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# Cunningham & Lindsey



A presentation to...

RiskNZ

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Slide 2

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& Lindsey



# Risk management

- Numerous ways of dealing with risk
- One is *Risk Sharing* through insurance. There is an expectation that:
  - For a specific event
  - The right sum of money
  - Will be available at the right time





# Risk sharing

- The risk is that:
  - The event that occurs is not one of the ones contemplated
  - The sum of money received is too low
  - Or the money is received too late


























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O Lindsey

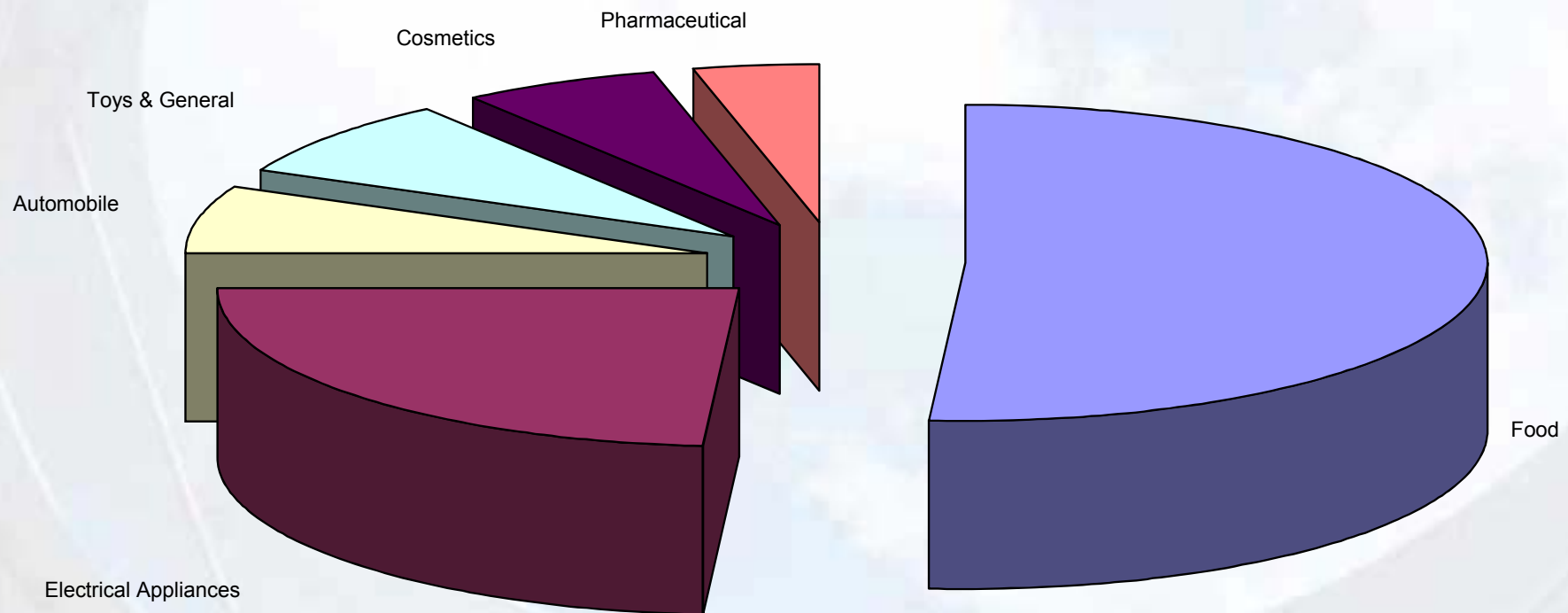








## NZ Recalls



## Is the event insured?

- Very difficult to determine all possibilities
  - E.g. what is contamination?
- Endless speculation pointless, but the key is to understand the policy.



## Is the loss/cost insured?

- Sharing – not transfer
  - Insurance never claimed to be perfect
  - Understand that some types of costs are rarely recoverable (deductible, upgrades, management)



# Is the amount of money right?

## *Adequacy of sums insured - buildings*

- Who is the right professional?
  - Special features (heritage, special use, compliance)
  - Demolition costs
- Cost escalation
  - Disaster inflation
  - Reinstatement delays

# Is the amount of money right?

## *Adequacy of sums insured – business interruption*

- Accounting GP is often not Insured GP
- Sums insured for other policy items
- Adequate Maximum Indemnity Periods





# Is the money paid at the right time?

- Issue is not normally intent:
  - Policy

## **PROGRESS CLAIM PAYMENTS**

Where loss or damage has given rise to a valid claim on this Policy, the Company will make progress claim payments on production of acceptable evidence of insured loss. If the aggregate of progress payments exceeds the total amount of loss as finally adjusted, the Insured will immediately refund the difference to the Company.

- Commercial relationship

# Is the money paid at the right time?

- What is your approach to the claim?
- Co-operation:
  - Passive
  - Active





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