



INSURANCE PROGRAMME
QUOTATION SUMMARY
KAIKOURA DISTRICT COUNCIL

30 November 2018

JLT is one of the world's leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services.

We are specialists. Our deep expertise and entrepreneurial culture give us the insights, creative freedom and tenacity to go beyond the routine and deliver better results for our clients. Because at JLT, clients come first.

We are quoted on the London Stock Exchange, have owned offices in 40 territories, and more than 10,000 colleagues. Supported by the JLT International Network, we service clients in 135 countries.

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MEETING DETAIL

Date of Meeting: 29 November 2018 at 11:00am

Location: Kaikoura District Council Offices, 96 West Street, Kaikoura

Attending: Paul Numan of Kaikoura District Council (KDC).
Bruce Apperley of Kaikoura District Council (KDC).
Jerard Cowburn of Jardine Lloyd Thompson Ltd (JLT).

INTRODUCTION

We confirm the Kaikoura District Council insurance programme is due for renewal at 4.00pm on 30 November 2018, including joint covers held with Innovative Waste Kaikoura Limited (IWK).

The renewal quotations/terms outlined in this report are based upon the amended cover and policy deductibles detailed hereunder. The cover outlined in this report is generated from the more fully detail summary contained in our Pre Renewal Review Report 2018 and from any amendments generated from discussion of that report.

Insurance Programme Summary

Material Damage & Business Interruption

During our pre renewal discussions, JLT advised Council that the property market remains within a hard phase with rating increases, coverage restriction and limited capacity available.

At last renewal JLT made a strategic realignment of the panel of Insurers currently accepting the risk transferred by Council. The new panel of Insurers had a more pragmatic view on a sustainable long term relationship. This strategic move has paid dividends by way of managing and mitigating high percentage increases over the last year and for the year ahead.

JLT have successfully negotiated with Insurers to keep the rate increase below 10% for the year ahead; agreement has been reached for an increase of 9% for this year. During our pre renewal meeting it was estimated that a rate increase of 15% would be realised for the 2018 renewal.

Insurers will require an update on the progress of arranging valuations within 3 months of policy inception; with a view that valuations are carried out within 6 months of renewal. This has become a non-negotiable condition from Insurers point of view. Having valuations carried out would also put Council in a stronger position in knowing the exact values of the assets insured under its Material Damage programme.

JLT are still waiting on confirmation of 100% support of this but do not envisage a problem in getting this secured before 30 November 2018.

Crime/Fidelity Guarantee

Despite the increase in declared turnover for the 2018/19 insurance period insurers have provided a small premium reduction for the year ahead. In addition to which Insurers have provided an option to include a Social Engineering endorsement with a sub limit of \$250,000. This would attract an additional premium of \$1,500 which would be split between Council and IWK.

The purpose of this endorsement is really to cover the gap between a Crime policy and a Cyber policy. The risk that this is looking to cover is when someone within the Council, generally someone in the finance team, receives a fictitious email from someone purporting to be either the CEO or CFO instructing them to transfer a certain amount of money into a specified account.

JLT understand that the likelihood of this type of scam being successful within a Council organisation is very unlikely given the sign off procedures required before payment can be made. However it is important to make you aware of policy enhancements that can be achieved.

Motor

Overall there has been a rate increase of 5% on the lighter vehicles. This has however been offset with the reduction in fleet value and numbers.

Vero have, at the very last minute added a couple of conditions to the policy in respect of Machinery Plant and Equipment and Dual/Multi Lifting (which I don't believe will be an issue and has more implications to IWK if they do this work). Please note that they have also increased the tipping excess to \$5,000.

Details of these conditions are highlighted within the motor policy section.

Personal Accident

With one additional life to insure for the 2018/19 insurance period, Chubb have offered renewal at an increased premium to acknowledge this. The rate per life remains unchanged. The terms and conditions of cover have remained unchanged.

Employers Liability & Statutory Liability

Vero have offered renewal of these two policies at a reduced premium from last year. In addition to this Vero have added an Anti-Money Laundering and Countering Financing of Terrorism Act Exclusion to the Statutory Liability policy. This is on the basis that this Act revolves around criminal behaviour and it is not the intention to cover any form of criminal activity under the Statutory Liability policy.

Hall Hirers Liability

Vero have offered a premium reduction for this year's renewal. There are no changes to the policy terms and conditions for the year ahead.

Duty of Disclosure

A reminder that you continue to have a duty to disclose to the Insurer everything you know, or can reasonably be expected to know, that is relevant to the Insurer's decision on the acceptability of the risk of insurance and the terms the Insurer would require in accepting that risk. These are 'Material Facts'.

This Duty of Disclosure continues during the term of the policy, at renewal and at the time of any variation to the policy/cover. You must advise of any new information or changes (Material Changes).

Where there is the slightest doubt whether any information is relevant, the best policy is declare it, or contact your Jardine Lloyd Thompson advisor for guidance.

If you fail to meet your duty of disclosure or if you are in breach of any policy condition of warranty, the consequences can be serious. Policies may become null and void and unenforceable.

JLT QFE Disclosure Statement

JLT (FSP34047) is a Qualifying Financial Entity (QFE) licensed and regulated by the Financial Markets Authority (www.fma.govt.nz). A copy of our Disclosure Statement has been provided to you; it is also available on request or can be viewed on our website www.jlt.co.nz.

Renewal Terms

Overleaf we set out renewal terms for the 2018/2019 policy period from insurers, along with any options that you identified at our recent Pre Renewal Meeting.

For more specific policy details, please refer to the Pre Renewal Review Report 2018.

We require you to confirm your placement instructions for the 2018/2019 period to us in writing as soon as possible but before 12:00pm Thursday 29 November 2018 to enable confirmation to be obtained from insurers for continued cover beyond the expiry of your policies at 4.00pm 30 November 2018.

Credit Terms

Our credit terms are strictly full payment of invoiced premiums to be paid no later than 30 days after policy inception or renewal date.

Insurance Premium Funding

We are pleased to offer you an alternative to paying your insurance premiums annually.

Insurance premium funding allows for the spread the costs of your annual premium over manageable monthly instalments.

Macquarie Pacific Funding specialises in the short term financing of insurance premiums. Each year, business entities face the task of managing the payment of their annual insurance premiums. Macquarie Pacific Funding offers a simple, monthly payment alternative.

The benefits are:

- Improved cash flow and liquidity, working capital is retained.

- Interest charges are usually tax deductible (refer to an accountant or tax advisor)
- Flexible payment plans can be tailored to suit specific needs
- Simple application process
- Automated direct debits from a bank account
- Any adjustment premium can easily be transacted on an existing loan
- Fixed interest rates for the term of the loan providing certainty of your monthly commitment
- No loan service fees or ongoing monthly charges

Please contact your JLT account manager for further information on Macquarie Pacific Funding and/or a quotation.

Advice Caveat

Any advice or recommendations contained in this report have been made in our capacity as your Insurance Advisors and is restricted to insurance matters only. Any liability in respect of legal issues is specifically disclaimed and should be referred to your legal advisors.

Our advice and recommendations on insurance issues are based upon the information supplied by you and in the belief that the information is a full and accurate account of all the relevant facts.

INSURER FINANCIAL STRENGTH RATINGS

CLAIMS PAYING ABILITY

In accordance with a regulatory requirement to disclose the insurer's Financial Strength rating please find below this information about your Insurer.

That rating is given by either Standard & Poor's (Australia) Pty Ltd or A M Best Company Inc under the following rating guides:

Standard & Poor's	RATING GUIDE	A M Best Company
AAA	Extremely Strong	A++ and A+ Superior
AA+ and AA and AA-	Very Strong	A and A- Excellent
A+ and A and A-	Strong	B++ and B+ Good
BBB+ and BBB and BBB-	Good	B and B- Fair
BB+ and BB and BB-	Marginal	C++ and C+ Marginal
B+ and B and B-	Weak	C and C- Weak
CCC	Very Weak	D Poor
CC	Extremely Weak	E Under Regulatory Supervision
SD	Selective Default	F In Liquidation
D	Default	
R	Regulatory Supervision	
NR	Not Rated	

Ratings issued by rating services are solely statements of opinion and not statements of fact or recommendations to purchase or discontinue any policy or contract. Ratings may be changed, withdrawn or suspended at any time.

Latest ratings can be found on www.standardandpoors.com and www.ambest.com.

The financial strength rating for insurers involved in your insurance programme, or for which quotations may be provided, is set out below:

Insurer	Rating	Rating Agency
Chubb Insurance New Zealand Limited	AA -	Standard & Poor's
AIG New Zealand Ltd	A+	Standard & Poor's
NZI, a business divisions of IAG New Zealand Ltd	AA -	Standard & Poor's
QBE Insurance Australia Ltd	A+	Standard & Poor's
Vero Insurance New Zealand Ltd	A +	Standard & Poor's
Vero Liability Insurance Ltd	A+	Standard & Poor's
Berkshire Hathaway Speciality Insurance Company	AA+	Standard & Poor's
XL Catlin	A+	Standard & Poor's

It is imperative Council understand the meaning of Standard & Poors and AM Best ratings. If you have any questions at all please contact JLT.

POLICY CONDITIONS

Material Damage

Insurer

Local Government Co-Insurers

Comprising of:	%
QBE Insurance (Australia) Limited	50%
AIG Insurance New Zealand Limited	15%
Berkshire Hathaway	15%
NZI, a business division of IAG New Zealand Limited	12.5%
XL Catlin	7.5%

Insured

Kaikoura District Council.
Innovative Waste Kaikoura Ltd.

Period

4.00pm 30/11/2018 to 4.00pm 30/11/2019.

Policy

JLT/QBE Agreed LG Material Damage Insurance Policy Wording

Cover

Covers physical loss or damage to property belonging to the Insured or for which the Insured is legally responsible or has assumed responsibility prior to the occurrence of any damage.

Location

Whilst at any situation listed in the statement of property insured or whilst in transit anywhere in New Zealand and whilst in transit between New Zealand ports.

Basis of Settlement

Reinstatement or indemnity value as specified on the Property Schedule/Statement of Property to be insured. Automatic reinstatement of the sum insured will not apply to Natural Disaster.

Statement of Property Insured:

Kaikoura District Council	\$38,352,809
Innovative Waste Kaikoura Ltd	\$821,000
	Including Natural Disaster

Comments:	
	<ul style="list-style-type: none"> Updated Statement of Property Insured Schedules are attached – refer appendices.

Sub Limits of Indemnity

Property in the Course of Construction Etc	\$2,000,000
Automatic Increase (excludes Natural Disaster)	Contract value not exceeding 5%
Buildings Unspecified	\$250,000
Capital Additions (newly acquired property)	\$800,000

Collapse or Overheating of Domestic Boilers	\$25,000
Contents limit any one site unless specified	\$250,000
	(limit noted on the property schedule)
Demolition and Other Costs – additional limit any one loss	\$100,000
Destruction Undamaged Property	\$50,000
Fusion Electric Motors	5 kw
Hazardous Substance Emergency	\$100,000
Landslip	\$2,000,000
	(limit applies to Material Damage and Business Interruption combined)
Mechanical Breakdown	\$15,000
	(limit applies to Material Damage and Business Interruption combined)
Money A - business hours	\$250,000
Money B - in non-business hours	\$10,000
P Laboratories	\$20,000
Property on Water	\$500,000
Protection Costs	\$200,000
Refrigerated Goods	\$25,000
Residential Property Gradual Damage	\$5,000
Stolen Keys	\$100,000
Subsidence	\$2,000,000
	(limit applies to Material Damage and Business Interruption combined)
Transit	\$500,000
	(limit applies to Material Damage and Business Interruption combined)
Works of Art (unless specified in the Statement of Property Insured)	\$250,000
Works of Art – Diminution Limit	\$500,000
Works of Art - Maori Artefacts - Cultural Costs	\$10,000
Margins Clause	10% excludes Natural Disaster

Policy Deductibles

Applies to combined Material Damage and Business Interruption loss.
 In respect of each and every loss \$10,000

Except the following:

Landslip	\$50,000
Subsidence	\$50,000
Seawalls/Wharves/Breakwaters	\$100,000
	But increasing to \$250,000 with respect to Action of the Sea

The Natural Disaster Deductible will be calculated as shown below and applies to each and every claim:

Properties with no earthquake damage:

- 5% of the Material Damage site sum insured, minimum \$5,000, and/or
- for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum \$10,000.

Properties with earthquake damage:

- 10% of the Material Damage site sum insured, minimum \$5,000, and/or
- for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum \$10,000.

Applies to the combined Material Damage and Business Interruption loss.

In respect of this Deductible the following definitions apply;

- Pre-1935 Risks - means any building, and/or the contents and/or Stock are located in any building, that was constructed prior to 1935, and

- site - means a parcel of land owned or occupied by the Insured and
- site sum insured means the total Material Damage sum insured for all property located at each site.

Comments:	
	<ul style="list-style-type: none"> • If any claims are recorded for the prior period, insurer reserves the right to amend terms. • Terms valid to 4.00pm 30/11/2018. • A Fire and Emergency Levy Declaration Form is required to be completed as part of this year's renewal. • Insurers will require a progress update on insurance valuations 90 days after renewal and valuations will have to be carried out within a 6 month period, or at the very least started.

Business Interruption

Insurer

Local Government Co-Insurers	
Comprising of:	%
QBE Insurance (Australia) Limited	50%
AIG Insurance New Zealand Limited	15%
Berkshire Hathaway	15%
NZI, a business division of IAG New Zealand Limited	12.5%
XL Catlin	7.5%

Insured

Kaikoura District Council.
 Innovative Waste Kaikoura Ltd.

Period

4.00pm 30/11/2018 to 4.00pm 30/11/2019

Policy

JLT/QBE Agreed LG Business Interruption Insurance Policy Wording

Cover

Loss consequent upon interruption to the business as a result of damage to property insured by the Material Damage policy, resulting in losses or increased costs as below.

Item/Sum Insured

Gross Revenue – Innovative Waste Kaikoura Ltd	\$2,457,699
Gross Profit	Not Insured
Rental Income – Kaikoura District Council	\$379,625
Additional Expenses	\$1,000,000
Claims Preparation Costs	\$50,000
Total Sum Insured	\$3,887,324

Indemnity Period

Gross Revenue	12 months
All other items to which an Indemnity Period Applies	18 months

Earthquake Definition

Earthquake, Tsunami, Volcanic Activity, Hydrothermal Activity, Geothermal Activity, Subterranean Fire And Fire Occasioned By, Through Or In Consequence Of These Perils.

Deductibles

Applies to combined Material Damage and Business Interruption loss.	
In respect of each and every loss	\$10,000
Except the following:	
Landslip	\$50,000
Subsidence	\$50,000
Seawalls/Wharves/Breakwaters	\$100,000

The Natural Disaster Deductible will be calculated as shown below and applies to each and every claim:

Properties with no earthquake damage:

- 5% of the Material Damage site sum insured, minimum \$5,000, and/or
- for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum \$10,000.

Properties with earthquake damage:

- 10% of the Material Damage site sum insured, minimum \$5,000, and/or
- for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum \$10,000.

Applies to the combined Material Damage and Business Interruption loss.

In respect of this Deductible the following definitions apply;

- Pre-1935 Risks - means any building, and/or the contents and/or Stock are located in any building, that was constructed prior to 1935, and
- site - means a parcel of land owned or occupied by the Insured and
- site sum insured means the total Material Damage sum insured for all property located at each site.

Except the following Memoranda:

Acts of Civil Authorities	24 Hours
Compulsory Closure	24 Hours
Dependency	24 Hours
Dependency - Damage to any Port or Airport building	7 Days
Entanglement	24 Hours
Fumes Gases & Toxic Chemicals	24 Hours
All Memoranda – Earthquake/Natural Disaster	14 Days

Memoranda & Extensions

Refer to the policy document for a complete list of policy extensions. Some Policy extensions and memoranda are outlined as follows:

Acts of Civil Authorities

Limit 10% of each item insured, maximum \$1,000,000.

Dependency

Limit 10% of each item insured, maximum \$1,000,000.

Compulsory Closure

Entanglement

Fumes Gases and Toxic Chemicals

Combined – Limit 10% of each item insured, maximum \$1,000,000.

Research Costs	\$25,000
Mechanical Breakdown	\$25,000
(limit applies to Material Damage and Business Interruption combined)	
Transit	\$500,000
(limit applies to Material Damage and Business Interruption combined)	

Endorsements

Nil

Comments:	
	<ul style="list-style-type: none">• If any claims are recorded for the prior period insurer reserves the right to amend terms.• Terms valid to 4.00pm 30/11/2018.

Crime/Fidelity Guarantee

Insurer Chubb Insurance New Zealand Limited

Insured Kaikoura District Council.
Innovative Waste Kaikoura Ltd.

Period 4.00pm 30/11/2018 to 4.00pm 30/11/2019.

Cover Indemnifies the Insured for loss of money or other property through any fraudulent or dishonest act or acts committed by any of the Employees acting alone or in collusion with others. Including Auditors fees and other fees and costs incurred in substantiating the amount of the claim, incurred with the Company's consent.

Definition Employee shall mean any person in your regular service whom you compensates by wages, salary, fees and/or commissions and who you have the right to direct in the performance of this services.

Cover extended to include Elected Representatives.

Limit of Indemnity

Each And Every Claim (Including Costs & Expenses)	\$1,000,000
Aggregate Annual Limit	\$1,000,000
Computer Costs Sub Limit	\$50,000

Extensions

Contractual Penalties	\$50,000
Interest	\$50,000
Public Relations	\$50,000
Outsourcing	Not Insured
Extortion	Not Insured
Automatic Acquisitions	Not Insured
Partners	Not Insured
Erroneous Funds Transfer	\$100,000

Deductible

Each and every loss/claim	\$10,000
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Discovery Period Sustained during the policy period and discovered by you prior to the end of the policy period.

Sustained during the period prior to the policy period and discovered by you prior the end of the policy period provided that you have continuously been insured by Chubb Insurance between the date that the loss was sustained and the date the loss was discovered.

Policy Cancelled or Non Renewal – 90 days on termination of the policy.

Endorsements

Elected Representatives Endorsement

Any elected representative will be deemed an employee whilst performing services on your behalf in the usual capacity of an employee.

Fidelity Only Insuring Clause Endorsement

Payment Warranty

80 days from the date Chubb's terms are accepted (binding).

Note: JLT payment terms 30 days.

Comments:	
	<p>Terms subject to:</p> <ul style="list-style-type: none"> - Amendment should there be any material change to the risk between date of the submission and proposed effective date of the insurance. - There being no circumstances or claims notified between date of the submission and proposed effective date of the insurance. - The proposed risk does not facilitate the transition of business with any OFAC sanctioned country. - Quotation valid for 30 days from 27/11/18 or policy inception date whichever is the earliest date.
	<p>Chubb have provided an indication for including a Social Engineering Endorsement. This would attract an additional premium of \$1,500 for a sub-limit of \$250,000.</p> <p>The clause reads as follows:</p> <p>Social Engineering Endorsement</p> <p>By way of endorsement to the policy, the parties agree as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the policy):</p> <p>Clause 11. Meaning of Policy Terms is amended by adding the following:</p> <p>Social Engineering Fraud means:</p> <ul style="list-style-type: none"> i.) an act or acts by a fake person, acting alone or in collusion with others, of taking your property, money or securities with the intention of permanently depriving you of its use, which is committed by means of that fake person deceiving an employee into transferring, paying or delivering that property, money or securities; or ii.) a computer crime which involves a person other than an employee deceiving an employee into providing any security detail for operating or having access to an account held by you with a bank or any other financial institution. <p>Fake Person means a person purporting or claiming</p>

to be, or impersonating:

i.) an **employee** authorised to instruct other **employees** to transfer, pay or deliver **property, money or securities;**

ii.) a **vendor;** or

iii.) a **client,**

but who is not such **employee, vendor or client.**

Client means a customer of **yours** to whom goods or services are provided under written contract or for a fee.

Vendor means a person that provides, or has provided, goods or services to **you** under a legitimate pre existing arrangement or written agreement.

Clause 2. What Has Gone Wrong? Is deleted and replaced with:

2. What Has Gone Wrong?

You have suffered a loss because of:

a.) an **internal crime;**

b.) an **external crime;**

c.) a **theft, physical loss or damage;** or

d.) a **social engineering fraud.**

Clause 3. What Does the Policy Pay? Is deleted and replaced with the following:

We will pay up to the **sum insured** for loss (as described below) which **you** suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by **you** anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **internal crime** committed by one or more of **your employees** or an act of **external crime, theft, physical loss or damage** or **social engineering fraud** committed by persons who are not **your employees.**

The loss will include the direct financial loss sustained by a **client** which is **discovered** during the **policy period**, or the **discovery period**, as a result of **you** suffering an **internal crime, external crime** or **social engineering fraud** and where **you** have responsibility for the care, custody and control of the **money, securities** or **property** of any **client**, unless caused by an **employee** in collusion with a **client** or any employee thereof.

The loss must be sustained prior to the end of the

	<p>policy period and be discovered by you prior to the end of the policy period or the discovery period, if applicable.</p> <p>In respect of a direct financial loss resulting from a social engineering fraud, we will pay up to NZ\$250,000 which is part of the sum insured and you must pay the excess for each loss.</p>
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Motor Vehicle

Insurer	Vero Insurance New Zealand Limited
Insured	Kaikoura District Council. Innovative Waste Kaikoura Ltd.
Period	4.00pm 30/11/2018 to 4.00pm 30/11/2019.
Cover	Indemnifies the Insured for accidental loss or damage to all vehicles, mobile plant and equipment, vehicular equipment and similar assets, owned, used, hired, leased or under the care, custody and control of the Insured.

Basis of Settlement

Market Value (replacement for vehicles less than 12 months old).

Fleet Value As per Motor Fleet Schedule – refer appendices	\$906,230
	\$729,896

Limits of indemnity

Own Damage	Market Value at time of loss
Third Party Liability (Section 2)	\$10,000,000
Airside Liability	\$2,000,000

Sub Limits

Additions and Deletions	\$300,000
Assessment of Loss	Included
Breach of Condition	Included
Car Sharing Agreement	Included
Claim Preparation Costs (any one accident)	\$10,000
Defence Costs	\$15,000
Disability Modifications	\$10,000
Extra Costs	Included
Fire Service Charges (any one accident)	\$50,000
Funeral Costs	\$10,000
General Average	Included
Goods In Transit	\$5,000
Hazardous Substance Emergency	\$5,000
Hoists	\$20,000
Indemnity To Principals	Included
Interest Clause	Included
Invalidation	Included
Locks and Keys:	
- Any one claim	\$10,000
- Aggregated	\$50,000
Modifications	Included
Movement Of Other Vehicles	Included
Passenger/Driver Apparel or Personal Effects Yes – If Not Otherwise Insured	Included
Progress Payments	Included
Reinstatement Of Insurance Clause	Included
Removal of Debris	\$50,000
Rental Vehicles Limit	\$200,000
Rental Vehicles Consequential Costs	\$100,000
Rental Vehicles Section 2	Included
Repair Authorisation	\$1,500
Return Home	\$10,000

Rewards	Included
Subrogation Waiver For Group Companies	Included
Theft Costs, maximum hire costs	\$5,000
Third Party Liability Extension	Included
Towed Vehicles Liability	Included
Tyres and Tracks	Included
Uninsured Third Party Protection	Included
Weight Damage	\$500,000

Optional Extensions

Agreements	Not Insured
Earthquake	Included
Loss of Use	Not Insured
Named Driver/Demonstration Plate	Not Insured
Premium Adjustment (Burning Cost)	Not Insured
Profit Share	Not Insured
Purported Purchaser	Included
Windscreen/Headlight Breakage	Included
Punitive Damages	Included
	(\$500,000 any one claim/\$1,000,000 in the aggregate)

Deductibles

Own Damage 1% Of Vehicle Value At Time Of Loss	Minimum \$500
Plus additional if driver:	
Under 21 years or licensed less than 12 months	\$1,000
Aged between 21 and 25 years	\$500
Fire Theft Illegal Conversion Or Attempt At	Nil
Windscreen/Headlight Breakage/Window Glass/Sun Roof Glass	Nil
Section 2	
Third Party Liability	Nil
Weight Damage	\$5,000
Other	
Hoists (Greater Of)	\$500 or Vehicle Deductible Shown In The Schedule
Exemplary Damages	10% Minimum \$5,000
Passenger/Driver Apparel & Personal Effects	\$50
Tracks/Tyres	Nil

Premium Payment Option

Flat Rate Premium Yes

Comments:	
	<p><i>Vero have added the following conditions to the policy for this year's renewal:</i></p> <p><i>1. Machinery Plant & Equipment Condition:</i></p> <p><i>It is a condition of this insurance in respect of any insured vehicle, which is mobile plant and machinery including but not limited to cranes, fork hoists, excavators, lifting machinery / platforms, log haulers, skidders, rollers, graders and bull dozers.</i></p> <p><i>1 - All persons operating such vehicles shall be fully trained and legally qualified to operate the vehicle.</i></p>

	<p><i>2 - All persons operating such vehicles must not use the vehicle beyond the manufacturer's operating specification or recommendation.</i></p> <p><i>3 - All cranes including lifting machinery attached to a vehicle must comply with the Health and Safety in Employment (Pressure Equipment, Cranes, and Passenger Ropeways) Regulations 1999.</i></p> <p><i>2. Dual/Multi Lifting condition:</i></p> <p><i>It is a condition of this insurance if any insured vehicle is engaged in operations involving 2 or more cranes or lifting machinery such operations are only to be undertaken by qualified operators employed by you. Any loss arising from such operations shall be subject to an increased excess of \$20,000 or the policy excess whichever is the higher</i></p> <p><i>3. A \$5,000 excess applies to all cranes as a result of tipping.</i></p>
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Personal Accident

Insurer	Chubb Insurance NZ Ltd.
Insured	Kaikoura District Council.
Period	4.00pm 30/11/2018 to 4.00pm 30/11/2019
Cover	Provides death and schedule benefits as a result of an accident only for nominated staff members. Cover applies 24 hours per day, worldwide (including transit to or from normal business address).

Insured Persons

Category 1

Chief Executive Officer
Rebuild Programme Director

Category 2

Finance & Commercial Manager
Assets Manager
Finance Manager
Building & Regulatory Manager
Strategy, Policy & District Plan Manager
Community Services Manager

Communications & Engagement Officer

Elected Members (8)

Aggregate Limit

The policy has an aggregate limit of \$1,000,000 all claims, reducing to \$500,000 in respect of claims relating to Air Travel where flights are not conducted in accordance with fixed schedules.

Age Limit Personal Accident (Section 1) persons over the age of 75 years:
75yrs – 80yrs Events 1 – 19 \$100,000 or the sum insured, whichever is less.
80yrs – 90yrs Events 1 – 19 \$50,000 or the sum insured, whichever is less.
Aged 90yrs Plus Events 1 – 19 \$25,000 or the sum insured, whichever is less.
Refer Policy wording for full details.

Deductible	Part A – Lump Sums 1-24	Nil
	Part B & C – Weekly Benefits 25-27	Not Insured
	Part D – Broken or Fractured Bones 32-40	Nil
	Part E – Dental Benefits 41-42	Nil
	Part F – Funeral Benefit	Nil
	Part G – Loss of Enjoyment of Life	Nil
	Part H – Bed Confinement – Daily Benefit	7 days
	Part I – Ambulance Cover	Nil
	Part J – Rehabilitation Expenses	Nil
	Part K – Trauma Counselling	Nil
	Part L – Aids / HIV Benefit	Nil
	Part M – Residence Alteration Benefit	5 days and 20% of costs
	Part N – Replacement Staff / Recruitment Costs	Nil
	Part O – Education Fund Benefit	Nil

Comments:	
	<i>This year Council have added one additional life.</i>

Statutory Liability

Insurer Vero Liability Insurance Ltd.

Insured Kaikoura District Council.

Period 4.00pm 30/11/2018 to 4.00pm 30/11/2019

Policy VL POL STAT-052016

Cover This policy indemnifies the Insured against defence costs and penalties as a result of an alleged breach of any Act of Parliament other than 'Excluded Actions' listed below.

Special Note

This policy coverage is provided on a **'claim made and notified'** basis. Any claim or known circumstance which may give rise to a claim must be notified to Insurers as soon as possible and within the current insurance year. Failure to do so is likely to lead to declinature of that claim.

Actions Not Covered

- Brought by the NZ Police.
- Brought by the Inland Revenue Department.
- Brought by any other revenue gathering Statutory Authority.

Note: Insurers are not able to provide cover for Fines imposed under the Health and Safety at Work Act, however, defence costs and reparation awards continue to be covered by the Policy.

Limits of Indemnity

Any One Claim & In The Aggregate (Including Costs & Expenses) \$2,000,000

Deductible

Each And Every Claim (Including Costs & Expenses)	\$10,000
Each And Every Claim – Insuring Clause C (Director/Manager)	Nil

Retroactive Date

7 November 2002.

Territory & Jurisdiction

New Zealand.

Policy Extensions

For full detail reference must be made to the Policy wording.
Health & Safety at Work Act
Newly Created or Acquired Subsidiary Company.
Subsidiary Company change of Ownership.

Endorsements

Anti-Money Laundering and Countering Financing of Terrorism Act Exclusion:

This policy shall not indemnify the Insured or the Officers for Defence Costs or Penalties arising out of any Occurrence in connection with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 or any amendment to or re-enactment of or other subordinate legislation made under that Act.

Employers Liability

Insurer	Vero Liability Insurance Ltd.
Insured	Kaikoura District Council.
Period	4.00pm 30/11/2018 to 4.00pm 30/11/2019
Policy	VL POL EL-052016
Cover	Indemnifies the Insured for legal liability (common law) to pay damages as a result of an employee sustaining personal injury in the course of their employment, and to pay the costs and expenses in the investigation, defence or settlement of claims where such injury is not covered by Accident Insurance Legislation.

Special Note

This policy coverage is provided on a **'claim made and notified'** basis. Any claim or known circumstance which may give rise to a claim must be notified to Insurers as soon as possible and within the current insurance year. Failure to do so is likely to lead to declinature of that claim.

Limit of Indemnity

Any One Claim & In The Aggregate (Including Costs & Expenses) \$1,000,000

Deductible

Each And Every Claim (Including Costs & Expenses) \$5,000

Retroactive Date

7 November 2002

Territory & Jurisdiction

New Zealand.

Policy Extensions

For full detail reference must be made to the Policy wording.
Health & Safety at Work Act – **excluded** refer Statutory Liability for cover.
Newly Created or Acquired Subsidiary Company.
Subsidiary Company change of Ownership.

Endorsements

Nil.

Hall Hirers Liability

Insurer Vero Liability Insurance Ltd.

Insured Hirers (not otherwise insured) of Kaikoura District Council facilities.

Period 4.00pm 30/11/2018 to 4.00pm 30/11/2019

Policy VL POL PL - 082017

Cover

Indemnity for all amounts the Insured becomes legally liable to pay in respect of Personal Injury or Property Damage.

Description

Members of the Community, Community Groups/Sporting Groups as hirer of Council Facilities specifically:
Memorial Hall & Drill Hall.

Limits of Indemnity

General Liability (any one occurrence)	\$2,000,000
Product Hazards Liability (any one period of insurance)	\$2,000,000
Care Custody & Control	\$50,000
Forest & Rural Fires Act	\$1,000,000
Punitive & Exemplary Damages (NZ only)	\$1,000,000
Service & Repair to any motor vehicle	Not Insured
Vibration & Removal of Support	Not Insured
Underground Services	Not Insured
Designated Contracts	N/A
Tenants Liability	Policy Limit
Property Owners Liability	Policy Limit

Deductibles

Each and Every Loss/Occurrence	\$250
Care Custody & Control	\$2,000
Forest & Rural Fires Act	\$1,000

Retroactive Date

Punitive & Exemplary Damages – 30 November 2011.

Endorsements

Absolute Products Liability Exclusion

It is hereby noted and agreed that this Policy does not apply to Personal Injury or Property Damage caused by, arising out of or in any way connected with the Insured's Products.

Territorial Limits

New Zealand

Products Liability

New Zealand

Jurisdiction

New Zealand

RENEWAL QUOTATIONS/TERMS 2018-2019

KAIKOURA DISTRICT COUNCIL

The quotations detailed in this Section of the Report are inclusive of all statutory government charges, **but do not include G.S.T.**

All premiums are net of brokerage/fees, unless stated otherwise.

The terms provided by the Insurers remain valid until 30 November 2018 and are subject to there being no changes to any claims notified or changes to material facts or changes to risk since our pre renewal meeting and subsequent discussions.

MATERIAL DAMAGE

Period	Insurer	Sum Insured	Premium
2013/14	Co-insurers (100% EQ/ND Capacity)	\$20,586,100	\$82,586
2014/15	Co-insurers (100% EQ/ND Capacity)	\$25,872,811	\$89,872
2015/16	Co-insurers (100% EQ/ND Capacity)	\$28,339,593	\$77,714
2016/17	Co-insurers (100% EQ/ND Capacity)	\$36,539,593	\$240,506
2017/18	QBE as lead plus co insurers	\$32,939,415	\$225,235*
2018/19	QBE as lead plus co insurers	\$38,352,809	\$283,596**

*The like-for-like premium for 2017/18 is \$262,554. The like-for-like premium is calculated by using the current adjusted sum insured and the rates that applied last year. This comparison is done to give a true reflection on the increase as the sum insured has increased by \$5.4mil and Insurers have increased the overall rates by 9%.

**Subject to 100% support from co insurers

BUSINESS INTERRUPTION

Period	Insurer	Indemnity	Sum Insured	Premium
2013/14	Co-insurers (100% EQ/ND Capacity)	12 Months Gross Revenue 18 Months Other Items	Gross Revenue \$900,000 Rental Income \$685,215 Additional Expenses \$500,000 Claims Costs \$50,000	\$6,640
2014/15	Co-insurers (100% EQ/ND Capacity)	12 Months Gross Revenue 18 Months Other Items	Gross Revenue \$800,000 Rental Income \$791,114 Additional Expenses \$500,000 Claims Costs \$50,000	\$6,153

2015/16	Co-insurers (100% EQ/ND Capacity)	12 Months Gross Revenue 18 Months Other Items	Gross Revenue \$800,000 Rental Income \$625,475 Additional Expenses \$1,000,000 Claims Costs \$50,000	\$7,254
2016/17	Co-insurers (100% EQ/ND Capacity)	12 Months Gross Revenue 18 Months Other Items	Gross Revenue \$800,000 Rental Income \$625,475 Additional Expenses \$1,000,000 Claims Costs \$50,000	\$19,152
2017/18	QBE as lead plus co insurers	12 Months Gross Revenue 18 Months Other Items	Gross Revenue \$800,000 Rental Income \$625,475 Additional Expenses \$1,000,000 Claims Costs \$50,000	\$14,305*
2018/19	QBE as lead plus co insurers	12 Months Gross Revenue 18 Months Other Items	Gross Revenue \$2,457,699* Rental Income \$379,625 Additional Expenses \$1,000,000 Claims Costs \$100,000	\$10,431 **

*Gross Revenue relates to IWKL only

**Subject to 100% support from co insurers and does not include IWKL's proportion of the premium

CRIME/FIDELITY GUARANTEE

Period	Insurer	Limit	Excess	Premium
2013/14	Ace Insurance	\$1,000,000	\$10,000	\$3,500
2014/15	Ace Insurance	\$1,000,000	\$10,000	\$3,500
2015/16	Ace Insurance	\$1,000,000	\$10,000	\$3,500
2016/17	Chubb Insurance	\$1,000,000	\$10,000	\$3,500
2017/18	Chubb Insurance	\$1,000,000	\$10,000	\$4,725
2018/19	Chubb Insurance	\$1,000,000	\$10,000	\$4,550
Option 1:				
2018/19	Chubb Insurance	\$1,000,000 Plus Social Engineering Endorsement	\$10,000	\$5,600
Option 2:				

MOTOR VEHICLE

Period	Insurer	Fleet Value	Excess	Premium
2013/14	Vero Insurance	\$308,400 – KDC Only	\$500 min plus underage	\$4,907
2014/15	Vero Insurance	\$249,900 – KDC Only	\$500 min plus underage	\$3,453
2015/16	Vero Insurance	\$281,900 – KDC Only	\$500 min plus underage	\$4,062
2016/17	Vero Insurance	\$323,900 – KDC Only	\$500 min plus underage	\$4,062
2017/18	Vero Insurance	\$273,530 – KDC Only	\$500 min plus underage	\$3,284
2018/19	Vero Insurance	\$149,541 – KDC Only	\$500 min plus underage	\$1,024

PERSONAL ACCIDENT

Period	Insurer	Insured Persons	Premium
2013/14	Ace Insurance	Category 1 x 1 @ \$40,000 Category 2 x 10 @ \$20,000 ea	\$653
2014/15	Ace Insurance	Category 1 x1 @ \$40,000 Category 2 x 10 @ \$20,000 ea	\$653
2015/16	Ace Insurance	Category 1 x1 @ \$40,000 Category 2 x 10 @ \$20,000 ea	\$653
2016/17	Chubb Insurance	Category 1 x1 @ \$40,000 Category 2 x 10 @ \$20,000 ea	\$653
2017/18	Chubb Insurance	Category 1 x 2 @ \$40,000 Category 2 x 14 @ \$20,000 ea	\$1,047
2018/19	Chubb Insurance	Category 1 x 2 @ \$40,000 Category 2 x 15 @ \$20,000 ea	\$1,122*

***this figure is GST inclusive.**

STATUTORY LIABILITY

Period	Insurer	Sum Insured	Excess	Premium
2013/14	Vero Liability	\$1,000,000	\$500	\$3,250
2014/15	Vero Liability	\$1,000,000	\$500	\$3,250
2015/16	Vero Liability	\$2,000,000 + HSE \$2,000,000	\$500	\$4,225
2016/17	Vero Liability	\$2,000,000 + HSE \$2,000,000	\$500	\$4,225
2017/18	Vero Liability	\$2,000,000 + HSE \$2,000,000	\$10,000	\$6,250
2018/19	Vero Liability	\$2,000,000 + HSE \$2,000,000	\$10,000	\$5,252

EMPLOYERS LIABILITY

Period	Insurer	Sum Insured	Excess	Premium
2013/14	Vero Liability	\$1,000,000	\$500	\$485
2014/15	Vero Liability	\$1,000,000	\$500	\$485
2015/16	Vero Liability	\$1,000,000	\$500	\$485
2016/17	Vero Liability	\$1,000,000	\$500	\$485
2017/18	Vero Liability	\$1,000,000	\$5,000	\$625
2018/19	Vero Liability	\$1,000,000	\$5,000	\$516

HALL HIRERS LIABILITY

Period	Insurer	Sum Insured	Excess	Premium
2013/14	Vero Liability	\$2,000,000	\$250	\$325
2014/15	Vero Liability	\$2,000,000	\$250	\$375
2015/16	Vero Liability	\$2,000,000	\$250	\$375
2016/17	Vero Liability	\$2,000,000	\$250	\$375
2017/18	Vero Liability	\$2,000,000	\$250	\$250
2018/19	Vero Liability	\$2,000,000	\$250	\$212

JLT CONSULTANCY FEE

Period		Fee
2013/14	JLT Consultancy Fee	\$8,000
2014/15	JLT Consultancy Fee	\$9,000
2015/16	JLT Consultancy Fee	\$9,000
2016/17	JLT Consultancy Fee	\$9,000
2017/18	JLT Consultancy Fee	\$9,000
2018/19	JLT Consultancy Fee	\$9,000

RENEWAL / PLACEMENT CONFIRMATION FOR KAIKOURA DISTRICT COUNCIL

- GST is additional to the above premiums.
- The premium is rounded off to the nearest dollar, invoice documentation will include full premium.
- The statutory Earthquake Commission and Fire & Emergency Levies are included in the above premiums when applicable
- Renewal terms have been provided by Insurers on the basis of all material information relevant to the risk being insured having been disclosed by you. This includes claims and/or losses incurred.
- Renewal terms have been provided subject to the Insurer surveys/ resurveys as agreed.
- You are required to declare all claims/losses incurred, or circumstances likely to result in a claim prior to the policy renewal date as this information may affect the terms and conditions quoted by the Insurers.

PLEASE SIGN BELOW TO CONFIRM THAT THE ABOVE TERMS ARE ACCEPTABLE AND YOUR INSTRUCTIONS TO PLACE THESE INSURANCES FOR THE PERIOD 4pm 30 November 2018 to 4pm 30 November 2019.

SHOULD OPTIONS BE SHOWN ABOVE, PLEASE TICK THOSE OPTIONS REQUIRED.

SIGNATURE:	
FOR:	KAIKOURA DISTRICT COUNCIL
NAME:	
POSITION:	
DATE:	

JLT TERMS OF BUSINESS

REMUNERATION

Our remuneration in acting as your insurance consultants and advisors is by either:-

- (a) Commission or Brokerage paid by the Insurer, or;
- (b) A Broker Fee as agreed between us.

Where you require JLTNZ to arrange additional policies during the forthcoming year or to provide additional services not previously agreed, JLTNZ reserve the right to either:-

- i. accept brokerage from the Insurer for those additional services, or;
- ii. negotiate an additional fee with you.

In some cases an Administration Fee may be charged when a Policy is finalised, this will appear separately on the Tax Invoice.

JLTNZ reserve the right to retain our full remuneration where a policy is cancelled or amended during its period of insurance.

From time to time, JLTNZ may also earn income, commissions or interest for the provision of some services to the Insurer. These services could involve: claims processing; portfolio management; or premium payment arrangements as set out in the Insurance Intermediaries Act 1994.

LIMITATION OF OUR LIABILITY

For the purposes of this clause, "we" shall mean Jardine Lloyd Thompson Limited and any other company in the JLT Group.

To the extent permitted by applicable laws, regulations or rules:

1. any liability we may incur to you arising out of or in connection with the services that we provide, whether in contract, tort (including but not limited to negligence), under the law of trusts or otherwise shall be limited;
 - i. to reflect only that part of any loss or damage to you which we caused, taking into account any contribution which other people may also have had in causing that loss or damage; and, in any event;
 - ii. in aggregate to a maximum of NZD 100 million, or other amount specifically agreed by us in writing.
2. we will not be liable to you for any indirect or consequential loss (including but not limited to loss of goodwill, loss of business, loss of profit or loss of savings) arising out of or in connection with our services;
3. notwithstanding the above, no limit of liability shall apply in the case of death or personal injury caused by our negligence, or in respect of any loss caused by our fraud; and
4. you agree that, given the level of our remuneration for the services we provide to you and the level of risk accepted by us, it is fair and reasonable for us to limit our liability in accordance with these provisions.

APPENDICES

Appendix 1: Material Damage Schedules

Appendix 2: Motor Vehicle Schedule

Appendix 3: Macquarie Pacific Funding

Insurance Premium Funding

Macquarie Pacific Funding specialises in the short term financing of insurance premiums. Each year, businesses face the task of managing the payment of their annual insurance premiums. Macquarie Pacific Funding offers a simple, monthly payment alternative.

Please contact your JLT account manager for further information and a quotation.

Benefits

- Improved cash flow and liquidity
- Interest charges are usually tax deductible (refer to an accountant or tax advisor)
- Flexible payment plans can be tailored to suit specific needs
- Simple application process
- Automated direct debits from a bank account or credit card (merchant fees apply to credit card transactions)
- Extra premiums can be easily added to an existing loan
- Working capital is retained allowing clients to take advantage of opportunities to help grow their business
- Interest rates are fixed for the term of the loan providing certainty of your monthly commitment
- Generally no additional forms of security are required, as the policy provides security for the loan
- Meeting the cost of insurance is more manageable enabling clients to avoid underinsurance
- No loan service fees or ongoing monthly charges.

Macquarie Pacific Funding is a business name of Macquarie Premium Funding Pty Ltd ABN 82 127 517 677 ('MPF'). MPF is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MPF's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. This information has been provided by Macquarie Pacific Funding as general information, without taking into account any personal objectives, financial situation or needs. Before acting on this general information, you must consider its appropriateness having regard to your own objectives, financial situation and needs. This information is not a suggestion to obtain credit, nor does it constitute the provision of credit assistance.

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