

# LIABILITY ESSENTIALS PLUS APPLICATION FORM

**LIABILITY**

NZI Liability Essentials Plus is suitable for businesses with up to: 15 employees, \$2 million total assets, and \$5 million annual turnover.

## YOUR DUTY OF DISCLOSURE

You must tell us all information you know (or could reasonably be expected to know) which would influence the judgement of a prudent underwriter whether or not to accept your application, and if it is accepted, on what terms and at what cost.

### Examples of information you may need to disclose include:

- anything that increases the risk of an insurance claim;
- any criminal record;
- if another insurer has cancelled or refused to renew insurance, or has imposed special terms;
- any insurance claim you have made in the past.

### Examples of information you do not need to disclose include:

- anything that reduces the risk of an insurance claim;
- anything we say you do not need to tell us about;
- anything that is common knowledge;
- anything you have already told us, or that we should be expected to know in the ordinary course of our business.

These examples are a guide only. If you are not sure whether you need to disclose a particular piece of information, please ask.

### WHEN IN DOUBT – DISCLOSE. ALL INFORMATION WILL BE TREATED CONFIDENTIALLY.

Answer all questions. Blanks and/or dashes, or answers 'known to underwriters or brokers' are not acceptable and will delay consideration of this proposal.

If there is insufficient room to complete a question, please answer the question on a separate page and attach to this application form.

Any documents attached to the proposal form are part of this proposal.

Where appropriate, please tick the yes or no box which best indicates your reply.

## YOUR DETAILS

1. Full legal name of business (including trading names, subsidiary companies or other parties to be insured) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Contact Details  
Postal Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_  
Mobile \_\_\_\_\_ Email Address \_\_\_\_\_  
Website Address \_\_\_\_\_

## COVER OPTIONS

### 1. Broadform Liability

Limit of indemnity \$ \_\_\_\_\_

The extensions listed below have standard sub limits applicable. If you wish to select a higher amount to the standard, please specify amount in the table below:

	Standard Limit	Alternative Limit
Bailee's Liability	\$250,000	
Forest and Rural Fires Act	\$250,000	
Motor Repair and Storage Liability	\$250,000	
Vibration, Removal, Weakening of Support Liability	\$250,000	
Watercraft Repair and Storage Liability	\$250,000	

## 2. Statutory & Employers Liability

The policies listed below have standard limits applicable. If you wish to select a higher limit, please specify amount in the table below:

	Standard Limit	Alternative Limit
Statutory Liability	\$250,000	
Employers Liability	\$250,000	

## 3. Directors & Officers Liability, Employee Theft, and Employment Practices Liability

	Cover included	Standard Limit
Directors & Officers Liability	Yes	\$250,000
Employee Theft	Yes	\$100 000
Employee Theft Plus (Optional)	Yes <input type="checkbox"/> No <input type="checkbox"/>	Refer to Employee Theft Plus section on page 5
Employment Practices Liability (Optional)	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$250,000

## YOUR BUSINESS

### 1. Please provide the following details for the business:

- Annual Turnover  
Last 12 months \$ \_\_\_\_\_  
Estimated for next 12 months \$ \_\_\_\_\_
- Number of employees (FTE) \_\_\_\_\_
- Total Business Assets (Actual Financial Assets from balance sheet) \$ \_\_\_\_\_
- Profit (Loss) Last Financial Year \$ \_\_\_\_\_ Profit ☐ Loss ☐
- Is the Business currently able to meet its debts as they fall due? No ☐ Yes ☐

### 2. How long has the business been established? \_\_\_\_\_

*If this is a new business, please provide details of your previous experience:*

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### 3. Please complete the table below about your business activities:

Description of business activity	Turnover last 12 months	Estimated turnover for next 12 months

### 4. Is any work carried out away from your business premises?

No ☐ Yes ☐ If yes, please provide a detailed description of all activities:

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5. Are any of your operations carried out outside of New Zealand?

No ☐ Yes ☐ If yes, please provide full details of work outside New Zealand including turnover, description of work, location and estimated time spent overseas:

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6. Do you engage subcontractors? No ☐ Yes ☐

If yes, do you require them to hold their own General Liability policy?

No ☐ Yes ☐ If yes, at what limit of indemnity? \$ \_\_\_\_\_

7. Does any of your work involve welding, cutting, hot works, or use of naked flames?

No ☐ Yes ☐ If yes, please provide details:

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8. Do any operations involve the use, transportation, storage or processing of dangerous goods or hazardous materials (subject to the Dangerous Goods Act 1974, the Hazardous Substances and New Organisms Act 1996, or to codes of practice or regulations under the Health and Safety in Employment Act 1992)?

No ☐ Yes ☐ If yes, please provide details:

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9. Do you provide professional services or design products?

No ☐ Yes ☐ If yes, please provide details:

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10. Do you use mobile plant in your business activities?

No ☐ Yes ☐ If yes, please provide details:

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11. Do you service and/or repair any third party property?

No ☐ Yes ☐ If yes, please provide details including turnover from any repair or servicing activities:

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## PRODUCTS LIABILITY

1. Please give a description of any goods your business manufactures or sells.

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2. Does your business export any products?

No ☐ Yes ☐ If yes, please complete the table below:

Country	Product description	Turnover last 12 months	Estimated turnover next 12 months
New Zealand			
Australia			
North America*			
Europe			
Other			

\* Please complete the North American Products Supplementary Questionnaire.

3. Do you require cover for products you have previously exported outside NZ?

No ☐ Yes ☐ If yes, please provide full details of previous exports if so including product description, location of exports & turnover:

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4. Are you aware of any of your products being exported by your customers?

No ☐ Yes ☐ If yes, please provide details:

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5. Is your product a component in another product?

No ☐ Yes ☐ If yes, please provide details:

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6. Please provide details of your Quality control procedures (if you have a Q/C manual please supply copy).

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7. Do you have a product recall plan in place? No ☐ Yes ☐

8. Are any of your products or components of your products imported by you?

No ☐ Yes ☐ If yes, please provide details:

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## BAILEES

1. Do you have third party property in your care, custody or control?

No ☐

Yes ☐

*If yes, please provide details:*

*(If exposure is more than incidental please complete the Care Custody & Control checklist)*

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## CONTRACTUAL LIABILITY

1. Do you have any contracts or agreements where the other party limits their liability to you?

No ☐

Yes ☐

*If yes, please provide a copy of the contracts or agreements.*

2. Do you have any warranties or conditions of sale that reduce your liabilities with your customers?

No ☐

Yes ☐

*If yes, please provide a copy of the warranties or conditions of sale.*

## STATUTORY LIABILITY

1. Have any circumstances in the last 5 years occurred which could result in a claim under this cover you are applying for?

No ☐

Yes ☐

*If yes, please provide details:*

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2. Are there any Acts that are particularly relevant to your business?

No ☐

Yes ☐

*If yes, please list the Acts:*

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3. Do you need or have you ever applied for, a resource consent and/or certificate of compliance under the Resource Management Act?

No ☐

Yes ☐

*If yes, please provide details:*

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Please complete the following section if you have selected the optional Employee Theft Plus policy. Otherwise please skip to Previous Insurance on page 8.

## EMPLOYEE THEFT PLUS

Description	No. of employees	Sum Insured	Rate	Premium
Blanket Cover				

or

Description	No. of employees	Sum Insured	Rate	Premium
Named Employees (as listed below)				

Named Employees	Title

Do you require cover for Investigation Specialists fees?

Yes ☐

No ☐

## FOR OFFICE USE ONLY

Excess: \_\_\_\_\_ Group: \_\_\_\_\_ Class: \_\_\_\_\_

### CLASSIFICATION OF EMPLOYEES

This constitutes the applicant's entire personnel as at the date of this application.

#### Class 1

Employees having responsibility for money or negotiable instruments stock and/or accounts	Number of Employees
1. Executives, Officials and Employees other than those referred to below	
2. Executives, Officials and Employees primarily engaged in duties as Cashiers, Treasurers, Paymasters, Accountants handling money or negotiable instruments. Indoor Sales Staff handling money or negotiable instruments. Stock and Stores Supervisors.	
3. Employees engaged outdoors handling money or negotiable instruments, Employees primarily engaged in the delivery of goods.	

#### Class 2

All other employees not having responsibility for money or negotiable instruments, stock and/or accounts	Number of Employees
Sales representatives, clerical, processors, computer operators, reception / telephonists, supervisors, factory workers, labourers, mechanics and other similar positions.	

### AUDITS / MANAGEMENT

1. Are your books audited by an external qualified accountant or auditor at least annually?

No ☐ Yes ☐ If yes, how often are audits made? \_\_\_\_\_

Date of last audit: \_\_\_\_\_

2. Are all locations audited?

Yes ☐ No ☐ If no, please give reasons \_\_\_\_\_

\_\_\_\_\_

3. Do you have an internal audit department?

No ☐ Yes ☐ If yes, how often are audits carried out? \_\_\_\_\_

4. Is there an auditor's letter to management relating to internal control weaknesses?

No ☐ Yes ☐ If yes, please attach a copy.

### INTERNAL CONTROLS

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| 1. Do you use serially pre-numbered purchase requisitions, purchase orders, receiving reports and cheque vouchers requests?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. Prior to payment, are purchase orders, supplier invoices and receiving documents reconciled and supplier information checked against the approved supplier file by a person not assigned to purchasing or receiving? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. Are all orders confirmed with suppliers by someone not assigned to purchasing or receiving?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Are buyers or assistant buyers subject to specific limits of authority?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. Are wages / salaries independently checked against personnel records for unusual or excessive payments?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6. Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others:  |                              |                             |
| (a) signing cheques or authorising payments (including capital expenditure) above \$10,000?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) issuing funds transfer instructions?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (c) amending funds transfer procedures?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

- (d) opening new bank accounts? Yes ☐ No ☐
- (e) investments in and custody of securities and valuables (including bank cheques, travellers cheques, bills of exchange etc)? Yes ☐ No ☐
- (f) administration of superannuation fund assets? Yes ☐ No ☐
7. Are statements of account sent to customers independently of employees receiving payment? Yes ☐ No ☐
8. Are bank statements independently reconciled with customer accounts by persons not authorised to deposit/withdraw funds, issue funds, issue funds transfer instructions or dispatch accounts to customers? Yes ☐ No ☐
9. Do you require employees to take at least two consecutive weeks of uninterrupted holiday during each year?  
Yes ☐ No ☐ If no, please explain why \_\_\_\_\_
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## INVENTORY AND SECURITY

1. Do you carry, supply, or hold on behalf of clients any of the following types of stock or goods?  
☐ computers / laptops      ☐ portable communications equipment      ☐ electronic goods      ☐ money  
☐ securities      ☐ precious metals      ☐ jewellery / watches      ☐ cameras
2. Are all premises containing computers / laptops, portable communications equipment, electronic goods, money, securities, precious metals, jewellery / watches and/or cameras connected to an intruder alarm? Yes ☐ No ☐
3. What is the maximum value of computers / laptops, portable communications equipment, electronic goods, money, securities, precious metals, jewellery / watches and/or cameras at any one location:  
 (a) during business hours? \$ \_\_\_\_\_  
 (b) outside business hours? \$ \_\_\_\_\_
4. Is stock subject to a physical independent stock take against verified stock records?  
 No ☐ Yes ☐ If yes, how often? \_\_\_\_\_  
 Date of last stock take: \_\_\_\_\_
5. Is the transfer of money and securities valued above \$20,000 usually made by a security or professional cash carrying company? Yes ☐ No ☐

## EMPLOYEE RECRUITMENT

1. Do you screen potential employees by use of credit checks, police, previous employers, individual applications etc? Yes ☐ No ☐
2. Do you obtain written references for the preceding three years of employment, in confirmation of the honesty of all future employees with responsibility for money, stock and/or accounts? Yes ☐ No ☐

## SUPPLIERS / OUTSOURCING

1. Do you maintain an approval suppliers list? Yes ☐ No ☐
2. Are all suppliers, service providers and outsourcing companies appointed under written contract? Yes ☐ No ☐
3. Do you outsource any activities to third party service providers?  
 No ☐ Yes ☐ If yes, please detail the services provided \_\_\_\_\_
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## COMPUTER SYSTEMS

1. Are unique passwords used to give various levels of entry to the computer depending on the users authorisation? Yes ☐ No ☐
2. Are passwords automatically withdrawn when people leave? Yes ☐ No ☐
3. Are all amendments to programmes approved independently of the persons making the amendments? Yes ☐ No ☐
4. Are computer passwords changed at least every 50 days?  
 Yes ☐ No ☐ If no, how often? \_\_\_\_\_
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## FUND TRANSFERS

'Fund Transfers' means any instruction (other than cheques) given to a Financial Institution to pay or deliver funds.

1. What is the approximate annual value of fund transfer? \_\_\_\_\_
2. Please specify the method of instruction (e.g. written, electronic, computer, telephone etc)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Please provide a brief description of the methods used to secure fund transfers (e.g. passwords, encryption, code words, call backs)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## CLAIMS DETAILS

1. Has the business ever suffered a loss from employee theft?  
No ☐ Yes ☐ If yes:  
(a) was the loss insured? Yes ☐ No ☐  
(b) when did the loss occur? \_\_\_\_\_  
(c) what was the value of the loss? \$ \_\_\_\_\_  
(d) was the perpetrator identified? Yes ☐ No ☐  
(e) was the perpetrator prosecuted? Yes ☐ No ☐  
(f) what actions have been taken to prevent future loss happening? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## PREVIOUS EMPLOYEE THEFT INSURANCE

1. Does the business presently carry, or has the business ever carried, Employee Theft insurance?  
No ☐ Yes ☐ If yes, please provide the following details \_\_\_\_\_  
Insurer: \_\_\_\_\_ Expiry Date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Limit of Indemnity: \$ \_\_\_\_\_ Excess: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_
2. Have you ever been refused this type of insurance or had similar insurance cancelled or had an application for renewal declined or special terms imposed?  
No ☐ Yes ☐ If yes, please provide full details \_\_\_\_\_

## ENCLOSURES

Please provide copies of the following and tick to indicate enclosure

- ☐ External Audit Report ☐ Annual Report

## PREVIOUS INSURANCE

1. Have you previously held liability insurance?  
No ☐ Yes ☐ If yes, please list all insurers for the last 5 years:

Insurance Company	Branch	Period From	Period To	Policy (if known)



2. Have you had any accidents, claims or losses, whether or not the subject of an insurance claim, in the past 5 years?

No ☐ Yes ☐ If yes, please give full details below, and/or on a separate page:

Date of Event	Description of Event	Insurance Company	Total Cost

3. Have you ever had a claim declined by an insurer?

No ☐ Yes ☐ If yes, please state insurer and give full details of event:

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4. Have you ever been refused insurance, refused to have insurance continued, or had special terms imposed on you by any insurer?

No ☐ Yes ☐ If yes, please state insurer and give full details:

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## GENERAL QUESTIONS

1. Have you ever:

- (a) been imprisoned for any criminal offence, or
- (b) had any other conviction for any other criminal offence within the last 7 years, or
- (c) had any prosecution pending for any criminal offence?

No ☐ Yes ☐ If yes, please provide full details:

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2. Is there any other information which could affect the acceptance of this insurance?

No ☐ Yes ☐ If yes, please provide full details:

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## DECLARATION

I/We hereby declare that:

The above statements are true, and I/we have disclosed all material facts and should any information given by me/us alter between the date of this Proposal form and the inception date of the insurance to which this Proposal relates I/we shall give immediate notice thereof.

I/We authorise NZI, a business division of IAG New Zealand Limited, to collect or disclose any personal information relating to this insurance to/from any other insurers or the Insurance Claims Register.

I/We also confirm that the undersigned is authorised to act for and on behalf of all persons who may be entitled to indemnity under any policy which may be issued pursuant to this Proposal form and I/we complete this Proposal form on their behalf.

To be signed by the Chairman/President/Managing Partner/Managing Director/Principal of the association/partnership/company/practice/business.

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

It is important the signatory/signatories to the Declaration is/are fully aware of the scope of this insurance so that all questions can be answered. If in doubt, please contact your insurance broker since non-disclosure may affect an Insured's right of recover under the policy or lead it to being voided.