



Vero Insurance NZ Ltd
Level 1, 65 Chapel Street
PO Box 13371
Tauranga 3110

19 March 2025

Certificate of Currency

This certificate confirms details of the insurance cover for Body Corporate S86277

Name of insured	Body Corporate S86277
Interest insured	Commercial Building
Location	5 The Mall Mount Maunganui
Type of cover	Material Damage
Sum insured	\$18,520,000 Buildings and Plant
Period of insurance	From 30/03/2025 to 30/03/2026 at 4pm
Policy number	CBP3654643

Please refer to the policy document and schedule for the full policy terms, conditions and exclusions which may limit the scope of this insurance cover.

Yours sincerely,

A handwritten signature in black ink that reads "S McCarrison". The signature is written in a cursive, flowing style.

Shanann McCarrison
Business Development Manager



Gallagher



Body Corporate S86277

Capri

30/03/2025

Insurance Renewal Report

Table of contents

Introduction..... 3

Risk and Insurance 4

Coverage Summary 5

Premium Summary 6

Body Corporate Endorsement 7

Introduction

Crombie Lockwood is pleased to provide its Insurance Renewal Report for Body Corporate S86277 for the period 30/03/25 to 30/03/26.

We have prepared this report to outline the options and our recommendations for the 2025-2026 insurance period. It includes:

- Information about the current insurance market for your programme
- Updates on the terms we have negotiated on your behalf
- Our recommendations for renewal of and any changes to your insurance programme
- Important information about insurance and issues you need to consider when evaluating our recommendations for renewal of your insurance programme

We are recommending the quotes detailed in this report as we believe that they meet all of your requirements as we understand them to be. Please review the report to ensure that it accurately reflects the coverage, limits and conditions that you require. If it is not in accordance with your requirements please advise us immediately.

We draw your attention to the policy exclusions, warranties and subjectivities as detailed in the attached quotation.

Important Points Relating To This Report:

- You must advise all changes or information likely to affect the insurers' acceptance of the risks insured, or result in an increased premium in recognition of them
Examples of such disclosures could include:
 - change of occupation, structural alterations to building, unoccupancy of insured premises, change of tenants, installation of a commercial fat fryer, and the like

Yours Sincerely,

Annie Wood

Senior Broker

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Risk and Insurance

Commercial property owners have a broad range of insurable risks, the most obvious being property damage. While this risk and the associated cost of insurance is rightly a key focus, there are also numerous additional risks which must be considered when developing and placing insurance which has the appropriate integrity to protect the business while minimising premium cost.

The dual need for cost reduction and insurance integrity is never more important than in the current post Covid-19 financial environment and within an insurance market that is extremely difficult for properties in high hazard earthquake regions or which have construction types that are perceived as having a high fire risk.

Reducing insurance cost through adopting an uninformed approach to reducing the amount of insurance purchased could well lead to the business being more financially exposed should a major claim occur.

Achieving the dual imperatives of cost reduction and maintaining insurance integrity, commences with understanding the insurable risks confronted by commercial property owners. The following briefly summarises the major risks and their implications on insurance.

The Risks	The issues
High risk earthquake zones and insurance	Availability and affordability of insurance can both be compromised
Building Standards incl % NBS	Reliability of engineering reports and insurer focus on the New Building Standard can result in insurance difficulties
Bank Covenants requiring "full insurance"	A particular issue in high risk earthquake zones where, as noted above, availability and cost are both major concerns
High insurer imposed earthquake deductibles	These can be excessive, putting the viability of repair/rebuild at risk if a major loss occurs as the property owner must pay the deductible to commence the repair
High hazard construction	Insurance affordability can be a concern particularly for Expanded Polystyrene (EPS) and some exterior cladding types
High Risk tenancies in shared buildings	Insurance cost for all tenants increase, causing tenancy disputes
Construction involving existing and new builds	Inter-link between "operational" insurance and construction is critical to avoid claim disputes. Insurance for new builds must protect the property owner and other parties at the lowest cost
Increased attention on Health and Safety	A significantly growing risk of liability if tenants are injured in the building
Statutory awareness and compliance	Breaches of statute, no matter the business size and structure, can result in significant cost and reputational damage
Advice provided as a property manager	If the advice results in financial loss to a third party, it can result in liability for the loss plus substantial legal costs
Cyber attack	An inescapable risk for all businesses from phishing or similar attack with a growing trend towards attacks on services.

Coverage Summary

We have set out a brief summary of the cover provided by the policies, Full policy wordings are available on request.

Material Damage

- Buildings automatically insured on reinstatement conditions as per the Registered Valuer's valuation plus a margins clause of 10%. This eliminates any discrepancies in the valuation or inflation during the period of insurance.
- Replacement by natural disaster, earthquake, volcanic eruption and tsunami is included
- Hidden Gradual Damage this policy covers Loss or Damage during the Period of Insurance to Insured Property due to gradual damage, mildew, mould or rot caused by water that leaks, overflows or is discharged from any internal piping or water system installed at the premises. The Insurer's liability for such damage will not exceed the special limit shown in the Policy Schedule Policy exclusion 9(a) does not apply to this clause.
- Landslip and Subsidence sub-limited to \$250,000 per event
- Landlord's Contents extension If any Unit is rented to a tenant, then any dishwashers, stoves, refrigerators, washing machines, dryers, built in microwaves, drapes, curtains, blinds, and fixed light fittings will be covered in addition to the Building sum insured for the replacement value, up to a maximum of \$25,000 per Unit. Where there is a claim for Loss or Damage to drapes, curtains, or blinds under this extension, the Insurer will only pay for those items that are in the room or rooms where the Loss or Damage occurred. The maximum amount that the Insurer will pay is \$100,000 in total in any one Period of Insurance, unless a different limit appears in the Policy Schedule.

Public Liability

- To Cover general liability for damaged or injury happening in connection with the Body Corporate activities. Cover includes associated defence costs.

Statutory Liability

- To cover fines or penalties imposed for unintentional breaches of certain statutes. Cover includes as associated defence costs.

Office Bearers Liability

- To protect against claims brought against committee members. Cover includes associated defence costs.

Premium Summary

Policies	Vero/NZI Expiry	Vero/NZI Renewal
Material Damage Sum Insured -Replacement Value	\$ 18,470,000	\$ 18,520,000
Public Liability -Limit of Indemnity	\$ 5,000,000	\$ 5,000,000
Statutory Liability -Limit of Indemnity	\$ 1,000,000	\$ 1,000,000
Office Bearers Liability -Limit of Indemnity	\$ 2,000,000	\$ 2,000,000

Excesses	Vero/NZI Expiry	Vero/NZI Renewal
Residential Units – Owner Occupied	\$ 400.00	\$ 400.00
Residential Units – Tenanted	\$ 650.00	\$ 650.00
Residential Units - Unoccupied Units	\$ 1,000.00	\$ 1,000.00
Common Areas	\$ 500.00	\$ 500.00
Burglary	\$ 1,000.00	\$ 1,000.00
Theft	\$ 2,500.00	\$ 2,500.00
Money	\$ 500.00	\$ 500.00
Natural Disaster	5.0% of the site sum insured with a minimum of \$5,000	5.0% of the site sum insured with a minimum of \$5,000
Public Liability	\$ 500.00	\$ 500.00
Statutory Liability	\$ 500.00	\$ 500.00
Office Bearers Liability	\$ 1,000.00	\$ 1,000.00

Premiums	Vero/NZI Expiry	Vero/NZI Renewal
Company Premium	\$ 15,990.21	\$ 14,394.65
Natural Disaster	\$ 7,365.15	\$ 6,002.78
NHI Levies	\$ 7,680.00	\$ 7,680.00
Fire Service Levy	\$ 1,717.20	\$ 1,945.25
GST	\$ 4,912.89	\$ 4,503.4
Total	\$ 37,665.45	\$ 34,526.08

Body Corporate Endorsement

This endorsement applies to and contains extensions, conditions and definitions in addition to those appearing in the Crombie Lockwood Vero agreed Material Damage policy wording applicable to insured property containing at least one residential unit.

Endorsements Office Bearers Liability:

The following endorsements to apply:

- 1) Definition Of You Extension: The Definition of You is extended to include the Body Corporate Chairperson.
- 2) Failure To Maintain Insurance: You are not insured for liability in connection with a failure to obtain or maintain adequate insurance.

Further Extensions: Advancement of Defence Costs - Amount payable for Defence Costs Emergency Defence Costs - 10% of the amount payable for Defence Costs Investigations and Inquiries - Amount payable for Defence Costs

ADDITIONAL EXTENSIONS

Common Property extension

This extension covers Loss or Damage to carpets, drapes and light fittings that are in common areas of the insured Building(s).

The Insurer's maximum liability under this extension is \$100,000 in total for any one event.

The indemnity provided by this extension will not increase the Insurer's liability under the policy beyond the sum(s) insured shown in the Policy Schedule.

Computer Breakdown extension

This extension covers the breakdown of any computer at the Location.

The Insurer's maximum liability under this extension for any one event is \$5,000 and \$10,000 for any Period of Insurance.

This extension applies only to property owned by the Insured and not to property owned by any individual Unit owner.

Exclusion 10 of the Crombie Lockwood Vero agreed Material Damage policy wording does not apply to this clause.

Cost of Re-Letting extension

Following Loss or Damage to a Unit that is tenanted that renders the Unit uninhabitable the Insurer will reimburse the Unit owner for reasonable letting costs, provided that the tenant of the Unit at the time of the Loss or Damage advises that they will not be reoccupying the leased Unit upon reinstatement of the Loss or Damage.

The Insurer's maximum liability in reimbursing these reasonable letting costs is \$1,000 per Unit and \$5,000 in total for any one event.

Landlord's Contents extension

If any Unit is rented to a tenant, then any dishwashers, stoves, refrigerators, washing machines, dryers, built in microwaves, drapes, curtains, blinds, and fixed light fittings will be covered in addition to the Building sum insured for the replacement value, up to a maximum of \$25,000 per Unit.

Where there is a claim for Loss or Damage to drapes, curtains, or blinds under this extension, the Insurer will only pay for those items that are in the room or rooms where the Loss or Damage occurred.

The maximum amount that the Insurer will pay is \$100,000 in total in any one Period of Insurance, unless a different limit appears in the Policy Schedule.

Short Term Rentals

If any Unit is rented on a short term basis, in the letting pool, including managed letting pools and air BNB's then any dishwashers, stoves, refrigerators, washing machines, dyers, built in microwaves, drapes, curtains, blinds, and fixed light fittings will be covered in addition to the Building sum insured for the replacement value, up to a maximum of \$25,000 per Unit.

Where there is a claim for Loss or Damage to drapes, curtains, or blinds under this extension, the Insurer will only pay for those items that are in the room or rooms where the Loss or Damage occurred.

The maximum amount that the Insurer will pay is \$100,000 in total in any one Period of Insurance, unless a different limit appears in the Policy Schedule.

Landscaping extension

This extension covers Loss or Damage to gardens (including hedges, trees, shrubs, and plants) garden edging, lawns and permanently installed ornamental fish ponds and water features that are not connected to the Building's water supply.

The Insurer's liability under this extension is limited to \$10,000 for any one event.

Loss of Rent extension

Where there is Loss or Damage to a tenanted Unit that renders it uninhabitable the Insurer will pay or reimburse the Unit owner for the lost rent, provided that:

1. the Unit was occupied by a tenant at the time of the Loss or Damage; or
2. at the time of the Loss or Damage, there was a signed tenancy agreement for a new tenant to let the Unit for an ongoing period intended to be no less than 90 days.

The Insurer will indemnify the Unit owner under this extension for:

(a) an amount equal to the average weekly rental received for renting out the Unit during the weeks it was rented in the 12 months prior to the Loss or Damage, or

where a tenancy agreement was signed prior to the Loss or Damage, the amount of the weekly rental in the agreement; and

(b) any other costs incurred with the Insurer's written consent.

The Insurer will not reimburse the lost rent where the Unit:

- (a) is not uninhabitable;
- (b) owner or the Unit tenant chooses to or are encouraged to move out of the Unit while repair or rebuilding is effected.

The Insurer's maximum liability for loss of rent under this extension is for the lesser of:

- (a) the period necessary to replace or repair the Unit up to a maximum of 12 months; or
- (b) \$35,000 per Unit.

Where a Unit is uninhabitable the Insured may only claim under this extension or the Alternative Accommodation automatic extension but not under both extensions for the same loss.

Machinery Breakdown

It is agreed that automatic coverage clause MD08 Electrical Damage is replaced by the following:

This policy covers machinery breakdown.

There is no cover for Loss or Damage to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.

The Insurer's liability under this extension is limited to \$10,000 for any one event.

The special limit does not apply to Loss or Damage that would be recoverable under this insurance without the benefit of this clause.

Exclusion 10 of this policy does not apply to this clause.

Margins Clause

The amounts shown on the Policy Schedule of Insured Property are the sums insured declared for insurance purposes. Except where expressly provided for to the contrary, the Insurer's liability for Loss or Damage to any item of Insured Property will not exceed 110% of the sum insured shown on the Policy Schedule for that item up to a maximum of the total sum insured.

This Margins Clause does not apply to Loss or Damage caused by Natural Disaster.

Meeting Room Hire

This extension covers the cost to hire temporary meeting room facilities for the purposes of holding annual general meetings or committee meetings where Loss or Damage to a designated meeting room at the damaged property is unable to be occupied for its intended purpose due to the Loss or Damage.

This extension covers the costs for temporary meeting room facilities for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be established.

The Insurer's maximum liability under this extension is \$5,000 for any one Period of insurance.

Reinstatement of Records extension

This extension covers the clerical, legal, and other charges reasonably incurred in consequence of the Loss or Damage, in the replacement or restoration of deeds and other documents (including stamps thereon), manuscripts, plans, specifications and writings of every description and books

(written and printed), books of accounts, card indexes, computer systems records, electronic records and other business records.

The Insurer's maximum liability under this extension is \$20,000 for any one event.

Removal of Trees

This extension covers the professional removal of trees or parts of trees, including the costs of treating the stump to prevent regrowth, which have fallen and damaged Insured Property or landscaped gardens.

The Insurer's maximum liability under this extension for any one event is \$5,000 and \$10,000 for any one Period of Insurance.

Total Loss Stress Cover extension

Where Loss or Damage to a Unit is deemed a total loss by the Insurer, the Insurer will also pay the individual owner of that Unit for the stress caused by the loss.

The Insurer's maximum liability under this extension is the lesser of:

- (a) \$2,000 per Unit that is a total loss; or
- (b) \$50,000 in total for all Units that are a total loss in any one event.

For the purposes of this extension, total loss means so damaged that the Unit or Units, by reason only of that Loss or Damage, cannot be repaired.

ADDITIONAL MATERIAL DAMAGE CONDITIONS

Alternative Accommodation

It is agreed that automatic coverage clause MD02 Alternative Residential Accommodation in the Crombie Lockwood Vero agreed Material Damage policy wording is extended to cover the boarding out of domestic pets or security dogs normally kept at the Location.

The Insurer's maximum liability for this extension is \$35,000 per Unit per event up to a maximum of 12 months.

Where a Unit is uninhabitable the Insured may only claim under this extension or the Loss of Rents automatic extension but not under both extensions for the same loss.

Money

It is agreed that automatic coverage clause MD18 Money applies only to Money owned by the Insured and not to Money owned by any individual Unit owner.

Reduced Natural Disaster Excess for Certain Property

It is agreed that there is a \$5,000 excess for Loss or Damage caused by Natural Disaster, where the Loss or Damage is solely to the following property: fixed signs and lettering, tanks, poles, power lines and their supports, walls, gates, fences landscaping, gardens, ornamental trees and shrubs, roads, paths, yards and the like.

Spoilage

Where a claim is made under automatic coverage clause MD37 Spoilage in the Crombie Lockwood Vero agreed Material Damage policy wording it is agreed that it applies only to property owned by the Insured and not to property owned by any individual Unit owner.

Transit

It is agreed that automatic coverage clause MD41 Transit applies only to property owned by the Insured and not to property owned by any individual Unit owner.

DEFINITIONS

For the purposes of this endorsement the following definitions apply.

Uninhabitable

Means the Unit is no longer a safe or sanitary place to live, as determined by government or local authorities, or by the Insurer, due to Loss or Damage to the Unit, and where notice to this effect has been issued.

It does not mean a disinclination by the Insured or a tenant(s) to remain in occupancy of an otherwise safe or sanitary Unit.

Unit

Means each self contained part of the Buildings designated for separate residential occupancy.