

IS YOUR FIRM GETTING THE BEST DEAL ON INSURANCE?

IS THE PREMIUM REASONABLE?

Does your current insurer charge a premium rate that reflects your claims history?

DOES YOUR BROKER SPECIALISE IN PROFESSIONAL RISKS LIABILITY INSURANCE?

With the complicated and ever-changing environment of the liability market, it is imperative that your insurance programme is overseen by experienced professionals who dedicate their time to the specific risks within your industry. Whilst this may not have been apparent over recent years where insurers have been prepared to write solicitors for extremely cheap premiums, the lower pricing is not sustainable and therefore it is time to start preparing for the change in the insurance market. The value of the Willis experience and expertise is most evident when negotiating deals in the tougher end of the insurance cycle. This expertise also plays a major role in claims situations where Willis would operate as your claims advocate.

DO YOU HAVE A FORMAL RISK MANAGEMENT PROCESS IN PLACE?

Risk management forms an integral part of your Professional Indemnity Solution. There is no doubt that firms who can demonstrate that they have the right Risk Management philosophy, will have an advantage over those who can not. Talk to Willis about how effective your Risk Management Programme is.

DOES YOUR CURRENT INDEMNITY LIMIT MEET THE NEW ZEALAND LAW SOCIETY RECOMMENDATIONS?

The indemnity limit recommended is the greater of \$1,000,000 per practice or \$750,000 for each partner (or in the case of an incorporated law firm, for each lawyer shareholder) within the practice. The indemnity limit applies either on an aggregated basis to claims made in the policy period with not less than one automatic reinstatement, or on an any one claim basis with no aggregate limit.

HOW MANY REINSTATEMENTS ARE PROVIDED UNDER YOUR CURRENT ARRANGEMENTS?

Firms need to be confident that they have secured adequate levels of cover, and it is possible to purchase more than one reinstatement of your limit of indemnity. With the increasing costs of litigation and settlements increasing from an economic downturn it is important to review this limit regularly.



ABOUT WILLIS

Willis Group Holdings Limited is one of the world's leading insurance brokers, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world.

Founded in London, United Kingdom by Henry Willis in 1828, and now a public listed company (NYSE WSH) with annual revenues of USD\$2.6 billion (year end 2007), Willis has 16,000 Associates (employees) working from over 300 offices in more than 100 countries. The business started in Australasia in 1958 and today has 420 Associates (employees) working from nine offices, in New Zealand and Australia.



CAN YOUR BUSINESS SURVIVE THE SUDDEN DEPARTURE OF A PARTNER?

The sudden departure of a partner can have a significant effect on a firm, but there are solutions available to assist in addressing the issue of succession planning.

There are a number of reasons why a business owner may leave the business, triggering a succession event under an agreement. Included in these are death, total and permanent disablement (TPD) and suffering a major illness, such as a heart attack or stroke (trauma). Death, TPD and trauma are events that may be insurable, allowing transfer of the risk away from the business and the individual to an insurer.

DOES YOUR PROVIDER ASSIST YOU WITH PAYMENT OPTIONS FOR THE PREMIUMS?

Some of the benefits of Premium Funding are:

- improving cash flow and preserving cash for other financing and day to day operating needs;
- a fast, simple application process;
- fixed, competitive interest rate;
- no ongoing loan service fees (an upfront Administration Fee may apply);
- ongoing funding is simple - flexible arrangements allow you to include further business insurance policies without the need for additional paperwork.

IS YOUR FIRM PLANNING ON INCORPORATING?

If the firm chooses to incorporate, the directors must carry out their directorship duties on behalf of the company, and could be personally liable if these duties are breached (as per the Companies Act 1993).

Directorship liability is a separate exposure to Professional Indemnity, and therefore needs to be addressed via a separate policy.

CONTACT

A Willis representative will be in contact shortly, however if you wish to contact us regarding the points raised above, please do not hesitate to contact your nearest Willis professional:

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