

**ENVIRONMENTAL RISK MANAGEMENT AUTHORITY**  
**NGĀ KAIWHAKATŪPATO WHAKARARU TAIAO**



**A QUICK GUIDE TO**

***Professional Indemnity***

**ERMA NEW ZEALAND**  
**20 Customhouse Quay**  
**P O Box 131**  
**WELLINGTON**

**Corner Customhouse Quay and Waring Taylor Street**

**Phone**            **+64 4 916 2426**  
**Facsimile**       **+64 4 916 0433**

## ***Insurance for Test Certifiers***

The Hazardous Substances and New Organisms Act (HSNO) gives the Environmental Risk Management Authority (the Authority) the discretion to require applicants for approval as a test certifier to have in place a scheme of insurance to cover the liability that could arise from the issuing of test certificates<sup>1</sup>.

The Authority has made it a requirement that test certifiers must have in place professional indemnity (PI) insurance and new applicants will be required to provide proof of insurance when they apply. We have included in our User Guide to Becoming a Test Certifier the specifications for such an insurance scheme. If a Territorial Authority has appropriate insurance cover and employees are issuing test certificates as their agents the employee is exempt from this requirement.

It is apparent that obtaining such insurance can be difficult and expensive for many applicants so to assist Test Certifiers get reasonable PI insurance ERMA New Zealand has arranged a group insurance scheme in conjunction with its PI insurers. Current and potential test certifiers may find out more details of this group scheme by contacting MARSH Limited at any of their branches nationwide. The actual policy document is available from MARSH Limited and should be reviewed before you make any decisions. Brief details of the group scheme have been prepared by MARSH Limited and are opposite.

**This insurance proposal will only cover your work as a test certifier.** It does not cover more general PI insurance or other general liability insurance. The total cover required for your business is a matter for you. It is also important that you understand that PI insurance cover provided is a “claims made” policy and covers only those claims made during the currency of the policy. If you have terminated the policy and subsequently receive a claim, even if it relates back to a time when you did have a policy in place, you are not covered. It is important that you continue to maintain insurance cover for a period if you cease to be a test certifier thereby continuing to meet your obligations under the HSNO Act.

It is stressed that ERMA New Zealand is not recommending the MARSH scheme over and above any other insurance proposal, it is just one choice that is available to meet your needs. Individuals should discuss their insurance needs with a reputable insurer or broker and view this group scheme in conjunction other insurance you hold. Furthermore, you must note that ERMA New Zealand has no part in the insurance process, has no financial interest, and should not be contacted in any way regarding this particular insurance proposal. All enquiries and negotiations should be through your own broker or MARSH Limited.

---

<sup>1</sup> Hazardous Substances and New Organisms Act 1996 Section 84(5)(b).

# MARSH



<b>INSURER</b>	QBE Insurance (International) Limited
<b>TERMS FOR</b>	Individual Test Certifiers contracted to ERMA
<b>PROFESSIONAL DUTY AS</b>	Approved Certifier under the Hazardous Substances and New Organisms Act 1996
<b>BROKER CONTACTS</b>	Alan Denham or Richard Marsden Marsh Limited Ph. 04 - 474 1100      Fax. 04 – 474 0800
<b>POLICY WORDING</b>	QBE Professional Indemnity Civil Wording
<b>EXCESS</b>	\$5,000 each and every claim inclusive of costs and expenses
<b>TERRITORIAL LIMITS</b>	New Zealand
<b>JURISDICTION</b>	New Zealand
<b>RETROACTIVE DATE</b>	Inception Date of policy
<b>PREMIUM</b>	As shown below

Annual Fees from Test Certification	Limit of Indemnity (Aggregate)	
	Option A - \$500,000	Option B - \$1,000,000
Less than \$30,000	\$750 + GST	\$1,000 + GST
\$30,000 to \$75,000	\$1,000 + GST	\$1,250 + GST
Over \$75,000	\$1,250 + GST	\$1,500 + GST

Note: A completed and acceptable proposal will be required to effect insurance  
Terms are current as at 1 February 2008, and may be subject to change  
Full policy terms and conditions can be provided from the above contacts at Marsh

***Other Guidelines in this series***

*Becoming a Test Certifier*

*What do I need to know to be a Test Certifier*

*Completing a Location Certificate*

*Certificates for Approved Handlers*

*Your 'Working' Arrangements with ERMA NZ*

*Conflict of Interest Issues for Test Certifiers*