

# Submission

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## Review of insurance contract law Submission on discussion document: Insurance contract law review

### Your name and organisation

Name	s 9(2)(a)
Organisation	One time Insurance Agency Administrator

### Regarding consumers' disclosure obligations

#### Principals

**There should be no room in the Insurance Industry for a Theresa Gattung approach which incentivises Insurance Companies to confuse consumers in order to maximise profits.**

1. At all points policies wording should be construed in favour of the consumer
2. The gaps between Insurers (including the EQC) need to be eliminated maybe by making all insurer coys jointly and severally liable for claims and payout procedures (like the Consumer Guarantees Act makes Manufactures and Retailers both liable for defects)
3. Strictly interpret non-disclosure so that insureds are made aware of precise information that they wish to rate risk. Make non-disclosure limited to strict causality rules
4. Like Sale of Goods, Consumers purchasing insurance must be considered to be insurance naive. This assumption may be able to be reduced for experienced Consumers, Business, and Government
5. Claims handling needs to be sharpened and Insurance Companies should not expect third parties to do their investigation work for themselves Have provided information as third party to liable Company for damage caused by (their insured) Guest driver and then been asked to find out the names and Insurance Companies of all the owners of rights to both common driveways (eight? Users none of whom were in any way responsible) and get 2 quotes for replacing 6 metres of fence

#### Unfair clauses

Claims settlement is not subject to the same time limits as for premium payment.

Utmost Good Faith and Disclosures as used are asymmetrically in favour of Insurance

Coys. It would probably not be disadvantageous if there were no exceptions

There are some terms and usages in the Insurance industry which are not readily accessible to non-experts. These terms should be codified and defined across the industry so that policies may be more easily compared

#### Disclosure

It is certain that a most consumers are not aware of the extent of their duty to disclose.

The extent of Disclosure required is most likely only known to parties after the case has gone to a court case. That is entirely unsatisfactory

It seems that adopting the Australian Disclosure Law is the simplest and best reform and well overdue especially as many of our NZ Insurers are Australian. The UK solution is not on the face of it entirely satisfactory

Selling insurance

In my experience Banks are a major culprit in selling Insurance. I do not think they are living up to their code obligations. Staff bonuses dependent on overselling are immoral and should be outlawed. So should any policies or tactics which promote churn

Multiple Insurers

Utmost good faith in cases like Christchurch requires a much greater effort in upscaling that was ..... is evident in Christchurch

Fire Levy

A regressive step has been taken in the recent Fire Services Levy by the capping of the levy at such a low level that it is not proportionate to the Sum Insured. This increases the perverse incentive on Large Corporates and Government to free ride by self-insuring

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Regarding conduct of insurers


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