



Icelandic Eruptions

The recent re-occurrence of a further eruption of the Iceland volcano Grimsvotn had travel insurance companies advising that for persons booking travel after 25 May 2011 and travelling to an area that may be affected by the volcanic eruption, that they would not provide cover.



This is a common situation where persons affected by such an occurrence may seek to recover cancellation costs and other costs incurred in changing travel arrangements.

QBE – 125 Year Anniversary

One of the top “4” companies operating in New Zealand, Global insurer QBE is celebrating its 125 year anniversary this year. In 1886 James Burns and Robert Philp formed the North Queensland Insurance Company, which later, through a series of acquisitions became QBE Insurance.



QBE now operates in 49 countries with more than 14,000 employees worldwide. We wish them well for a further profitable 125 years.

The Advantage of Composite Liability Policies

The advantage of such policies, (that have been around only for the last 3 or 4 years), was evidenced recently when a claim was made for cash misappropriated by an employee. Whilst the claim was not large, (around \$25,000), such cover would not have been previously available. Previously to purchase cover, (known as Fidelity Insurance), it was necessary to take out a separate fidelity policy. This necessitated completion of considerable documentation and usually attracted a high premium.



We have arranged such composite policies for many of our clients, as in addition to providing the usual liability protection such as general indemnity, statutory and employers liability, the policies can encompass fidelity, directors & officers liability, and other legal type products. Talk to your Roughton Nelson broker if you believe you have a need for this type of contract.

Asset Finance

With the slowly developing economy, lending institutions such as ASB are entering the asset finance term loan business. Competing against the established lenders in



Asset Finance (cont.)

this field such as UDC, ASB offer finance for a number of industries, including transportation, earthmoving, agricultural and manufacturing.

ASB say that it is not necessary that you be a client of ASB to qualify for such finance.

Building Valuations

Perhaps as a result of publicity given to the Canterbury earthquakes and the degree of underinsurance subsequently realised, many of our clients are now reassessing the value of their buildings and calling for professional valuations.

Virtually all the recent valuations that we have received show a substantial increase, in many cases when buildings have not been valued for some years; we have seen a doubling of sums insured. What is also interesting is the massive increases we are seeing on allowances for demolition costs which in many cases are a threefold increase or more. This is no doubt due to lessons learnt following the Canterbury earthquakes where in many cases demolition allowances were found to be woefully inadequate.

General Liability Policies Explained

We are often asked “just what is broadform liability etc?”. Whilst such policies are often referred to as simply “public liability”, the following definitions go some way to explaining just what these policies are:

Broadform Liability – protects a business for their legal liability for accidental injury or damage to a third party, including the cost of any legal defence and investigation.

Statutory Liability – protects a business from fines, reparation and legal defence costs of unintentional breaches of most laws.

Employers Liability – protects a business for their legal liability and associated legal costs for an injury to an employee when not covered by ACC – e.g. stress.