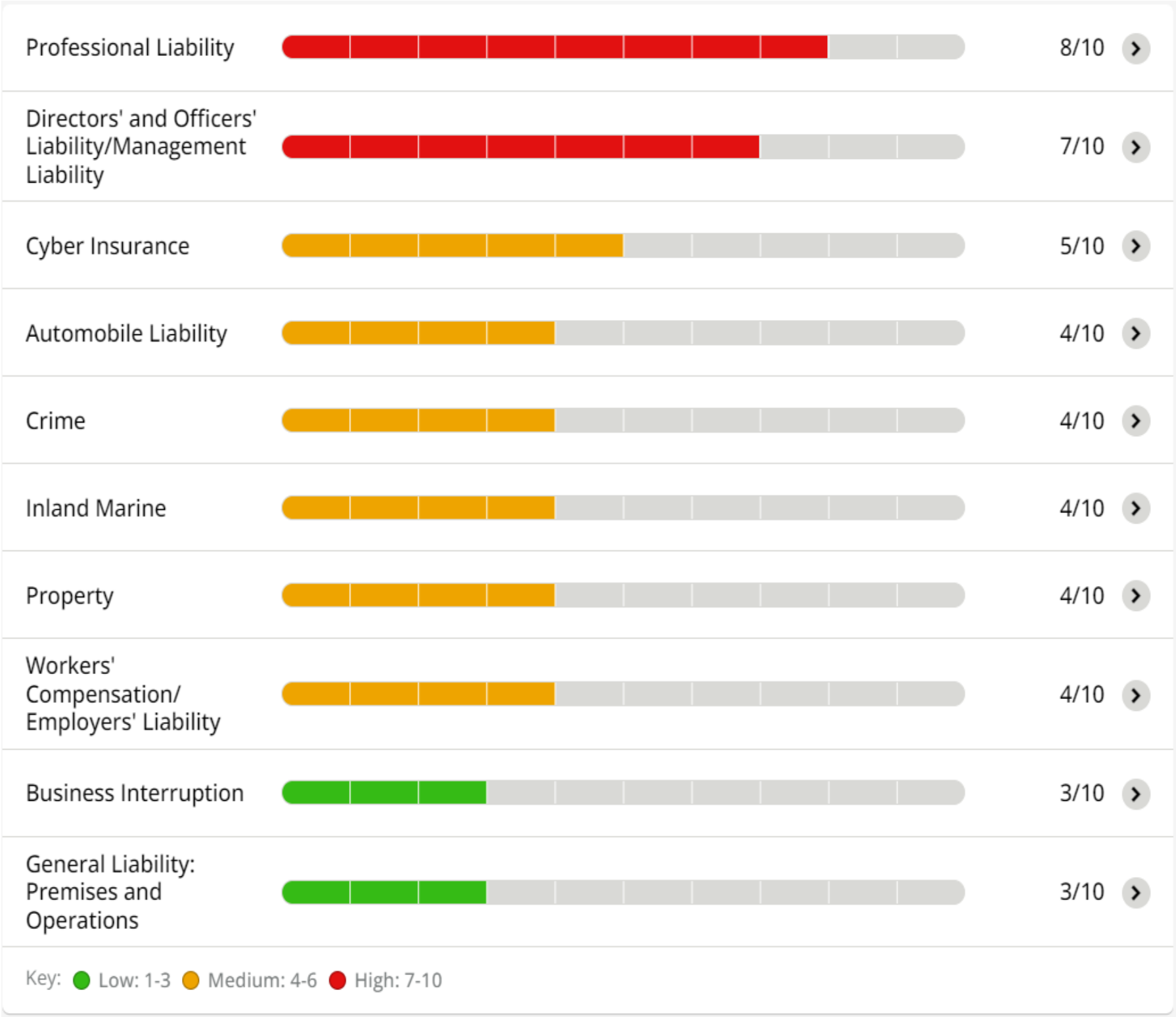
Territories (including our  
partners)



# Risk Review



# Risk Hazard Rating – Body Corporate / Strata Managers



# Risk Hazard Rating – Property Managers

General Liability: Premises and Operations	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	8/10 >
Cyber Insurance	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	7/10 >
Property	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	7/10 >
Directors' and Officers' Liability/Management Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	6/10 >
Workers' Compensation/ Employers' Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	6/10 >
Automobile Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	5/10 >
Professional Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	5/10 >
Crime	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	4/10 >
Inland Marine	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	4/10 >
Business Interruption	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3/10 >
Key: <span></span> Low: 1-3 <span></span> Medium: 4-6 <span></span> High: 7-10		

# Risk Hazard Rating – Specified System Contractors

General Liability: Products - Completed Operations	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	7/10 >
Professional Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	7/10 >
Automobile Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	6/10 >
General Liability: Premises and Operations	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	6/10 >
Workers' Compensation/ Employers' Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	6/10 >
Directors' and Officers' Liability/Management Liability	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	4/10 >
Inland Marine	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	4/10 >
Business Interruption	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3/10 >
Crime	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3/10 >
Cyber Insurance	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3/10 >
Property	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3/10 >
Key: <div></div> Low: 1-3 <div></div> Medium: 4-6 <div></div> High: 7-10		

# Risk Hazard Rating – Building Inspection Companies



# Summary of Liability Insurance

---

## What is Liability Insurance?

The Councils require IQP's to have Public Liability and Professional Indemnity.

What does the cover entail?

It provides for legal defence coverage which consists of:

- Coverage of lawyer's fees and defence costs
- Out-of-court settlement payment; and
- Coverage for damages awarded against you

In the event of investigations and third-party claims.

---

# Summary of Insurance Covers

---

**Errors & Omissions (E&O) / Professional Liability Insurance** is liability coverage for lawsuit claim against IQP's for mistakes or poor job performance led to your client's losses.

**Commercial General Liability Insurance** protects IQP's from lawsuit claim that you are legally liable for personal injury, property damage, false advertising and libel/slander.

## **Employers Liability Insurance**

Employers Liability Insurance is designed to protect against loss to the firm resulting from claims made by employees suffering personal injury in the workplace that is not covered by ACC.

## **Statutory Liability Insurance**

Provides cover for legal costs, awards and fines which arise from unintentional breaches of most New Zealand statutes. The policy is an "almost all acts" coverage that in particular responds to claims arising from:

The Privacy Act;

The Fair Trading Act;

Health & Safety in Employment Act.

In excess of 40 other acts.

---

# Summary of Insurance Covers

---

## Management Liability Insurance

A Liability policy is designed to cover claims arising from third party financial loss due to your wrongful conduct.

## Employment Disputes Insurance

Protects Employers from loss (being damages and compensation payable to a claimant and legal defence costs) arising from claims made against them by current, former or prospective employees for actual or alleged wrongful acts.

Losses including unlawful discrimination, wrongful demotion, failure/refusal to promote and actual or constructed termination of a contract of service and breach of the law.

## Fidelity/Crime Insurance

To cover financial loss caused by fraudulent acts of First and Third parties.

## Cyber Insurance

First Party, Third Party, Response

Social Engineering Claims

---

# Understanding IQP Liability Risks - Grounds for Discipline or Liability Claims

- Did supervised work negligently or incompetently or outside of competency
- Obtained registration for specified systems dishonestly
- Carried out work on systems - not registered for
- Failure to provide correct documentation - consistently
- Misrepresented competence on specified systems
- Provision of false information / documentation to building owner of City Council
- Substantiated customer complaints, re quality of service or inappropriate behaviour



# Common Causes of PI Claims

---

1. Client Selection
2. Delegation of inspections to those unqualified and deemed competent
3. Specified systems that did not perform its intended function or continue to perform
4. Lack of supervision/ failure to seek assistance
5. Advising outside your area of expertise
6. Not following correct process
7. Time Pressure resulting in E&O
8. Mental Health and Wellbeing of Insured Person
9. Breach of Contract



# PI Claims – Important Considerations

---

As Professional Indemnity policies are written on a “**claims made and reported basis**”, this requires the firm to provide immediate notice to insurers of any claim made against the firm.

This requirement also extends to **circumstances** which the firm or any Insured (refer to Definition of Insured within policy wording) are, or become aware, of **that might lead to a claim**.

**Late Notifications:** Any claim or notification of a circumstance that could give rise to a claim is made after the expiry date of the policy then Insurers may decline the claim for either reporting outside the policy period or decline the claim as they may have been prejudiced

## PI Claim protocol:

Preliminary Notice

Letter of Claim, Investigation

Letter of response / letter of settlement

Commence Court Proceedings

Commence negotiations

---

# PI Claims – Important Considerations - Subcontractors

---

Specified systems are crucial to safety and health of a building and those that use it.

## Compliance Schedules

IQP's undertake the inspection, maintenance and reporting procedures listed on the compliance schedule for specified systems and issue Form 12A to the building's owner.

Can an IQP employ a local tradesperson to do the checks and then sign the 12A form themselves?

Common practice has outstripped the actual wording in the compliance schedule.

The Building Act says that an IQP can carry out or supervise inspection and maintenance of specified systems.

Common interpretation is that an IQP or their staff and/or agents can undertake these roles, but NOT the building's owner.

IQP's signs the 12A – they have ultimate accountability. If they decide to use staff and/or agents, they must ensure that they have had the correct training through initial supervision and quality assurance checks.

# Claims Examples

---



The information contained in this document is confidential and may not be copied, distributed or disclosed to any third parties without our consent. Howden has taken care in the production of this document and the information contained in it has been obtained from sources that Howden believes to be reliable. Howden does not make any representation as to the accuracy of the information received from third parties and is unable to accept liability for any loss incurred by anyone who relies on it. Howden Broking Limited NZBN 9429049189520 is part of the Howden Insurance Group. Howden Broking Limited is a registered Financial Services Provider FSP1001677. We are members of the Insurance & Financial Services Ombudsman Dispute Resolution Scheme.

Howden is a trading name of Howden Insurance Brokers Limited, part of Howden Group Holdings Limited.

© Copyright 2021 Howden Broking Limited.