



# TOTAL | cover



'UNFORTUNATELY IT DOESN'T COVER METEOR STRIKES, TIDAL WAVES, OR ANY FUTURE EVOLUTIONARY DEVELOPMENT.'

## 2010; it's a Party!

Bridges have been servicing the Waikato and beyond for 20 years! 20 years of working to ensure customers are protected against the unforeseen. 20 years of answering the phones, keeping in touch and trying to do the very best we can for our clients as well as improving the service and reputation of the insurance industry.

Often insurance people are seen as those 'dreaded sales people'. We'd like to think we're different at Bridges in that we're not trying to sell you more insurance than you need, but helping you evaluate your situation and finding the most appropriate protection at any one time. Hopefully we're achieving our goal.

The very nature of time and our clients' needs has demanded that we do things differently from when we first began. Computers have simplified things and allowed us to use time more effectively, and caused the odd hiccup along the way, as they do. This has set us a

challenge that we'd like your help with.

If you had a policy with Bridges when we first started, we want to hear from you. Remember we began operating in 1990. We'd love to hear your thoughts on;

- A) how our service was then and is now
- B) what changes you've experienced in the insurance industry
- C) what changes you'd still like to see

Simply email your thoughts to [info@bridges.co.nz](mailto:info@bridges.co.nz). We do encourage feedback as it has helped shape what Bridges has become over the past 20 years.

Thank you for your business, your support and your friendships!

*From the helpful team at Bridges!*

## If You Want Your Claims Paid Read This!

I wanted to tell you a story. It goes like this.

Mike Smit is a client. He and his wife, like many parents, insured their son Lindsey's newly purchased car. Lindsey decided to tweak the car. He installed flash speakers, added a new suspension and other minor items. He didn't modify the engine or the actual performance of the vehicle. \$9,000 later he was happy with it! Then he got a little over excited and had an accident which wrote-off the car. \$18,000 of car against a very solid wall.

It was insured though so a claim was lodged. Here's where the story gets interesting...

The claim was declined by the insurance provider. The reason? Non-disclosure of Material Facts.

Because neither Mike nor Lindsey had informed us (therefore informed the insurance provider) of the 'tweaks' to the vehicle or the value of those tweaks, the claim was to be declined.

Luckily they are insured with Bridges. After some discussion between ourselves and the insurance provider

– 3 months of discussion, mind you, – the claim was paid.

Why did I want to share this story? It highlights two key things:

- 1) When it comes to insurance all that matters is what the insurance provider finds relevant, not what we think is relevant. The law is on their side.
- 2) Using a professional broker is important. Our knowledge, not only of the products and industry, but also of current insurance law is important.

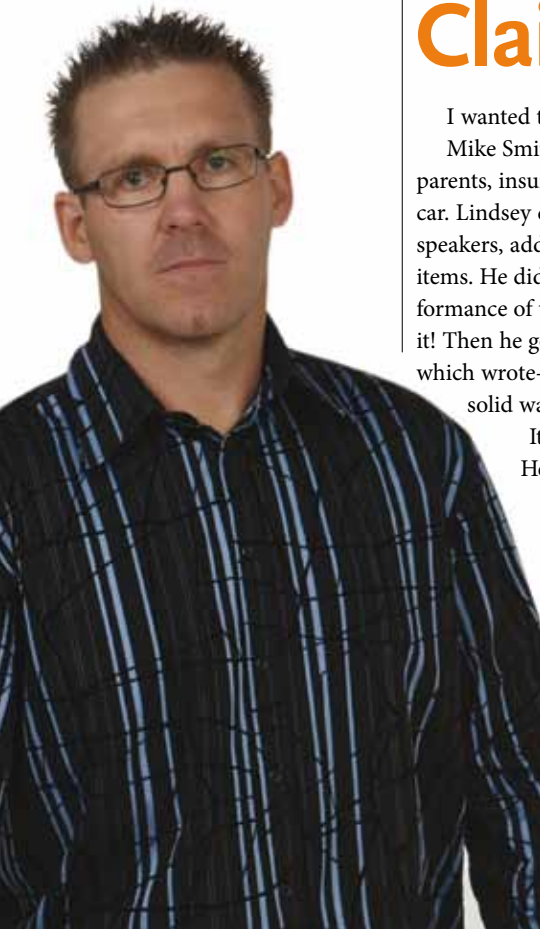
Yes it's easy to get a cheap deal sometimes, but claim time is when cheap often turns out to be damned expensive.

Mike and Lindsey are now keenly aware of the relevance of the word DISCLOSURE. We suggest you don't wait until claim time to disclose relevant information.

If you think you might have relevant information that could affect your insurance talk to your broker, in fact we suggest you ring now so we can go through it together!

*Chris*

*Mike's name and details have been used with his permission*



# Why Would You Ever be a **Builder?**

Building a house is no mean feat. It's more than just bricks and mortar, timber and glass. These days it is about consents, codes, inspections and not the least – liability. In fact liability has become an even greater minefield in recent times.

Everyone in the building industry recognises that insurers don't cover leaky buildings and the liabilities that stem from that. The tribunal is a nightmare but that's the only avenue open to many parties.



There is another area of concern that affects all of us that hold insurance but can directly affect Builders. The 'PRODUCT EXCLUSION' clause under Public Liability: This clause excludes anything deemed to be a product.

Here's what we mean:

An electrician is fitting a light. The light fitting is deemed to be his product and therefore excluded. But the house he is working on isn't his product and if damage were to be caused to the property because of something he did, the house is covered.

Now if a builder is building a new house

and something causes the house to be damaged the house IS NOT covered as the house is deemed to be the product. There is cover during the build process for the builder under Contract Works insurance. It's the damage that happens after the build is completed that is the cause of the problem. And it only applies to new properties or the new parts of a house if a renovation was undertaken.

Sounds confusing? It's not. When you are a builder you build things. The house is then sold – ie the house is the product being sold.

This clause was highlighted in a court case last year where the courts determined that the property that a builder built was in fact his product and therefore should be excluded under his liability policy.

So you have to ask yourself who would want to be a builder these days!

Builders work hard. They create the beautiful homes we demand and that we're proud to call home. It's a challenging environment to work in at the best of times and this legal situation challenges it even more.

We're highlighting this to all our building clients – as well as those builders that aren't our clients (yet!) and suggest that it is better to be informed than to be in the dark.

By all means call us if you have any questions, in fact we recommend you call us as soon as you can.

One final suggestion from us as professional insurance brokers - if you are a builder that uses subbies, you shouldn't let a subcontractor on your site unless you have seen their liability policy. Their policy may be the best insurance you have!

## Result of leaking gas bottle stored in van.



**Before you next light the BBQ, check the bottles!**

## Let Us Know - Straight Away!

If you have a Liability policy of any kind, you must let us know IMMEDIATELY you become aware that a claim is being made against you. i.e. That day! Recent changes to how the District Court works have opened up the potential risk that Liability claims could be declined due to the defence being prejudiced by even the slightest delay.

**Call us with any question you have, we're here to help you get it right.**

Make sure that you are protected against the unexpected – be insured. Bridges are here to help you get it sorted in the way that works best for you!

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**It's About Getting It Right!**

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