



Insurance

Choosing an insurance company



Ask three or four insurance companies:

- What will the premium be for the type of insurance I want?
- Can I pay my premium monthly? Will it cost more than paying once a year?
- What excess will I pay?
- When won't the insurance company pay out on a claim?
- Who will be covered for vehicle insurance (just the owner or all the drivers?)
- What do I get on top of the basic cover? (Ask, "What extensions to the basic cover are there?")
- When do I lose my insurance cover?

Vehicle insurance

What if an uninsured vehicle hits mine?

Then you will lose your no claims bonus and will have to pay the excess. You will have to seek compensation from the other driver through the Court or the [Disputes Tribunal](#). But many companies will now offer a deal whereby, if you can identify the vehicle's driver and there is proof the other driver was in the wrong:

- you do not lose your no claims bonus or pay an excess if you have full comprehensive insurance
- your repair costs up to a set amount will be paid if you have third party insurance.

You must get the other driver's name and address to your insurance company. You may also be asked to provide registration details of the uninsured vehicle.

Insure your vehicle for no more than its current market value

Many insurance companies will pay only what the vehicle is worth at the time it is stolen or damaged. If you insure the vehicle for less than it is worth you won't get its full value if the vehicle is 'written off'.

Check the newspaper and a few car dealers' yards to get an idea of the current market value of your vehicle. Include the value of fixed accessories such as a vehicle stereo system.

Each year the insurance company sends you a renewal notice to insure your vehicle for the coming year. The premium is based on the value the insurance company has placed on your vehicle. If you think the value is too high tell them how much you think the vehicle is worth. The insurance company should lower the premium.

Always notify your insurance company of any changes that may affect your policy - eg, change of address, age of drivers, devaluation of the car.

What information should be disclosed to the company?

If in doubt, check it out with your agent.

In fact, you can never be sure just what is relevant to your policy. For example, will a conviction for vehicle theft affect your house insurance?

You must provide complete and accurate material information when completing proposals, confirming renewals or providing claims information. This may include giving information that has not been asked for directly.

If you don't provide all the facts, the insurer may refuse to pay your claim, or even cancel your insurance from the starting date of the policy.

So if you're not sure, ask.

If you have insurance already, check your contract and see what the parts about disclosure say. If you don't understand, or may not have disclosed everything, write to the insurer and ask them to write back explaining how they operate/interpret their disclosure requirements - keep this letter, as it will be useful if there are later claim problems.

After this process, don't be afraid to disclose something not previously disclosed.

Disputes with insurance company

If you have a dispute with an insurance company, you should discuss this with the local manager. If it cannot be resolved, ask for the name of the company's controlling officer or the person responsible for handling complaints. The Insurance Council's Fair Insurance Code requires its members to acknowledge complaints promptly, investigate through a neutral person, and inform you of the decision within two months.

If you still cannot resolve the complaint through this channel, you can contact the Insurance and Savings Ombudsman's office on 0800 888 202.

[Visit the Insurance and Savings Ombudsman's website.](#)

Christchurch Earthquake Issues

If you're having problems with the Earthquake Commission (EQC) or your private insurer, you may find these Insurance and Savings Ombudsman (ISO) [fact sheets](#) helpful.

The following [case studies](#) and [frequently asked questions](#) may also help you to resolve your issue.

Insurance Council of NZ

The Council's Fair Insurance Code aims to improve the standard of practice and service you get from Insurance Council members, and looks at ensuring:

- a high standard of satisfaction
- that you have a means of resolving disputes with Insurance Council members
- that policies are understandable
- that you are protected against financial loss or hardship.

The code includes a requirement for all members of the Insurance Council to explain the meaning of legal or technical words or phrases, and clearly specify the conditions of your policy.

The Fair Insurance Code is administered by the Insurance Council of NZ. If you have any concerns about the performance of your insurance company find out if they're a member of the Insurance Council and, if they are, contact the Council on (04) 472 5230 to make a complaint.

[Visit the Insurance Council of NZ website.](#)