

# Fire Service & Earthquake Levies Calculations for Marine policies (as at October 2017)



Levy calculations can be tricky at times and a little confusing as to when they should be applied. We have therefore put together a calculation guide below for you to keep as a handy reference tool. It is on the basis of the updated Fire Service Levy rates as at 1 July 2017.

## Fire Service Levies

TYPE	WHEN APPLICABLE	CALCULATION
<b>Transit</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZD 20,000)	Sum Insured (up to NZD20,000 max) x 0.106% ÷ 365 x no. of days in transit (minimum of 7 days)
Local Non-HHGPE (one-off transits)	Payable on full Sum Insured	Full Sum Insured x 0.106% ÷ 365 x no. of days in transit (minimum of 7 days)
Local Non-HHGPE (annual transits)	Payable on annual turnover, i.e. amount on risk, for one week	Turnover x 0.106% ÷ 365 x 7 days
Livestock	N/A as exempt	N/A as exempt
International	N/A as exempt	N/A as exempt
Pre-FOB	N/A as exempt	N/A as exempt
<b>Storage</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZD 20,000)	Sum Insured (up to NZD20,000 max) x 0.106% ÷ 52 x no. of weeks in store (minimum of 1 week)
Local Non-HHGPE (one-off transits)	Payable on full Sum Insured	Full Sum Insured x 0.106% ÷ 52 x no. of weeks in store (minimum of 1 week)
Local Non-HHGPE (annual transits)	Either: a) payable on storage limit or b) payable on values of stock declared (but only if premium calculated the same way)	a) Storage limit x 0.106% (may be pro-rata if only in store for specified period) b) Stock values x 0.106% pro-rata for months declared
<b>Builders Risks</b>		
Where Sum Insured represents Estimated Completed Value	Sum Insured is the Indemnity Value	Sum Insured x 0.106% less 50%, then adjusted pro-rata for the period of the insurance contract
<b>Boats and Other Watercraft</b>		
A ship or anything in a ship, <b>except</b> while ship is on land	N/A as exempt	N/A as exempt
Trailer craft	Payable on the vessel's value	Sum Insured x 0.106%
Moored craft	Payable on the vessel's value when on land	Sum Insured x 0.106% pro rata for the period on land
<b>Boat Trailers</b>		
Trailer (3.5 tonnes or less)	Flat rate as per motor vehicle	NZD 8.45
Trailer exceeding 3.5 tonnes	Payable on the trailer Sum Insured	Sum Insured x 0.106%

HHGPE = Household Goods and Personal Effects

(Calculation table as at August 2017)

## NOTES:

For calculations prior to 1 July 2017, the current FSL rate of 0.076% and flat motor vehicle/trailer premium of NZD 6.08 continue to apply.

In terms of mid-term adjustments, which will apply where there is a change in the sum insured or a cancellation of a policy or risk, have not yet been finalised. The ICNZ have made a request to the Minister to waive the need to use the new rate for mid-term alterations. However, we would recommend preparations are made in case these changes are/are not carried forward.

1. Any post 1st July adjustment to an existing policy incepted prior to this date that does not involve a change in sum insured **will not attract any additional FSL** e.g. a change in location of where insured goods are kept or a correction to insured's details.
2. The addition of a new risk to an existing policy **will attract the new FSL rate** if the risk is added post 1st July
3. Any post 1st July adjustment to an existing policy incepted prior to this date which results in an increase in the sum insured **will attract the new FSL rate** for the increased portion of the sum insured prorated for the remainder of the term.
4. Where the sum insured is decreased post 1st July 2017 **the old FSL rate** originally charged should be used to generate the refund in FSL.
5. Cancellation of a policy after 1st July 2017 but incepted prior to this date should be refunded at the **old FSL rate**.

## Earthquake Commission (EQC) Levies (applicable to Personal Property only)

**NOTE:** The EQC Levy will be increasing to 0.20% with effect from 1 November 2017

TYPE	WHEN APPLICABLE	CALCULATION
<b>Transit</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZD 20,000)	Sum Insured (up to NZD 20,000 max) x 0.20% ÷ 365 x no. of days in transit (minimum of 7 days)
Local Non-HHGPE (including Livestock)	N/A	N/A
International	N/A	N/A
<b>Storage</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZD 20,000)	Sum Insured (up to NZD 20,000 max) x 0.20% ÷ 52 x no. of weeks in store (minimum of 1 week) Add this to transit FSL amount
Local Non-HHGPE	N/A	N/A

HHGPE = Household Goods and Personal Effects

(Calculation table as at October 2017)

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