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## General Liability Policy Deconstructed

### HEADS UP!

We may sound like a broken record but before you buy the Insurance programme offered by i2iContractorCover®, you have to read and understand the details.

Insurance jargon can be a little heavy so this document breaks down the hot stuff relevant to you as a Generalist Contractor using everyday language. This is not personal advice and if you get to the end of it and you're still a bit muddy, get in touch with [kirsty@i2ibrokers.co.nz](mailto:kirsty@i2ibrokers.co.nz) (on behalf of the i2iContractorCover® programme) and she can give you some assistance in navigating this policy.

### Here's what it'll do

If you pay your premium (the insurance cost), TAI promise to cover you for any legal costs if someone makes a valid claim against you (that includes paying any expenses for defending or settling the claim, but only with TAI's permission first)

### Extensions

#### **New Subsidiary**

- If you buy a new company during the insurance period, TAI will cover that new subsidiary for any mistakes they make, but only from the day TAI officially take them under their wing. There are a couple of conditions though:
  - The new subsidiary can't increase your revenue by more than 20% when they scoop them up; and
  - You have 30 days to tell TAI of the acquisition (and they might adjust the policy and charge extra to cover them)

#### **Automatic Reinstatement**

- After TAI has paid out for a valid claim, the coverage limit bounces back up automatically at no extra cost, but: TAI won't pay more than the original limit for any single claim; and overall, they won't shell out more than double that limit across all claims; and this only kicks in after you've maxed out the limits of any higher-level insurance policies you've got.
- Just so you know, no matter how many claims or lawsuits pop up from the same mistake or related slip-ups, TAI only on the hook for one limit of liability as stated in Item 5 of the Schedule."



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## **Breach of professional confidentiality**

- TAI have got your back if you're legally responsible for paying up due to sharing confidential info by mistake."

## **Continuous Cover Clause**

- TAI will cover you for claims that would have been covered by this policy, but were initially excluded because you knew about them when you started. Here's how:
  - You already had pro insurance when you first knew about the issue.
  - You kept that coverage going non-stop until the claim came up and you told TAI or i2iContractorCover®.
  - The payout is capped at what we would've paid under your old policy.
  - If reporting the issue sooner would've cut the claim, TAI will reduce the payout accordingly.

## **Court attendance costs**

- Any time and expenses you incur if you have to attend legal stuff like discovery sessions, arbitration, or trials for a valid claim will be paid back by TAI at 70% of your usual rate or up to NZD100. Expenses like travel, lodging, and meals are covered too, but only for the actual days you're at these legal events.

## **Cyber Liability (Third Party Claims)**

- TA have your back for valid claims where you mess up on professional duties that cause a Cyber loss (but only if it's a Cyber loss that they've agreed to cover as this is not a Cyber policy). They'll pay up to NZD 1,000,000 or the limit in your policy (whichever is less) for all valid Cyber claims and the legal costs to defend them.

## **Defamation**

- TAI will cover you if someone nails you with a valid claim because of something unintentionally nasty you wrote or said. But here's the deal: if TAI ask you to apologize reasonably, you gotta do it. If you refuse, TAI won't cover your defense or pay up for the claim.

## **Dishonesty of Employees**

- If an employee's sneaky actions cause financial loss to someone else, like fraud or theft, TAI will cover the claim against you but, these are the rules:
  - The sneaky stuff has to happen while they're doing their job.



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- The won't cover any loss once you find out about the employee's sneaky antics.
- There is no cover if it's for the personal gain of a boss; and
- There is no cover for claims from related companies, unless it's from an outsider

### **Extended Reporting Period**

- If you decide to end this policy, you can still report claims for 30 days afterward, but only for stuff that happened while this policy was active. Your coverage limit won't go up because of this extension. It stops right away if you get new insurance to replace it, and once you use it, your premium stays with TAI – no refunds!

### **Fair Trading Act**

- You're covered if you're legally liable for breaking the Fair Trading Act or similar laws (but please play fair!)

### **Fee Waiver**

- If TAI ask you to forgive any fees owed to you to help settle a claim, they'll consider that when figuring out how much you need to pay first (the Excess). If the fees forgiven are more than the Excess, they'll give you back half of the extra bits.

### **Infringement of Copyright**

- You're covered if you accidentally use someone's copyrighted stuff without permission, like logos or designs.

### **Investigations**

- TAI will your legal fees if a government agency or professional board investigates you during the policy period. Just make sure to tell TAI first and don't expect them to pay any fines or taxes.

### **Joint Venture Liability**

- If you're involved in a joint venture or partnership and get into legal trouble because of your professional work there, TAI have got you covered. But this only counts if the joint venture or partnership was clearly mentioned in your application, along with all the money you made from it. TAI won't cover the joint venture, partnership, or any partners themselves.



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## Loss Mitigation

- TAI will cover the costs you have to pay to fix mistakes you made in your professional work to stop them causing problems. Here's how it works:
  - Tell TAI or i2iContractorCover® in writing about the mistake and what you're doing to fix it before spending any money.
  - Show us that the costs are reasonable and needed to stop or reduce any claims because of the mistake.
  - Get TAI's permission before spending any money.

You'll still have to pay the part of the costs called the "Excess" and the most TAI will pay for these costs is NZD 250,000. The costs they will cover don't include making a profit, losing money, paying for everyday business expenses, or paying salaries to you, your employees, consultants, subcontractors, or agents.

## Loss of Documents

- Even though TAI don't usually don't cover things you lose, break, or destroy, they will cover you if you have to pay up because important documents that were in your care got lost, damaged, or destroyed during the insurance period. They'll also pay to get new copies or fix them, as long as you show them the bills or receipts they can approve.

## Public Relations Expenses

- If you need to spend money to protect your reputation because of a claim covered by this insurance, TAI will help cover those costs too. Just ask them first! They'll be able to pay up to NZD 100,000, but it's important to note that these costs will be considered part of your defence costs allocation.

## Severability

- If one person covered by this insurance messes up by not sharing important information or lying about something, it won't affect coverage for the others, as long as they didn't know about it. But if anyone tries to get coverage knowing they're lying or being sneaky, this rule won't apply.



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## What's not covered

Don't balk at this list and think what am I actually covered for? If you work through it you'll hopefully conclude that these can't be covered due to law, intentional or wilful acts (which goes against policy policy), are covered by other insurance policies (whether you have them or not) or as simply universal treaty exclusions that no insurer is going to provide cover for.

If you do think that there's an exclusion listed here that's going to directly affect you, give [kirsty@i2ibrokers.co.nz](mailto:kirsty@i2ibrokers.co.nz) (on behalf of i2iContractorCover®) a call and she can work through your concern.

1. Asbestos any kind of asbestos, no matter where it comes from.
2. If you're responsible for someone else's stuff or looking after it, and something happens to it
3. Anything you knew about or should've known about when this insurance started, whether you told another insurance company or not.
4. Any responsibility you take on because of a contract or agreement, like paying fines, unless you would've had that responsibility even without the contract.
5. A Cyber Oopsie or a Cyber Whoopsie; or you've breached a Data Protection Law because you kind of messed with, used or did stuff with a Computer System or Data. This includes costs for telling people about it, crisis helpers, keeping an eye on your credit, getting new credit or payment card details, investigating, making the public happy again, or seeking legal advice.
6. Deliberate Acts any sneaky, criminal, mean, or tricky things, errors, or forgetting stuff, as decided by the final decision or saying it happened.
7. Directors and Officers anyone just acting as a boss or bigshot for the company (if you're operating under one)
8. Employers Liability death, ouchies, sick stuff, or bad things happening to any person while they're working for You under a work contract or training.
9. Fines, Penalties and Punitive Damages getting slapped with punishment money or extra big payments, like fines, penalties, or extra damages for being really, really bad.
10. Insolvency or Bankruptcy when Your money situation goes kaput—like when You can't pay the bills and have to get help or go bankrupt.
11. Fighting with other people or companies that are connected to You financially, unless someone from outside starts the fight first.
12. Nuclear scary stuff like radiation or radioactivity from nuclear fuel or waste, or any dangerous things from nuclear bombs or parts.
13. Patents and Trade Secrets using or telling others about someone else's patents, or sneaking around with secrets that belong to someone else.



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14. Messing up with pollution—like making things dirty or harmful.
  15. Any claim to do with making, selling, fixing, or dealing with stuff like goods or products.
  16. Property owning, having, or using things like land, buildings, planes, boats, or cars.
  17. Wanting your money back for professional work, or if someone says you shouldn't get paid or that you don't deserve the money you charged.
  18. Anything bad that happened or started before a certain date that's been set.
  19. Losing money from doing business, or any money you would've made from clients or deals that fell through.
  20. Getting involved in legal stuff in American courts, or any decision made there, even if it's to enforce something in another country.
  21. Stuff like war, terrorist attacks, invasions, fighting by foreign enemies, big battles (whether anyone said it was war or not), civil wars, rebellions, revolutions, uprisings, or military takeovers

## Conditions

### Assignment

- If you want to transfer any part of this insurance to someone else, TAI need to give the okay in writing first.

### Cancellation

- You can cancel this insurance anytime by telling TAI or i2iContractorCover® in writing. ii. TAI can cancel this insurance by giving you (via i2iContractorCover®) written notice 30 days before it stops. They'll also send this notice to the last known email address on file . If TAI ori2iContractorCover® can prove it was sent to you , that's good enough to confirm you were told. (sounds harsh we know!)
- If you cancel, TAI keep or get the premium for the time this insurance covered you, based on their cancellation rules. ii. If TAI cancel, you get back a refund of the company premium equal to the time left on your insurance (fees or commissions earned by i2iContractorCover® or policy fees paid to TAI are not refundable )

### Changes

- Any new information given to TAI's approved people or i2iContractorCover® won't change your insurance or stop TAI from using their rights unless they officially change your policy in writing and it's signed off by TAI's approved peeps.



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## Claim in Excess of the Limit

- If TAI have to pay more than the insurance limit for a valid claim, they will only pay a part of the defence costs. If they pay more than their share, you will have to pay them back or they will take that money from what they would've otherwise be paying out.

## Claims Handling

- You can't admit something happened, promise money, or spend cash without asking TAI first. They can also take charge of defending or settling any claims in your name, or they might sue someone for money they paid out (subrogation). TAI will also decide how to handle any court stuff and your end of this bargain is to promise to do your best to stop claims or do what you can to make them smaller. You will also help TAI by giving them all the info they need when we ask for it.

## Declarations

- When you agree to this insurance, you're saying the info in your application is true. TAI are giving you this insurance based on that info. Don't mess it up by trying to pull one over on TAI or i2iContractorCover®

## Dispute

- If there's any argument about this insurance, it follows New Zealand's laws. You and TAI agree to fix any argument through Mediation first. Each of you will pay for your own assistance in Mediation, (except for the cost of the Mediator, you'll split the cost with TAI if you can't agree on one)

## Excess

- For every valid claim against you, you have to pay an excess. If the claim isn't more than the excess, you also cover the costs of investigating and sorting it out. But, you don't pay the excess for costs TA have agreed to for defending or settling a claim, or for them to figure out what's covered.
- If there's more than one valid claim from the same mistake or related issues, they count as one claim for the excess.

## Fraudulent Claims

- If you try to make a claim under this policy that's not true in any way, the policy becomes void right from the start, gone burgers!



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## Goods and Services Tax

- If you have to pay tax on any payment TAI makes to you under this policy, they'll cover those tax costs too. This is extra to what they already promised to pay you.

## Limit of Liability (if you're thinking you've seen this before, you have! This is also referenced under the Automatic Reinstatement of the policy)

- Here's how much TAI will pay:
  - They won't pay more than the Limit of Liability for one valid claim, as stated in Item 5 of the Schedule.
  - Overall, we won't pay more than twice the Limit of Liability for all claims combined.
  - If you have extra insurance on top of this policy, we'll only boost the limit after you've used up that extra cover.

## Limit of Liability - Defence Costs

- TAI won't pay more than the overall Limit of Liability for all the defence costs under Insuring Agreement 1.2 and extension 2.2 (Automatic Reinstatement).

## Material Information

- If you provide misleading info in your application, TAI might decide to keep it going but won't cover any claims related to that wrong info, or, they'll cancel the policy altogether.
- You need to tell i2iContractorCover® right away if anything important changes during the insurance period. If you don't and it affects your coverage, TAI might not cover any related claims.

## New Zealand Currency

- All the money stuff in this policy—like limits of liability, premiums, and payments—is in New Zealand dollars.

## Notification of Circumstance

- If you find out during the insurance period about something that might manifest itself into a claim (according to what's normal in your profession), and you let us (TAI or i2iContractorCover®) know about it, then any claims that come from that situation at a later date will be treated as if they happened during the insurance period when you first told us about it.





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## Other Insurance

- This insurance kicks in only after you've used up all your other valid insurance that covers the same thing.

## Relinquishment

- TAI might decide at any time to pay you up to the remaining limit of this policy for any claims or a group of claims. If they do, they stop managing those claims and won't owe anything else for them, except for defence costs already covered within that limit. If the total amount needed to solve a claim or group of claims is more than your policy limit, they'll pay their share of the defence costs up to the date they stop managing them.

## Sanctions

- This policy can't cover a-n-y-t-h-i-n-g if it would break any sanctions from the United Nations, or laws in the European Union, United Kingdom, or United States.

## Settlement

- TAI won't settle any claim without your okay. But, if you don't agree with a settlement they suggest and instead you decide to keep fighting the claim in court, their responsibility will be limited to the amount they could have settled for plus the defence costs they already agreed on.

## Service of Suit

- If there's a fight about this insurance, TAI agree to deal with it in a court in New Zealand and the court will use New Zealand's rules and ways to solve the problem.

## Subrogation

- TAI has the right to use any legal powers you have to get back money, before or after they pay out. You need to do what you can to preserve and maintain these rights.
- But, if TAI pay out and use your rights to get money back, they promise not to use those rights against any of your bosses or workers, unless they did something sneaky or bad that caused the problem (remember you have to help us use these rights to get money back, if they ask)



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## Terms of Policy Conformed to Statute

- If any part of this insurance doesn't follow the laws where you live, those parts will change to follow those laws.
- But, this is not an invitation for you to jump ship and take work (or move) overseas and think this policy is going to stump up (remember your obligations about disclosure and material facts!)
- This policy is for contractors who are domiciled or are residents of New Zealand. The territorial and jurisdictional limits are also New Zealand.

We've said it before but this summary is a deconstructed guide only.

Always refer to the full policy for the official rules.