

# SPECIALISED INSURANCE FOR THE LAND OF THE LONG WHITE CLOUD

Dennis Sanders is a senior broking manager and director of specialist award winning insurance brokerage Runacres Insurance. Runacres Insurance has been in business for 35 years. Its specialist team has a strong focus on the construction sector, including civil construction, construction equipment operators, and clients in mining, quarrying and crane hire.

**“IN TERMS OF SIZE, WE ARE IN THE TOP 10** of insurance brokers in New Zealand and our team totals 45 staff across three sites around New Zealand,” said Sanders.

Sanders started in the underwriting side of the industry with IAG and then moved into broking. He worked for a number of broking companies, including international businesses, before joining Runacres three and a half years ago. Sanders says it resonates with him to work in a more local environment, without the politics which sometimes come with a more corporate environment.

“Most of the clients managed by Runacres Insurance are mid to large sized commercial clients, including property owners through to manufacturers and exporters, as well as construction companies, civil construction companies and crane hire companies. We have a speciality in civil contractors and with crane operations as well,” said Sanders.

“As far as the profile of customer goes, we are blessed to have long term clients at Runacres Insurance. As I’ve said, I’ve been here for three and a half years and most of the clients had already been with the business for a long time when I joined the team.

“Because the business has been running for such a long time, our team has the expertise and experience to get very close to our clients and this is particularly relevant with those in the construction, civil construction and the crane hire industries,” said Sanders.

“Getting to thoroughly know our



Dennis Sanders  
Runacres Insurance.

clients’ businesses has helped us to understand the various risk exposures that we wouldn’t necessarily see with clients in other industry sectors. A number of these clients are faced with specialised scenarios and unique insurance challenges, with different terms and issues in contracts that are out of the norm.

“A lot of these companies are involved in several projects at any one time and often these are ‘one off’ projects. They can be resurfacing roads, building new highways and bridges or helping to construct wind farms. They can also be involved in building dams and irrigation lakes for hydro-power projects. It is a specialised industry sector and it presents a lot of unique risks that we are looking to insure,” he said.

Sanders goes on to explain how

important a robust and proactive relationship is with the client to ensure they are adequately covered.

“Usually, our clients are tendering for contracts and as part of the tender process they will look at insurance and how to cover this insurance as a potential cost of the project, so engagement with the client starts really early.

“We are able to assist when the client is first considering the tender for the project, to help with questions such as what implications insurance will have, how we can deal with it and of course the cost involved - because the client wants to allow for that cost in the contract.

“That’s when we start talking about what their risk exposures are, what they need to be aware of and the issues to look out for. We probably don’t go into too much depth until they win the contract, but we make sure there aren’t going to be any surprises when the contract is awarded.”

During this process it’s important to make sure everything is covered off properly, and that the client is confident they have access to the right level of coverage. We work through a risk profile with the client and a lot of this will be examining physical plant, which assets need to be insured, what type of terrain the equipment will be operating on, the general environment and of course the liability issues around these which are also very important.

For example, all tower cranes in New Zealand have to meet NZS 1170.5:2004 Structural design actions - Part 5:



During the New Zealand Insurance Industry Awards, Runacres Insurance was the winner of the 2019 Small-Medium Broking Company of The Year. The team also won awards in 2015 and 2016.

Earthquake actions - New Zealand. This standard is used by structural engineers to assess and calculate the forces and deformations from earthquakes acting on buildings and other structures. It helps engineers design structures that comply with the New Zealand Building Code's earthquake resistance requirements.

Sanders explains how Runacres Insurance provides cover for this type of natural disaster.

"The crane operators need to operate within the guidelines that are set by the standards and by the industry. We operate on the basis that they are adhering to these standards and therefore it won't be too much of an issue around insuring tower cranes for earthquakes.

"We are talking about keeping tower cranes standing if there is an earthquake and they also need to be able to absorb wind loadings. Wellington for example, is a very windy city and if you are exposed there with a crane, you need to ensure you have the right foundations before you put the crane up," he said.

"All of this is set in the guidelines. Often the engineers will come in and they have to certify the construction of the tower, the base that it is sitting on etc. and ensure it is compliant in order

the business. They are excellent as an insurer for plant including construction equipment, civil construction equipment and cranes etc. - that's what they are really good at.

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to support the crane in the environment it is in, whether it's in a high risk earthquake area or wind loading zone. From an insurance perspective, I don't need to look so much as it is a given that these compliances are adhered to in order for the crane company to be able to operate," said Sanders.

From the day UAA started working in New Zealand Runacres Insurance has been doing business with them, says Sanders.

"We like the specialist nature of

"Their policy wordings are bespoke; they are very wide, and provide a lot of additional covers that normal insurance companies wouldn't, so they are specifically tailored for the industries we are looking to insure.

"They also have good backing with QBE Insurance sitting behind them and they have a good security rating. We like dealing with them, they settle claims quickly and they make it easy to do business with them," said Sanders.

The construction equipment and crane hire markets are very competitive. Businesses secure work without reading into the detail of the contract and the liabilities and implications involved. Sanders explains this is a similar issue across New Zealand.

“There is an element of the New Zealand industry that will secure work at all costs and they can find themselves involved in situations where they are out of their depth, this happens but we really haven’t seen this as a broker. The clients we are dealing with are experienced operators and they have been around for a long time. They manage their businesses well and you can’t do this without knowing what you are doing,” he said.

In addition to the types of insurance considerations mentioned above, Sanders also advises cyber security is an industry issue and it’s on the rise.

“We fully cater for this issue and we are seeing a marked increase in activity in this area, not just in New Zealand, it’s happening right around the world. Cyber criminals are targeting businesses in various ways,” he said.

“It could be in order to hold the business at ransom, or they are Phishing which is a cybercrime in which a target or targets are contacted by email, telephone or text message by someone posing as a legitimate institution to lure individuals into providing sensitive data such as personally identifiable information, banking and credit card details, and passwords.

“They are trying to defraud the business and extract money out of them. We are seeing a lot more of this and we had an example not so long ago where a business paid a huge amount of money because the finance team thought their

CEO had sent them an email with instructions to transfer a large amount of money.

“In fact, the email had come from an Asian organised crime syndicate and that organisation paid US\$100,000 to a wrong bank account. We will see more and more of this happening. Our clients are able to buy insurance cover for these types of losses. But what we do with our clients, is ensure they have good risk management procedures to minimise the risk of a loss in the first place which is a better way of managing the business.

“Insurance has its place but with a little work you can minimise the risk up front and before you take out insurance. Insurance companies will expect you to do this anyway. We work with companies to ensure they adopt best practice as a risk management tool before they consider buying insurance cover,” said Sanders. ●

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- ✓ Accepted by all State OH&S Departments
- ✓ Accepted by all Major Contractors
- ✓ Third Party independent inspection service
- ✓ A legally defendable case for Owners “duty of care”
- ✓ Audit of existing service supplier/s
- ✓ Accepted by Major Insurers
- ✓ A guide to the condition of the crane and whether it should be sold
- ✓ An assistance in determining whether a Major Inspection is due
- ✓ Recognized by CFMEU nationally
- ✓ Accepted by Major Mining companies
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- ✓ Useful tool when buying used equipment
- ✓ 25 different Assessments covering most crane needs
- ✓ Confirmation all required information is supplied with new cranes
- ✓ Ensures imported cranes comply with State OH&S requirements
- ✓ Green Sticker shows the owner is meeting his statutory obligations
- ✓ Free initial safety CDs for members
- ✓ Green Sticker discounts for CICA members
- ✓ Minimizes unexpected breakdowns
- ✓ Roadworthy type Inspection



CraneSafe is a division of CICA – Australia’s not-for-profit Crane Association

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