

ISO Complaint Handling Workshops

The ISO has been running complaints handling workshops around the country for the last two months. We have tailored three hour and one hour sessions to meet the needs of Participants. Responses to these workshops have been very positive. So far, more than 250 ISO Participants and their staff have taken part in our complaints handling training. The half day sessions have been held in Christchurch, Nelson, Wellington, Palmerston North, Napier, Tauranga and on the North Shore. The intensive one hour sessions were held in Auckland and Wellington.

Feedback from attendees:

- * 100% of respondents would use the information and experiences from the seminar in their business.
 - * 97% of respondents would recommend this seminar to a friend or colleague.
 - * 84% of respondents said the seminar was very good or excellent.
- "Thought that it was excellent and have advised other Milestone practices to attend,"
Stephen Fitzjohn, Managing Director
Milestone Financial Services (Wellington) Limited
- "[I] have recommended our other members attend this workshop"
Kirby Taylor, Director
Authorised Financial Adviser, DecisionMakers Wellington Limited

The workshops have also proven a useful opportunity to meet face-to-face with a lot of our new members. We hope you and your staff have found it helpful too.

Looking ahead to 2012, we are exploring the latest webinar technology to bring you more sustainable and cost-effective presentations. The ISO has done two of these for the IFA's members. Webinars allow you to "attend" the presentation simply by logging on from your computer. You can also email the presenter questions or comments to be addressed at the end of the presentation.

We are interested in your feedback on webinar topics. What do you want to learn more about? Send your ideas to info@iombudsman.org.nz

You may be aware we have recently shifted offices and are now happily at home on the 11th floor of Classic House, 15-17 **Murphy Street**, Wellington. Our phone numbers, fax and postal details remain the same.

Our new premises will allow us to host Participant events and enjoy better facilities for training and presentations in 2012.

It has been a challenging year for the financial and insurance sectors. There are likely to be more hurdles ahead, but we are confident we can work together to succeed. While we have handled over 400 enquiries from earthquake affected Cantabrians we have only investigated 16 formal complaints which have reached "deadlock" through a Participants internal disputes process. We are expecting that to change in the coming year and foresee a rise in the number of these formal complaints.

We are looking forward to the Christmas break and hope you too enjoy the festive season. Have a safe and happy holiday. We look forward to working with you again in the New Year.

**The ISO Office closes on:
Friday 23 December 2011 and will re-open on Wednesday 11 January 2012 at 8.30am.**

Kind regards



In this Issue

- Complaint Handling Workshops
- Earthquake Response Update
- Participant Survey 2011
- Membership
- News snippets
- Useful Links

Case Studies

In this publication, the Insurance & Savings Ombudsman is referred to as "the ISO" and the ISO's Terms of Reference are referred to as "TOR". In the case studies, "P" is used to denote Participant and "C" to denote Complainant.

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Contact details

If you wish to amend your details, or add new staff to the Assessment mailing list please email:
info@iombudsman.org.nz

The "Assessment" is also available on our website, on the [News and Publications page](#).

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Earthquake Response Update

Iain Opray, ISO's Earthquake Response Manager, has had a busy few months on the ground in Christchurch. He has attended several community meetings with CERA and continues to build strong relationships with other agencies. Sharing information with organisations like ICNZ and the Commission for Financial Literacy and Retirement Income are vital to keeping up-to-date with emerging issues.

The most enquired about issues to date have been about: repair costs; insurers' decisions to build or repair; what "replacement" means (especially in relation to materials); business interruption claims, availability of cover, loss of rents; salvage issues and questions about EQC. We expect there will be more emerging issues as the enquiries increase.

Our [Consumer Information Sheet](#) for earthquake-affected residents has been updated with information about the Government's offers to buy back earthquake damaged land and houses. On the "Sorted" website, you'll also find the [Red Zone Guide](#) – a booklet that explains the offers in more detail. Hard copies are available in Christchurch from CERA.

Check out [EQC's Frequently Asked Questions](#) if you have queries about an earthquake related insurance claim.

Recent earthquake articles

[100 death claims since Feb 22 Earthquake, 24 November 2011](#)

[The added cost of builder's insurance, 1 December 2011](#)

[New Zealand's Insurance landscape rocked, 19 December](#)

Participant Survey 2011

Earlier this year we surveyed our original Participants to find out how the ISO Scheme was performing as an External Dispute Resolution (EDR) scheme. Here's a snapshot of the responses received:

Accessibility

- 100% agreed the ISO service was easy to access and understand.
- 90% agreed their organisation was kept up-to-date with ISO news, developments and events.

Independence

- 100% agreed the ISO Scheme was independent of the industry and independent of Participant's customers.

Fairness

- 89% agreed the ISO Scheme had regard to the law/regulation/codes.

Accountability

- 89% agreed the Annual Report was detailed, informative and available on the ISO's website.
- 83% agreed the searchable case studies on the ISO website were valuable.

Efficiency

- 83% agreed complaints were dealt with in reasonable time.

Effectiveness

- 100% agreed their organisation understood the ISO's complaints handling process.
- 94% agreed that using the ISO Scheme was a better alternative than going to the courts or the Disputes Tribunal.
- 89% agreed that the reasons for the ISO's decision were clearly explained.

Case studies

119885

Casebook Index: Interpretation - Specific words/expressions, Scope of cover

Background

In August 2010, C arranged insurance on his contents with P.

In October 2010, C's house was burgled and some of his contents were stolen. Some of C's partner's ("S") contents were also taken. C made a claim to P for the loss.

Assessment

C was the only person named on the policy schedule. Therefore, S's contents were not covered by the policy, unless she was "immediate family".

P declined the claim in relation to S's contents, as outside the scope of cover provided by the policy. This was on the basis that P did not believe C was in a de facto relationship with S and, therefore, S was not "immediate family".

The policy did not include a definition of "immediate family". However, P accepted that if C was in a de facto relationship with S, then S would be considered "immediate family".

In order to establish the meaning of "de facto", the Case Manager used the same rules of interpretation as are applied to other contracts. Specifically, the Case Manager believed that the words should be given their ordinary and natural meaning.

To assist this interpretation, the Case Manager considered section 29A of the Interpretation Act 1999 ("the Act") which states, as follows:

29A Meaning of de facto relationship

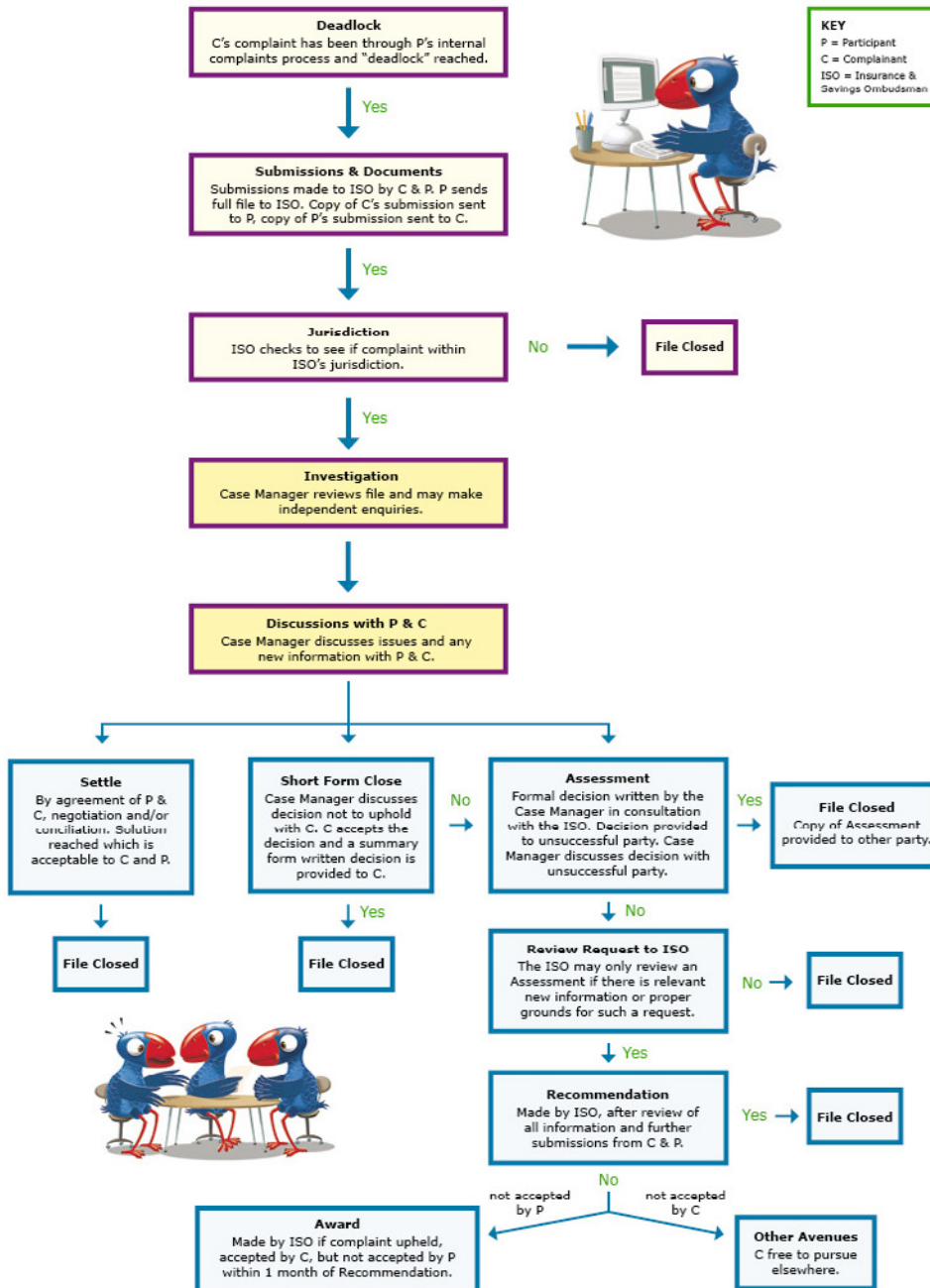
- 1) In an enactment, de facto relationship means a relationship between 2 people (whether a man and a woman, a man and a man, or a woman and a woman) who –
 - a) live together as a couple in a relationship in the nature of marriage or civil union; and
 - b) are not married to, or in a civil union with each other; and
 - c) are both aged 16 years or older
- 3) In determining whether 2 people live together as a couple in a relationship in the nature of marriage or civil union, the court or person required to determine the question must have regard to –
 - a) the context, or the purpose of the law, in which the question is to be determined; and
 - b) all the circumstances of the relationship.

While the Act is used for the interpretation of legislation, the Case Manager believed it fairly set out the natural and ordinary meaning of de facto relationship; "a relationship in the nature of marriage".

Having regard to all the circumstances of C's and S's relationship, especially the length of the relationship and the living arrangements, the Case Manager did not believe C had shown he was in a

Other feedback from the survey suggested our complaints handling process flowchart could be improved. We have refreshed it and streamlined it in line with your comments. We hope you like this new simplified version. You will also find this on our [website](#).

How the ISO resolves complaints



relationship in the nature of a marriage with S, at the time of the loss. Consequently, P was entitled to decline the claim as outside the scope of cover provided by the policy.

Result - complaint not upheld

120105

Casebook Index: Complaint laid with police, Evidential issues, Exclusion - Travel, Unattended

Background

In March 2011, C arranged travel insurance with P for travel from 19 April 2011 until 16 May 2011.

In May 2011, at about 6pm, C took his rental vehicle to a valet parking facility across the road from his accommodation in Miami, Florida. C left his luggage in the boot of the vehicle, as he did not believe his accommodation was secure. C left his camera on the back seat of the vehicle.

The next morning, at about 6am, C returned to the parking facility and discovered that the camera was missing. C was told by the valet on duty that he would have to wait until 10 am to report the loss to the parking facility manager. C did not do so, as he wanted to keep to his trip schedule. C made a claim to P for the loss on his return to New Zealand.

P declined the claim, on the basis of the policy exclusions for items left "unattended" in a vehicle and for failure to report the loss to the police within 24 hours.

Assessment Police report

The policy excluded claims for loss or theft of items that had not been reported to police within 24 hours of the loss or theft. C did not believe he had enough time to report the loss to the police, because he was on a tight trip schedule and would have lost 4 hours of driving.

However, the Case Manager believed P had been prejudiced in its investigation of the claim, because it could not confirm the information C provided. The exclusion was strict and C had not complied with it.

The Case Manager believed that, at a minimum, C could have telephoned P to report the loss and sought guidance as to how to comply with the policy in the circumstances.

Because C did not report the loss to the police, P was entitled to rely on the exclusion to decline the claim.

Was the camera "unattended"?

Because the Case Manager believed P could rely on C's failure to report the loss to police to decline the claim, it was unnecessary to determine whether the camera was "unattended".

However, based on the information provided by C, the Case Manager did not believe the camera was "unattended". This was on the basis that, on the balance of probabilities, it was more likely than not the valet stole the camera when he was parking the vehicle.

Result - complaint not upheld.

Membership

Please take a few moments to check your ISO membership is up-to-date and we have your current contact details. For questions about renewals or membership, email our Participant Liaison Manager, Penelope England - membership@iombudsman.org.nz or freephone 0800 888 202.

News snippets

Are you technologically savvy? Financial Alert ran a story recently about the most common software and hardware solutions advisers are using. It found that most advisers had moved from pcs to laptops, had offices that were at least 60% paperless and skypping was popular for talking to long distance clients.

Technologies on the increase, but yet to be fully embraced, include: using social media platforms like Facebook to communicate with clients, using i-pads for client interviews and moving to 100% cellphone use (instead of landlines). [Full Story](#)

New web-based comparison tool for advisers – for the latest web-based insurance quoting and comparison tool visit www.quotemonster.co.nz. The system has the ability to quote 11 insurers and a range of policy options, add-ons and premium structures.

Ansvar leaves NZ – The prohibitive costs of reinsurance resulting from the Canterbury earthquakes has led to the departure of Ansvar Insurance from the New Zealand market. View the full story on [Scoop](#)

Useful links

[FMA - Financial Adviser Helpline 0800 434 567](#)

[Companies Office](#)

[Commerce Commission Factsheets](#)

[CERA](#)

[ISO Case studies in Good Returns](#)



120265

CasebookIndex: Earthquake, Interpretation - Specific words/expressions

Background

In May 2010, C renewed insurance on her house with P.

On 4 September 2010, the house was damaged by an earthquake ("the September event"). C made a claim to P, which was accepted and P paid temporary accommodation costs under the policy.

C engaged a builder who said that the house could be made habitable with some temporary/make safe repairs.

On 22 February 2011, the house was damaged by a second earthquake ("the February event"). C made a claim to P, which was accepted. However, P declined to pay C a second temporary accommodation allowance under the policy. P said the benefit did not apply to the February event, as the house was already uninhabitable because of the September event.

C believed that the house would have been habitable, but for the February event and, therefore, the house was uninhabitable as a result of the February event.

P believed that, for the benefit to respond, the house had to have been rendered uninhabitable by the February event. As the house was already uninhabitable after the September earthquake, a second temporary accommodation allowance was not payable.

Assessment

The house was deemed uninhabitable following the September event. On the basis of the evidence provided, the Case Manager was satisfied that, prior to the February event, the house could have been made habitable with some temporary/make safe repairs. However, at the time of the February event, repairs had not begun.

The benefit only responded if the house "is uninhabitable as a result" of loss or damage for which a claim is accepted. In order to establish whether C was entitled to the benefit, it was necessary to look carefully at the policy wording.

The inclusion of the words "it is" indicated a temporal relationship between the uninhabitability of the house and the event which caused the loss or damage. The words "as a result" made it clear that, for the benefit to respond, the damage arising from the event must cause the house to be uninhabitable.

The Case Manager accepted that, if the repairs to the house had been completed on or before the February event, the house would have been habitable at the date of the February event. The Case Manager also understood that there was the possibility that the house would have been made habitable, but for the February event. Unfortunately, no repairs had been undertaken at the date of the February event and, therefore, the house was not rendered uninhabitable as a result of the February event, because it was still uninhabitable as a result of the September event.

Result – complaint not upheld.