

## Statutory Liability

In New Zealand there are a multitude of Statutory Acts and these are administered by a variety of organisations including Councils, other local body entities and Government Departments.

These Acts are essentially created to be a set of rules for (usually) businesses to follow to ensure that the business is acting legally and lawfully.

Apex can provide cover to businesses that provides indemnity for fines, penalties and defence costs for all Statutory Acts other than Acts excluded. Excluded Acts are chiefly those encompassed/associated with the Crimes Act and Transport Licensing Acts.

The best known Acts are those such as:

- **Health & Safety in Employment Act**
- **Consumer Guarantees Act**
- **Sale of Goods Act**
- **Resource Management Act**

There are over 700 Statutory Acts however at last count though! In respect of the Health & Safety in Employment Act it is illegal to insure fines – the courts are tending to award reparations to the injured party however and reparations are not excluded under a Statutory Liability policy.

No business should be without this cover.

Defending a claim under a Statutory Act can be an enormously expensive proposition and given that the entities who administer these Acts cannot automatically settle or agree a fine most claims are defended.

Apex can provide cover for all of your Liability needs, whether General Liability, Employers Liability, Employment Disputes, Crime, Directors & Officers and not-for-profit Associations.

We tailor-make to your requirements dependant on your business needs.

## Claims examples:

- **When a finance company fell over some time back actions were taken against the directors of the company alleging breaches of the Securities Act. These actions were brought by the Serious Fraud Office, the Commerce Commission and the Securities Commission. The directors had cover under their Statutory Liability policy for the defence costs which were substantial.**
- **A business had its roof painted by its own employees and paint washed into a nearby stream. The Council brought action against the business alleging a breach of the Resource Management Act. The insurer put in a notice to defend and the Council decided not to proceed as the costs to Council would have been too great.**
- **When an employee fell from a ladder the Department of Labour (now known as Worksafe) became involved following the claim made to ACC. The Department investigated and brought an action alleging a breach of the Health & Safety in Employment Act. The defence costs were \$45,000, the fine was \$25,000 and the reparation ordered was \$35,000. The company had cover for its defence costs and the reparation under the Statutory Liability policy.**

To discuss further or for any queries, please contact your Apex Broker or our Technical Manager, Mark Robb:  
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