



TERMS OF ENGAGEMENT

1. Agreement

- 1.1 These Terms apply to all Services that we provide to you, unless we have agreed otherwise in writing. In giving us instructions or using our Services, you will be taken to have agreed to these Terms. If you do not accept these Terms, you must notify us immediately and we may stop providing you with Services.
- 1.2 Clause 18 sets out defined words and interpretation provisions that apply when reading these Terms.

2. Services

- 2.1 We offer a wide range of insurance broking services (defined below as the Services) to both businesses and individuals. These Services can include:
 - (a) a review of your risk exposure and insurance needs, including reviewing your current risks and researching your insurance needs;
 - (b) advising on Insurance Products, including making recommendations or providing options (limited to products from providers we use) for your consideration regarding cover;
 - (c) arranging, amending and renewing Policies on your behalf;
 - (d) helping you with making an insurance claim;
 - (e) providing advice or commentary on insurance market conditions; and
 - (f) any other Services that we mutually agree in writing.
- 2.2 As your insurance broker, we act as your representative in arranging insurance on your behalf. As part of the Services, we may make recommendations or suggestions to you about potential insurers and Policies based on your requirements as you have disclosed them to us. However, you acknowledge that the final choice of insurer and Policy is your responsibility and (to the extent permitted by law) we accept no liability for that choice.
- 2.3 You can give us instructions by email or phone using our contact details set out at www.pic.co.nz/contact. We are entitled to rely on all email instructions without further enquiry. We accept no liability for any instructions

received until we acknowledge receipt and acceptance of the instructions in writing.

3. Financial Advice

- 3.1 We are a licensed financial advice provider under the FMC Act. If you are a retail client, we will be bound by the full range of financial adviser duties in the FMC Act when our Services include giving you regulated financial advice. If you are a wholesale client, our duties to you will be limited to those duties that apply when giving regulated financial advice to wholesale clients. We will give you further regulated information about the Services we provide to you before giving you any regulated financial advice as required under the FMC Regulations.
- 3.2 When we act for you but don't provide you with regulated financial advice, the financial adviser duties in the FMC Act will not apply. The following are some examples of when we are not providing you with regulated financial advice:
 - (a) we give you factual information about terms of cover;
 - (b) we give you a quote for a product without any recommendation or advice; or
 - (c) we renew your Policy and you do not ask for financial advice (see clause 4).

4. Renewal

- 4.1 Unless you instruct us otherwise after receiving a renewal letter, you authorise us to renew your Policies as they become due for renewal. If we do, you are deemed to have directed us to do so.
- 4.2 Any renewal under clause 4.1 will be carried out on an unadvised, execution only basis and without any knowledge of your current situation. When your Policies are renewed, the insurer's prevailing policy terms, exclusions and premium will apply, and the insurer may make an inflationary adjustment to the sum insured. You can, however, ask for financial advice at any time.

5. Your Responsibilities

- 5.1 Your responsibilities in relation to our provision of the Services are:

- (a) You must provide us with all Relevant Information on an accurate, complete, and timely basis before taking out or renewing a Policy. **Relevant Information** is all information, facts or circumstances that would influence an insurer's assessment of the risk for which you have asked us to arrange insurance cover, whether we have specifically asked you about it or not.
 - (b) Throughout the period of your Policies, you must also advise us on an accurate, complete, and timely basis of any material changes to Relevant Information you have previously given us or of any additional fact, matter or circumstance that arises which would influence an insurer's assessment of risk in relation to a Policy.
 - (c) Failure to comply with (a) and (b) above may mean that your cover is reduced, cancelled or (if your disclosure or non-disclosure is fraudulent) the insurer might be able to avoid the Policy from the outset. If you are unsure whether any fact, circumstance or piece of information is Relevant Information, you should disclose it to us.
 - (d) You are responsible for all information that you give to us or an insurer, and we are not responsible for checking the accuracy or completeness of any such information. We accept no responsibility for any failure by you to disclose all Relevant Information to us or an insurer or to do so on a timely, complete, and accurate basis.
 - (e) You must advise us (or your insurers) as soon as is reasonably practicable and within the time required under your Policy of an event or circumstance that may give rise to a claim or potential claim under your Policy. Failure to do this might affect your rights under your Policy. You will be advised if you need to complete a claim form or produce documentation to support your claim.
 - (f) Your policy documents contain the terms of your cover. After receiving your policy documents from us, you must check them and advise us promptly of anything that does not meet your requirements. You must notify us immediately of any mistakes or errors.
 - (g) You must notify us promptly of any change to your address or contact details.
 - (h) You must pay your premiums and other necessary payments (including government charges, levies and taxes) within the period specified in each invoice provided by us or your insurer.
- 6. Our Remuneration**
- 6.1 Unless we tell you otherwise, we will be paid by commission from the insurer when you enter into a Policy that we arrange (including when a Policy is renewed and, in some cases, when a Policy is varied).
 - 6.2 The commission is a percentage of your insurance premium (excluding government charges, levies, and taxes). The rate of commission can vary according to the insurer and the type of insurance and cover provided, and the way the transaction is arranged.
 - 6.3 We may charge a fee for our Services in lieu of, or in addition to, commissions paid to us by insurers. We may also charge an administration fee to cover disbursements and expenses incurred or a fee for any financial advice provided to you if you cancel a life or health insurance policy within two years of inception.
 - 6.4 All fees to be charged and the manner in which they will be charged will be advised to you before we give you any regulated financial advice.
 - 6.5 Our employees are salaried and do not receive any commission from any insurance companies or product providers or from us. From time to time, insurance companies and product providers may give us and our employees tickets to sports events, hampers, or other gifts in recognition of our relationships and the overall business provided to them. We have policies and procedures to address any perceived and actual conflicts of interest this raises for our employees in providing advice to customers.
 - 6.6 We may also:
 - (a) pay a share of the remuneration we receive from insurers to third parties who refer clients to us and, if we refer you to a third party, we may receive benefits for the referral or the business you subsequently do with that third party.
 - (b) earn interest on funds held in our insurance broking client account between the date of receipt and the disbursement date.
 - 6.7 We reserve the right to:
 - (a) set off any amounts you owe us in connection with Services from any

money we receive or hold on your behalf; and

- (b) charge you an administration fee for issuing replacement Policies, certificates, copy Policies or certificates requested by you and/or other parties.

6.8 We will earn all remuneration on placement of a Policy and reserve the right to retain all remuneration that we have earned, even if a Policy is cancelled before the expiry of the period of insurance and not replaced by another Policy. In this situation, we will refund you the returned premium we receive from insurers less any cancellation or administrative fee imposed by the insurer and any amount owing by you, but we will not refund you any proportion of any commission, brokerage or fee we have received.

7. Payment

7.1 For some Insurance Products, we will invoice you for the premium and any relevant statutory charges. For other Insurance Products, all premiums and any other fees will be charged directly to you by your insurer who will detail these in the communications they provide to you.

7.2 Any payments made to us via credit card will attract a surcharge.

7.3 If you do not pay the premium within the required time frame, the insurer may have a right to cancel your policy and you may no longer be insured. The insurer may also charge a short-term premium for the time they have insured the risk. You will be required to pay this amount regardless of whether you have made a claim.

7.4 If the premium is paid through us rather than directly to the insurer and you do not pay the premium on time, we are required to advise the insurer and we may be required by the insurer to cancel your policy.

7.5 In the event of late payment of any government or statutory charges, you may be charged interest and/or fines and penalties.

7.6 We endeavour to correctly determine the premium and statutory charges that apply to your insurance. However, occasionally errors can occur, for example, where we make an unintentional error or because a third party advises us of the wrong amount. We retain the right to correct any such error and you agree, to the extent permitted by law, not to hold us responsible for any loss you may suffer resulting from the error and its correction. Under no circumstances are we liable for any local or overseas tax advice or tax calculation or for any interest and/or fines and penalties.

8. Extent of our liability

8.1 If and to the extent you acquire our Services in trade, for the purposes of section 5D of the Fair Trading Act 1986 and section 43 of the Consumer Guarantees Act 1993, you and we agree to the extent permitted by law that:

- (a) you and we are all in trade;
- (b) sections 9, 12A, 13 and 14(1) of the Fair Trading Act 1986 and the provisions of the Consumer Guarantees Act 1993 do not apply in relation to these Terms or as between you and us; and
- (c) it is fair and reasonable to exclude their application.

8.2 Nothing in these Terms modifies or negates your rights or remedies in the Fair Trading Act 1986 or Consumer Guarantees Act 1993 if you have not acquired our Services in trade.

8.3 We are not the insurer of any risk and we cannot guarantee the availability of insurance for your particular risks. We will not be responsible for the solvency or ability of an insurer to pay claims, or otherwise meet its financial or legal obligations.

8.4 We use professional judgement in providing advice and arranging insurance cover for you based on the requirements you have told us about. This means we may only approach one insurer or a limited number of insurers in placing your cover. If you are renewing your insurance policy, we may not remarket your insurance to other insurers and may renew your policy with the same insurer. In providing advice to you, we do not guarantee or represent that the policies that we may recommend to you are the best or the only policies that are available in the market to cover the risks for which you are obtaining insurance.

8.5 While we will try to provide you with relevant and up to date information, we are not responsible for the accuracy or reliability of any information we receive from any third party (including any insurer) which we forward to you.

8.6 If your Policies were arranged by another party before you appointed us:

- (a) we will not be responsible for any payments made in relation to those Policies before we were appointed;
- (b) in respect of fire and general Policies, we will review the relevant policy documents for adequacy and appropriateness when they become due for renewal and discuss with you any

relevant issues we identify with those Policies;

- (c) in respect of life or health insurance Policies, we will only review the relevant policy documents for adequacy and appropriateness if you specifically request us to do so; and
- (d) we will not be responsible for the adequacy or appropriateness of any Policies for your needs until we have reviewed them for adequacy and appropriateness and any changes we recommend have been implemented.

8.7 Subject to clause 8.1 and to the extent permitted by law:

- (a) the maximum aggregate liability of us and any of our related companies to you in respect of any and all claims arising out of or in connection with these Terms will be limited to NZ\$1,000,000; and
- (b) we will not be responsible or liable for:
 - (i) any indirect, special or consequential loss or for any loss of business, loss of profit or loss of data, loss of reputation, or loss of opportunities, however arising;
 - (ii) the supply, by you or others, of incorrect or incomplete or delayed information;
 - (iii) the failure of you or others to act on our advice or to respond promptly to any communications from us or any insurer;
 - (iv) the default, negligence, error, omission or lack of care on the part of any person other than ourselves;
 - (v) any variation between a certificate or summary of insurance and the actual terms of cover or any omission from, or misstatement in, a certificate or summary of insurance;
 - (vi) any expenses or liabilities in respect of tax or fire and emergency levies arising from your insurances.

9. PIC's File Retention Policy

- 9.1 We hold paperwork and correspondence relating to your matters for at least seven years. After this period, we may arrange for the file to be destroyed without consulting you.
- 9.2 For certain types of insurance, it is possible that you may need to make a claim against the

policy after this period. You remain responsible for keeping your policy documents, paperwork and correspondence in a safe place.

10. Electronic Communications

- 10.1 We will usually communicate with you by email while acting for you. Please let us know if you prefer for us not to send you emails.
- 10.2 Emails are not always secure or may have defects, such as viruses. We do not accept responsibility (and will not be liable) for any damage or loss caused by an email that is intercepted or that has a defect.

11. Non-Dissemination of Material

- 11.1 Our communications with you, your employees or agents, whether written or oral, are provided solely for your information and use in connection with any engagement and so must not be used for anything else without our prior written consent.
- 11.2 No other person may rely on any of our information, advice or reports for any purpose whatsoever, and we have no responsibility to any third party who has received any such advice or report.

12. Conflict of Interest

- 12.1 We take reasonable steps to appropriately manage situations where there may be a conflict of interest. You can find information about our conflicts of interest in our disclosure statement at www.pic.co.nz/disclosure. If we become aware of any situation not disclosed there where a conflict of interest could arise, we will disclose it to you.
- 12.2 Our shareholders are also shareholders, either directly or indirectly (through other legal entities they control), in Stockade Premium Funding Limited (**Stockade**). You acknowledge that we may arrange your premium funding (if you require this) with Stockade. If we do so, it is as an agent for Stockade and not as your credit provider or finance broker or financial advice provider. We may also act as Stockade's agent in cancelling any insurance where you have failed to meet your repayment obligations. The details of any premium funding arrangement will be set out in a separate agreement with Stockade.

13. Complaints and Disputes

- 13.1 If you are not fully satisfied with our Services please contact us using our contact details at www.pic.co.nz/complaints and provide details of your complaint. Your complaint will be acknowledged in writing and we will endeavour

to resolve your complaint in accordance with our complaints process.

- 13.2 If we cannot agree on how to resolve the complaint, we will send you a letter of deadlock. You may then seek help from our dispute's resolution scheme, which provides a free, independent dispute resolution service that may help investigate or resolve your complaint. You can find the details for our dispute resolution service at www.pic.co.nz/complaints.

14. Force Majeure / Unforeseen Circumstances

- 14.1 We will not be liable for any failure to perform our obligations under these Terms if that failure results from an event or circumstance beyond our reasonable control.

15. Changes to Terms

- 15.1 We may make changes to these Terms at any time as follows:

- (a) if the changes are minor and either beneficial to you or of immaterial consequence (including a change to align them with good industry practice or legal requirements), no notice of the change will be given to you; and
- (b) if we make a change other than in accordance with clause 15.1(a) above, we will give you reasonable notice of the change in accordance with clause 17.6.

- 15.2 The updated Terms will be uploaded to our website. If you continue using our Services or give us instructions after receiving notice of a change or, if notice is not required to be given, after the updated Terms are uploaded to our website, then you will be deemed to have accepted the change. If you do not want to accept the change, you can terminate this agreement by giving us written notice in accordance with clause 16 below.

16. Termination

- 16.1 Either party may terminate this agreement immediately by giving written notice in accordance with clause 17.6. In addition:
- (a) If you wish to terminate this agreement, you must give us at least 30 days' prior written notice. If you appoint another financial adviser, this will be considered notice that you wish to terminate this agreement.
 - (b) If we wish to terminate this agreement, we will give you a minimum of 30 days' notice (except where we become aware or have reasonable cause to suspect

that you are involved in any actions which in our opinion may breach any applicable sanctions legislation or which may cause us to be in breach, you are in breach or there has been a dishonest or fraudulent act or omission by you).

- (c) Regardless of who terminates this agreement:
 - (i) You must make any payments owing as at the termination date; and
 - (ii) Any outstanding claims will be transferred to you to manage from the termination date, unless agreed otherwise.

- 16.2 Termination of this agreement will terminate our provision of Services to you. However, if you appoint another financial adviser, we will be unable to provide our Services to you immediately from that time of appointment.

- 16.3 Termination of this agreement will only result in your Policies being cancelled in the following circumstances:

- (a) For Policies that are unique PIC products, we may cancel the Policy at the time the agreement is terminated (or at any time thereafter);
- (b) For all Policies, we will cancel the policy if you specifically request that we do so. You acknowledge that:
 - (i) cancellation may require the approval of other interested parties;
 - (ii) we may not be able to cancel a Policy without the insurer's approval; and
 - (iii) you will be responsible for paying any cancellation fees payable under the Policy.

- 16.4 Termination of our engagement with you will not, unless otherwise provided in this agreement, affect clause 8 (extent of our liability), clause 11 (non-dissemination of material) clause 17.2 (confidentiality), or clause 17.3 (personal information) and these provisions will continue in effect.

17. General

- 17.1 Our Terms are subject to compliance with all applicable New Zealand and overseas law. For example, our Services may be restricted by requirements under:
- (a) the United States Foreign Account Tax Compliance Act, the intergovernmental agreement between the United States

and New Zealand relating to it, and relevant provisions of the Tax Administration Act 1994 (together, FATCA);

- (b) the Common Reporting Standard for the Automatic Exchange of Information in Tax Matters between Participating Jurisdictions (CRS);
- (c) sanctions in place under the United Nations Act 1946 and the Russia Sanctions Act 2022.

17.2 We will keep all information you provide to us about you confidential and only disclose it in accordance with these Terms and in the normal course of providing our Services, except where the information is already rightfully in our possession at the time of its disclosure, disclosure is required by law, the information is already in the public domain, or you have given consent.

17.3 We handle personal information we collect and hold about you in accordance with our privacy policy set out at www.pic.co.nz/privacy, which forms part of these Terms.

17.4 If any part of these Terms becomes invalid or unenforceable for any reason whatsoever, the remaining terms will continue to apply, subject to any modifications as are necessary to continue to give effect to them.

17.5 You may not assign or otherwise transfer any of your rights or obligations under these Terms to any other person without our written consent. We may assign or otherwise transfer our rights, interests and obligations to another party by giving you written notice.

17.6 We can provide notices to you under these Terms at the last email address we have on our records for you (unless you have specifically requested that we do not communicate with you by email, in which case, we will send a letter to the last postal address you have given us). You can give us notice by emailing admin@pic.co.nz.

17.7 These Terms are governed by the laws of New Zealand and the parties submit to the exclusive jurisdiction of the New Zealand Courts.

18. Definitions

18.1 In these Terms, unless the context indicates otherwise:

- (a) **FMC Act** means the Financial Markets Conduct Act 2013;
- (b) **FMC Regulations** means the Financial Markets Conduct Regulations 2014;

- (c) **Insurance Products** means fire and general insurance, life insurance and health insurance made available by us;
- (d) **Policy** means a contract of insurance between you and an insurer;
- (e) **Relevant Information** has the meaning set out in clause 5.1(a);
- (f) **Services** means all insurance broking services we provide you in accordance with this agreement, including those examples set out in clause 2.1;
- (g) **Terms** means these terms of engagement;
- (h) **We, our, or us** refers to P.I.C Insurance Brokers Limited;
- (i) **You** – a client who instructs **us**, or for whom **we** may provide **Services**.

18.2 In these Terms, unless the context indicates otherwise:

- (a) terms with a defined meaning in the FMC Act have that meaning in these Terms;
- (b) references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- (c) the term **includes** or **including** (or any similar expression) is deemed to be followed by the words "without limitation";
- (d) references to a **person** include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having a separate legal identity;
- (e) references to the singular include the plural and vice versa;
- (f) references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form.