



Q: Why do I need liability insurance?

A: Liability insurance is not compulsory for soap makers in New Zealand but it does give you peace of mind and allow you to avoid bankruptcy should anything go wrong. Public liability of up to \$2-million is also sometimes required in order to be able to attend certain markets. This ticks that box for you.

Public Liability: During the course of your day-to-day business your products can potentially cause property damage or body injury to third parties. Claims may include your being held liable for damage to customers or other stall holders property while at a market. Every claim is different but your business must be legally reliable for the policy to respond.

Statutory Liability: The actions of your business or its representatives can sometimes unwittingly breach statutory acts – releasing customer information in breach of the Privacy Act or spilling chemicals into a stream in breach of the Resource Management Act. This policy covers legal costs, pays the fine (unless prohibited by the individual legislation) and pays reparation. The only Acts not covered are those of a criminal nature or against public interest, such as the Firearms Act or Crimes Act.

Q: What products are covered?

A: The following products are covered by the insurance:

- Soap, bars, liquid and shaving
- Bubble Bars, Bubble bath, Bath Salts, Bath Bombs, Bath Oils
- Deodorants in solid and cream forms, not Deodorants that are packaged in the compressed spray bottles (like the commercial ones on the supermarket shelves)
- Beard Oil, Beard Balm
- Shampoo Bars, Conditioner Bars
- Lotion Bars, Creams and Lotions, Body Butter, Body Scrubs
- Face Masks, Lip Balms
- Soy Melts - soy wax only/excludes petrol based paraffin wax

Q: How much cover do I get?

A: Public liability of \$2-million and statutory liability of \$500,000.00

Q: What is the excess on this policy?

A: \$500.00

Q: Who is eligible to join NZSMA's group policy?

A: This policy is only available to members of the New Zealand Soap Makers' Association. If you make soap in New Zealand, do not have any paid employees and your turnover is under \$50,000.00 (excl GST, if applicable) – and you have joined NZSMA – you will be eligible to join the group policy if you meet the eligibility criteria.

Q: If my soap business is a limited liability company can I still join the group policy?

A: Yes, as long as you do not have any paid employees and your turnover is under \$50,000.00 (excl GST, if applicable).

Q: What is the cost?

A: It costs \$80 (plus a valid NZSMA membership) to join the group policy.

Q: When does the policy run from?

A: The policy will run for 12 months from 1 December to the end of November the following year. You can join at any time, but the cost to join the policy remains the same irrespective of when you sign up.

Q: How soon will I be covered?

A: If you meet the eligibility criteria, and have signed up for NZSMA membership (or are already a paid-up NZSMA member) you will be covered as soon as you have submitted your completed insurance proposal form and paid the insurance amount.

You would not be covered for a claim that you should have been aware of before you join the group policy. If, for example, you received a letter advising you that a customer or market was going to seek legal advice for a claim against you before you joined the group policy you would not be covered for this claim.

Q: Will I get an individual policy document?

A: No. NZSMA has arranged a group policy at reduced rates. You will be part of the group policy. If particular markets require you to prove that you have liability cover a liability certificate can be provided on request. Please allow a couple of weeks for this to be processed.

Q: How do I make a claim?

A: Please refer to the Claims Procedure Document. The most important things to remember are:

- 1. Don't admit liability – accepting liability in the heat of the moment could prejudice your claim. The insurers, or the courts, will decide who is liable, and*
- 2. Get in touch with Crombie Lockwood straight away.*

There is a 24-hour helpline on 0800 CROMBIE or you can call Fiona, the broker helped establish this group policy on 03 339 794, 027 282 5692, or fiona.edwards@crombielockwood.co.nz to arrange a claim form.

Q: Can I pay by EFTPOS or cash?

A: No. Our online payment system only accepts card payments or bank transfer via Poli.

Q: Can I get a refund or partial refund?

A: No. The policy is non-refundable. If you apply for cover and your application is declined, you will be refunded, but there is no refund or partial refund once your cover has started.

Q: Can I pay a pro-rata rate if I join after 1 December in any year?

A: You can join at any time during the year, but the cost to be included in the group policy remains the same irrespective of when you join. While this might seem unfair, this is how this group policy works, and it was selected because it offers significant savings to our members.

Q: Can I take out this policy if my sales are more than \$50,000.00 in a year?

A: No. Soap makers with a turnover in excess of \$50,000.00 excluding GST (if applicable) are not eligible to join this group policy. You can contact Crombie Lockwood to arrange an individual policy for your business. If a soap maker joins the group policy and then unexpectedly earns more than \$50,000.00 they will need to be referred to Crombie Lockwood for a new individual policy. Their payment of this group policy will not be refunded but will be taken into consideration when quoted for an individual policy.

Q: Can I take out this policy if I have employees?

A: No. Soap makers with paid employees are not eligible to join the group policy. You are still eligible if you have family and friends who help you out on occasion. You can contact Crombie Lockwood to arrange an individual policy for your business.

Q: Am I covered outside New Zealand?

A: No. This policy only covers you for liability within New Zealand. Any liability claims in other countries will not be covered. If you need worldwide cover you can contact Crombie Lockwood to arrange an individual policy for your business.

Q: Am I covered if I import some, or all, of my ingredients?

A: You would not be covered if you imported all your soap making ingredients or your main ingredients. The occasional importation of some ingredients is allowed, such as some micas and other colourants (e.g. plant powders), fragrances, or soap moulds and packaging.

Q: Why is this policy cheaper than I can get as an individual?

A: NZSMA has arranged a group policy to support soap makers in New Zealand. With this group policy NZSMA does a lot of the administration work, such as: collecting and forwarding your payments, checking and holding your application forms, keeping an up-to-date list of all people insured under the group policy for any year. This helps to reduce costs, as does negotiating a group policy to meet the needs of the majority of small-scale soap makers in New Zealand.