

# THE NET EDITION



THE OFFICIAL NEWSLETTER OF BROKERNET N.Z. LIMITED

ISSUE ONE



## editorial

Welcome to the first issue of "The Net Edition", the new quarterly newsletter of Brokernet N.Z. Limited.

"Brokernet" is a group of 10 independent insurance brokers in major centres throughout New Zealand. All members are required to be part of the Corporation of Insurance Brokers of New Zealand (CIBNZ) emphasising our requirement to maintain a high degree of professionalism and business ethics.

The group also enables member's clients to benefit from the combined specialist knowledge they each bring to the group, as well as the strength of national representation and resources. In today's business environment this is absolutely essential.

The current global insurance markets are probably the most difficult we have ever experienced. Indications are that the situation will not really improve for some time to come. The conditions we are currently experiencing have resulted from a series of global catastrophes and a withdrawal of investor confidence from the Insurance sector.

There has also been a dramatic decline in market capacity after the continual merger and sale of Insurers. There is however a hint that some Insurers are showing signs of returning to profitability and this will hopefully encourage investors to return.

In this issue we have concentrated on important current issues affecting your business such as the changes to the Health & Safety in Employment Act that has imposed potentially significant costs to business in the form of fines that you can no longer insure; and Risk Management. Both are areas that require your ongoing vigilance, particularly by way of needing to demonstrate that you provide a safe place of work, with the added bonus of possibly being able to reduce ACC levies.

We hope you enjoy our first issue and find our articles, which are contributed by our members, to be of interest. If you would prefer future issues to be emailed to you please advise your Brokernet member.

Debbie Street  
Chief Executive

### In this issue:

- Brokernet Launches Website
- The Eleven Commandments of Business
- Public Liability Insurance - An important feature of any risk management programme
- Higher Risk Vehicles - Yours might be one!
- CMAC Health & Safety Compliance Website
- Basic Risk Management

## Changes to the Health & Safety in Employment Act this affects you!!

The Health and Safety in Employment Amendment Act (the Act) came into effect on 5 May 2003.

The key changes will affect who can bring a prosecution, the level of fines and introduce a new regime of infringement offences. They are as follows:

- People other than inspectors will be able to prosecute providing an inspector has decided not to.
- Prosecutions must still be brought within 6 months of the accident occurring but people will be able to apply for an extension of time.
- Inspectors will be able to issue enforcement notices, a type of instant fine. These will range from \$100 to \$4,000 at the inspectors discretion. Maximum fines have gone up 5 fold. There will be a maximum fine of \$250,000, whether serious harm is caused or not.
- A separate category applies for offences where a person has taken an action or has failed to take action knowing that their action or inaction is likely to cause serious harm. The maximum fine has increased from \$100,000 and/or a term of imprisonment of up to 1 year to \$500,000 with a term of imprisonment of up to 2 years.
- Insurance – From 5 May 2003 it will be illegal to obtain protection for insurance for fines for both the employer and the employee.
- From 5 May 2003, the Act will include people who are not employees and specific industries which had previously been excluded. For example most Volunteers, on the job training and loaned employees will have to be treated as if they were employees for the purposes of the Act.

Continued on Page 2