

## Time Limits for Claims Made policies

Any change to the present wording to Section 9 of the Insurance Law Reform Act 1977 could have a devastating effect to the Insured.

If we **know** of a claim then it is reasonable for the Insured to tell the Insurer.

However we don't always know of a potential claim especially with Professional Indemnity claims. The policy also requires the client to advise of circumstances that **MAY GIVE RISE** to a claim.

I've had an incident recently where I had to tell a client that when he backed his car into the car his son drives ( but the insured owns ) that he can't claim for the damage to the uninsured son's car under the third party section of his car. The Insured wasn't happy at all but I believe he finally realises that you cannot be your own third party. I know he wasn't happy but should I tell the PI insurer I have?

The client hasn't said or written anything to make me expect a lawyer's letter in the mail.

I believe I haven't failed in my duty of care to the client but I don't determine whether at some stage he will have a poke at me.

A client of ours could sit on a grievance for years before something triggers them to actually do anything about it.

We have had another client who sells businesses. They have had issues arise quite a few years after businesses have sold. Professional Indemnity Policy wordings talk about notifying the Insurer of a claim or circumstance but how is the Insured to know what constitutes a circumstance?

If Section 9 of the LRA is changed it potentially leaves Professional people wide open to have PI claims declined through no fault of theirs.

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Privacy of natural persons