

POLICY SCHEDULE

Attached to and forming part of Policy No.: 17-6997083-BCP
The Schedule and Policy wording are to be read together as one contract.

The Insured	:	Body Corporate 209179 and any subsidiary company, more than half the nominal value of whose equity share capital is owned by the named Insured either directly or through other subsidiaries; and any entity over which an Insured exercises management control.
Period of Insurance	:	From 18/08/2025 to 18/08/2026 (From 4:00 PM to 4:00 PM)
Type of Cover	:	Section 1 - Material Damage Business Covered Interruption Section 3 - General Liability Covered Section 8 - Statutory Liability Covered
Business	:	Commercial Body Corporate
Insurer (The Company)	:	NZI a business division of IAG New Zealand Limited

Section 1 - Material Damage Business Interruption

Covering	:	Section 1: Accidental physical loss or damage to Property. Section 2: Interruption to or interference with Business as a result of loss or damage as insured under Section 1.
Insured Property	:	Section 1: Tangible property of every description not expressly excluded, the Insured’s own or held by the Insured jointly or in trust or on commission and for which the Insured is responsible, all while at the specified Location.
Location	:	Section 1: 15 O’Sullivan Place, Waiuku.
Business	:	Section 2: All business conducted by the Insured, including but not limited to: Commercial Body Corporate
Premises	:	Section 2: All premises owned or occupied by the Insured and all other places where Insured Property is used or to be used for the purpose of the Business, anywhere in New Zealand
Indemnity Period	:	Section 2: The period during which the results of the Business are affected in consequence of the Damage, beginning with the occurrence of the Damage and ending not more than 36 months later.
Sums Insured	:	Section 1: Material Damage Buildings \$8,450,000 Total Sum Insured Section 1 \$8,450,000 Section 2: Business Interruption Gross Profit Not Insured Severance and Redundancy Payments Not Insured Claim Preparation Costs Not Insured Book Debts Not Insured Fines or Damages Not Insured Additional Costs Not Insured Redeployment Costs Not Insured Standard Residential Loss Of Rent and Alternative Accommodation per unit per annum. \$50,000 Total Sum Insured Section 2 \$50,000
Special Limits	:	Section 1: Alternative Residential Accommodation 25% Memorandum: 25% of the cost incurred in reinstating the affected accommodation following its destruction, or 25% of the cost that would have been incurred if the affected accommodation had been destroyed.

Capital Additions Memorandum	\$100,000
Hazardous Substances Emergencies	\$30,000
Landslip Memorandum	\$1,000,000
Lost or Stolen Keys Memorandum	\$10,000
Money Memorandum Section A: Any one location or transit	\$10,000
Money Memorandum Additional Limit: Cumulative on Section A limit in respect of any Christmas pay, back pay, and other extraordinary payments	Not Insured
Money Memorandum Section B: Any one location	\$2,000
Property to which the Contract Works Exclusion does not apply: Maximum Contract Price	\$100,000
Refrigerated Goods Memorandum	\$5,000
Subsidence Memorandum	\$1,000,000
Theft: Limit any one loss or series of losses arising out of any one occurrence of theft, other than theft accompanied by violence or threat of violence to any person or violent and forcible entry to or exit from any enclosed building	Full Sum Insured
Transit Memorandum	\$20,000
Section 2:	
Dependency Memorandum	Refer to Dependency Memorandum
Prevention of Access Memorandum	Refer to Prevention of Access Memorandum
Public Authorities Memorandum	Refer to Public Authorities Memorandum

Deductible Amount : Section 1:

Protection Costs Memorandum	\$100
Theft accompanied by violence or threat of violence to any person or violent and forcible entry to or exit from any enclosed building	\$1,000
Theft of any other kind	\$2,500
Landslip Memorandum	\$20,000
Subsidence Memorandum	\$20,000
Natural Disaster	Refer to Natural Disaster

		Deductibles endorsement
	Loss for which no other deductible is specified	\$500
	Section 2:	
	Natural Disaster	Refer to Natural Disaster Deductibles endorsement
	Loss for which no other deductible is specified	NIL
	Section 1 & 2 Combined:	
	Residential Unit, owner occupied	\$250
	Residential tenanted units	\$400
	Residential - unoccupied units	\$1,000
	Loss for which no other deductible is specified	\$500
	In respect of loss by Burglary, Vandalism, Malicious Damage or Theft	\$1,000
Clauses/Conditions	: AA NZI Communicable Disease Exclusion 0121 AA NZI Cyber Exclusion 0121 AA NZI Sanctions Exclusion	
Policy Wording	: MDBI eDIT V2	

Section 3 - General Liability

Covering	:	Section 1: Liability for accidental loss, damage or injury as defined in the policy. Section 2: Defence Costs.
Territorial Limit	:	Occurrences other than those specified below: New Zealand Occurrences during and in connection with the performance of duties of any person normally resident or domiciled in New Zealand, but not while performing duties requiring predominantly manual labour except for the purpose of training, or promoting the sale of Products: New Zealand Occurrences in connection with Products: New Zealand
Limits and Deductibles	:	General Indemnity Limit any one Occurrence: \$10,000,000 Deductible: \$500 Bailees' Liability Memorandum - Limit any one Occurrence: \$250,000 - Deductible: \$500 Products - Aggregate limit for the Period of Insurance: \$10,000,000 - Deductible (each Occurrence): \$500 Exemplary Damages Memorandum - Aggregate limit for the Period of Insurance: \$1,000,000 - Deductible (each Occurrence): \$500 Farm Business Memorandum - Aggregate limit: \$500,000 Fire Authorities Memorandum - Limit any one Occurrence: \$500,000 Motor Trades Memorandum - Limit any one Occurrence: \$500,000 - Deductible in respect of damage caused by service: \$1,000 Support of Land or Buildings - Limit any one Occurrence for damage from the removal or weakening of support of land or buildings: \$500,000 - Deductible: \$5,000
Clauses/Conditions	:	AA NZI Communicable Disease Exclusion AA NZI GL Cyber Exclusion AA NZI Sanctions Exclusion

Policy Wording : (GL Policy e-DIT V1)

Insurer (The Company) : NZI a business division of IAG New Zealand Limited

Section 8 - Statutory Liability

Standard Limits	:	Aggregate limit of indemnity	\$1,000,000
Deductible	:	\$500	
Retroactive Date	:	18/08/2024	
Other Details	:	Do you use, store, handle, manufacture or transport chemicals, bulk liquids, gases, asbestos or any flammable, hazardous or toxic goods or substance?	No
		During the last five years have you had any loss, proceedings, notice, complaint, claim or prosecution made against you or any fine imposed under any legislation?	No
Additional Clauses	:	Communicable Disease endorsement Statutory Damages endorsement Sanctions exclusions endorsement	
Policy Wording	:	NZI Statutory Liability Policy STL0318	
Insurer (The Company)	:	NZI a business division of IAG New Zealand Limited	

The following endorsements apply to the policy:

Section 1 - Material Damage Business Interruption

Your Material Damage/Business Assets and Business Interruption Policy is amended as follows:

Notwithstanding any provision to the contrary in this policy or any other endorsement thereto:

This policy does not cover any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:

1. Communicable Disease;
2. notifiable organism or disease under the Biosecurity Act 1993;
3. fear or threat (actual or perceived) or action taken to control or prevent or suppress any of the diseases, conditions or circumstances described in this exclusion.

Subject to the other terms, conditions and exclusions of this policy, this exclusion will not apply to physical damage to property insured or any Time

Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, landslip, earthquake, seismic and/or volcanic activity, tsunami, flood, freeze, weight of snow or ice, avalanche, meteor/asteroid impact, riot, riot attending a strike, civil commotion, vandalism, malicious mischief.

Definitions

Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- (b) the method of transmission, whether direct or indirect, includes, but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Time Element Loss means business interruption, contingent business interruption or other consequential losses covered by the policy.

Your Material Damage/Business Assets and Business Interruption Policy is amended as follows:

Notwithstanding any provision to the contrary in this policy or any other endorsement thereto:

This policy does not cover any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with any:

1. Cyber Act or Cyber Incident, including any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident; or
2. loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount relating to the value of such Data.

Subject to the other terms, conditions and exclusions of this policy, exclusion (1.) shall not apply to physical loss or physical damage to insured property or any Time Element Loss directly resulting therefrom where such physical loss or damage is directly caused by any of the following:

- (a) theft or forcible entry;
- (b) storm, windstorm, hail, tornado, cyclone, hurricane;
- (c) fire, lightning or explosion;
- (d) earthquake, volcano activity or tsunami;
- (e) flood, freeze or weight of snow;
- (f) aircraft impact or vehicle impact or falling objects;
- (g) water damage;
- (h) loss of or damage to refrigerated goods due to a change in temperature.

Provided that there is no cover where such loss, damage or Time Element Loss is directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with a Cyber Act.

Definitions

Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller and including any similar system or configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

Time Element Loss means business interruption, contingent business interruption or other consequential losses covered by the policy.

SANCTIONS EXCLUSION

Policy Endorsement

This policy is amended as follows:

This Sanctions exclusion applies despite anything to the contrary in the policy or any endorsement.

This policy is deemed not to provide any cover, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

1. sanction, prohibition or restriction under United Nations resolutions; or
2. trade or economic sanction, law or regulation of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

Any equivalent clause applying to the policy is superseded by the Sanctions exclusion above. An equivalent clause may exclude, restrict, or deny cover, payments, services and/or benefits due to any sanction, prohibition, penalty, or restriction of any United Nations resolution, or the trade or economic sanctions, laws, or regulations of any country, and/or the European Union.

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Section 3 - General Liability

NZI COMMUNICABLE DISEASE EXCLUSION - GENERAL LIABILITY

This exclusion applies to the GL Policy eDIT V1

This Policy is amended as follows:

This Policy does not insure against any actual or alleged loss, liability, claim, cost or expense:

- (a) caused by or attributable to a Communicable Disease, or
- (b) directly or indirectly attributable to or in connection with any orders, actions or measures of a public authority (including any act, error, or omission by any person in connection with any such order, action or measure) to control, prevent, respond to, or suppress any diseases, conditions or circumstances described in this exclusion.

Communicable Disease means any:

- (a) disease stated to be a quarantinable disease under the Health Act 1956 or in respect of which a state of emergency has been declared under the Civil Defence Emergency Management Act 2002; or
- (b) outbreak of disease declared as a pandemic or epidemic by the World Health Organisation or the New Zealand government or any New Zealand government agency or lawful authority; or
- (c) disease declared by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC).

References in this exclusion to legislation and legislative and official terms include any amended, replacement, re-enacted, successor, equivalent, substituted, corresponding, or similar legislation (including any secondary legislation made under such legislation) and legislative and official terms.

NZI GL POLICY CYBER EXCLUSION - GENERAL LIABILITY

This exclusion applies to the GL Policy eDIT V1

This Policy is amended as follows:

This Policy does not insure against any actual or alleged loss, liability, claim, cost, or expense, directly or indirectly contributed to by, resulting from, arising out of, or in connection with:

- (a) a Cyber Act including any action taken in controlling, preventing, suppressing, remediating, or responding to a Cyber Act; or
- (b) a Cyber Incident including any action taken in controlling, preventing, suppressing, remediating, or responding to a Cyber Incident; or
- (c) a Loss of Data resulting from a Cyber Act or a Cyber Incident.

This exclusion does not apply to liability arising out of:

- 1. Damage (for clarity, Damage does not include Loss of Data), or
- 2. Injury, except that Injury does not include shock, fright, mental anguish, mental injury, libel, slander or invasion of privacy.

For the purpose of this exclusion, the following definitions apply:

Cyber Act means an unauthorised, malicious, or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

- (a) any error or omission or series of related errors or omissions in creating, amending, entering, deleting or using any Data; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access or process Data.

Loss of Data means any loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss, or theft of any Data, including any amount pertaining to the value of such Data.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in electronic or digital form to be used, accessed, processed, transmitted or stored by a Computer System.

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller and including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, whether owned or operated by the Insured or any other party.

Damage, Injury and Insured have the same meanings as those provided in the Policy.

SANCTIONS EXCLUSION

Policy Endorsement

This policy is amended as follows:

This Sanctions exclusion applies despite anything to the contrary in the policy or any endorsement.

This policy is deemed not to provide any cover, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

1. sanction, prohibition or restriction under United Nations resolutions; or
2. trade or economic sanction, law or regulation of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

Any equivalent clause applying to the policy is superseded by the Sanctions exclusion above. An equivalent clause may exclude, restrict, or deny cover, payments, services and/or benefits due to any sanction, prohibition, penalty, or restriction of any United Nations resolution, or the trade or economic sanctions, laws, or regulations of any country, and/or the European Union.

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MATERIAL DAMAGE AND BUSINESS INTERRUPTION POLICY

In consideration of the Insured having paid or promised to pay the required premium and subject to the terms of this Policy, the Company agrees to indemnify the Insured as set out in the Sections of this Policy.

SECTION 1 - MATERIAL DAMAGE SECTION 2 - BUSINESS INTERRUPTION

Each Section of the Policy is to be interpreted as if issued as a separate policy and, unless the context requires otherwise, the word 'Policy' is to be read accordingly.

In this Policy, 'Event' means an event or series of events arising from any one cause during any period of 72 consecutive hours.

SECTION 1 - MATERIAL DAMAGE

THE INDEMNITY

If any physical loss or damage – unintended and unforeseen by the Insured – happens to any Insured Property during the Period of Insurance, the Company will indemnify the Insured for that loss or damage.

Except where expressly provided to the contrary, the Company's liability will not exceed the Sum Insured and, if more than one Item is included in the Schedule attaching to this Policy, will not exceed in respect of each Item the Sum Insured set against that Item.

EXCLUSIONS

Note: Some of the following exclusions may be fully or partially overridden by memoranda attaching to this Policy

Consequential Loss

For the avoidance of doubt, the insurance against physical loss or damage to Insured Property does not include insurance against consequential economic loss such as loss of market or loss of profit.

Contract Works

This Policy does not insure property in the course of installation, construction, demolition, erection, or testing following any of them, under any contract for which the expected final contract price will exceed the amount specified in the Schedule.

Defective Workmanship or Design

For the avoidance of doubt, this Policy does not cover the cost of repairing or replacing defective materials, the cost of putting right defective workmanship, or the cost of putting right work performed to a defective design plan or design specification. This exclusion does not apply to any loss or damage occurring as a result of the defective materials or workmanship, or as a result of work performed to a defective design plan or design specification.

Deterioration

This Policy does not insure against loss or damage to the property or part immediately affected directly caused by:

- (a) normal working, normal maintenance, wear and tear, erosion, corrosion, slowly developing deformation or distortion;
- (b) action of micro-organisms, vermin or insects;
- (c) the nature of the Insured Property (including shrinkage, evaporation, loss of weight, change in flavour, or colour or texture or finish), action of light;
- (d) pollution or contamination;
- (e) fumes, smoke or smut;
- (f) a change in any artificially controlled temperature or atmosphere;

but this exclusion will not apply to loss or damage directly attributable to fire or any other accidental cause not expressly excluded.

Disappearance

This Policy does not insure against unexplained disappearance, loss directly resulting from shortages revealed only by the taking of an inventory, or shortages due to clerical or accounting errors.

Interruption

In respect of the property or part immediately affected, this Policy does not insure against damage directly caused by total or partial cessation of work, retarding or interruption or cessation of any process.

Land Movement

This Policy does not insure against loss or damage directly or indirectly caused by or resulting from landslip, subsidence or erosion of land.

Machinery

This Policy does not insure against mechanical or electrical Breakdown of any Machine in which the damage originates. However, this exclusion does not apply to:

- (a) subsequent loss or damage arising from an ensuing cause not otherwise excluded;
- (b) damage to any:
 - 1) electric motor or starter that does not individually exceed 3.75 kW (5 HP);
 - 2) distribution switchboard or permanently installed electrical reticulation;
 directly caused by failure of electrical insulation or abnormal electric current or electrically induced self heating.

For the purpose of this exclusion:

‘Machine’ means any contrivance for the conversion and direction of motion or energy, or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

‘Breakdown’ means the actual breaking, seizing, deformation, or burning out of any part of the Machine while in use; the cause being a defect in the Machine; the result being a stoppage in the function of the Machine; and repair or replacement being necessary before the Machine can resume working.

Money

This Policy does not insure Money, meaning current coin, bank and currency notes, cheques, postal notes, travellers cheques, money orders, unused postage stamps, franking machine credits, tickets, redeemable vouchers and tokens, and other negotiable instruments.

Precious Goods

This Policy does not insure jewellery, precious stones, furs, precious metals or bullion other than as stock of the business or as part of any plant.

Pressure Vessels

In respect of the Pressure Vessel in which the damage originates, this Policy does not insure against:

- (a) explosion, rupture, bursting, collapse, of the Pressure Vessel due to generated or applied fluid pressure (other than pressure caused solely by weight of contents or by chemical explosion); or
- (b) overheating, cracking or leaking of any Pressure Vessel due to or arising from its operation.

This exclusion does not apply to subsequent loss or damage arising from an ensuing cause not otherwise excluded.

For the purpose of this exclusion, 'Pressure Vessel' means a boiler or vessel that, in normal use, is subject to generated or applied fluid pressure (other than pressure caused solely by weight of contents), but does not include any tank used solely for storage.

Production Process

This Policy does not insure property damaged as a result of its undergoing any production process where the damage is directly caused by the normal operation of that process.

Property Excluded Unless Specified

This Policy does not insure any of the following property unless it is specified in the Schedule or declared to the Company in a schedule of assets provided to the Company for the purpose of underwriting information:

standing timber, growing crops, livestock, dams, canals, road or railway tunnels, road or railway bridges, docks, piers, wharves, mining property located beneath the surface of the ground, or any land including topsoil and backfill. However, this exclusion does not apply to tunnels, bridges, earthworks or other site improvements not otherwise excluded, or to docks, piers, or wharves forming part of any building, all at the Insured's building or industrial sites.

Settlement, Shrinkage or Expansion

This Policy does not insure against normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, and other structural improvements. However, this exclusion will not apply to loss or damage arising from an ensuing cause not otherwise excluded.

Theft by Employees

This Policy does not insure against theft by any of the Insured's employees, but this exclusion does not apply if:

- (a) the theft is discovered within 72 hours (excluding the hours of any Saturday, Sunday, or other public holiday) of its occurrence; or
- (b) the theft is accompanied by violence or threat of violence to persons or violent and forcible entry to or exit from any enclosed building.

Transit

This Policy does not insure any property while in transit other than at premises owned or occupied by the Insured.

Vehicles, Aircraft and Watercraft

This Policy does not insure any motor vehicle, other mechanical or electrically propelled vehicle, watercraft or aircraft of any kind, and any accessories in them or on them. This exclusion does not apply to stock of the Insured's business or to any crane or other mobile plant used at the Insured's premises and not otherwise insured.

War, Confiscation and Nuclear Risks

This Policy does not insure against loss or damage directly or indirectly caused by or resulting from any of the following:

- (a) War, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power.
- (b) Confiscation, requisition or destruction of or damage to property by lawful order of government or local authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this Policy.
- (c) Nuclear weapons material.
- (d) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission.

Weather

This Policy does not insure against damage directly caused by weather conditions to property not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions.

SECTION 2 - BUSINESS INTERRUPTION

THE INDEMNITY

If, during the Period of Insurance:

- ◆ any property or part used by or for the Insured at the Premises for the purpose of the Business is Damaged; and
- ◆ the Business carried on by the Insured at the Premises is consequently interrupted or interfered with;

the Company will pay to the Insured the amount of loss resulting from the interruption or interference as provided in this Policy for each item of Insured Interest.

The Company will not be liable under this Policy unless the property is Insured Property and its insurers have accepted a valid claim for the Damage. However, this requirement will not apply where the property is a Pressure Vessel, or where the property does not belong to the Insured, or where a deductible prevents acceptance of the otherwise valid claim.

‘Damage’ means such loss or damage as would be covered under Section 1 of this Policy on property at the Premises. ‘Damage’ also includes explosion damage to any Pressure Vessel whether insured or not. ‘Damaged’ has a corresponding meaning.

‘Pressure Vessel’ means any boiler or economiser or pipe or other vessel that, in normal use, is subject to generated or applied fluid pressure.

‘Insured Property’ means property insured under Section 1 of this Policy and includes property insured under any equivalent stand-alone Material Damage policy.

Except where expressly provided to the contrary, the Company’s liability will not exceed the Sum Insured and, if more than one Item of Insured Interest is included in the Schedule attaching to this Policy, will not exceed in respect of each Item the Sum Insured set against that Item.

SECTION 2 – INSURED INTERESTS

GROSS PROFIT

This insurance covers loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity will be:

(a) In Respect of Reduction in Turnover

the sum produced by applying the Rate of Gross Profit to the amount by which Turnover during the Indemnity Period falls short of Standard Turnover in consequence of Damage;

(b) In Respect of Increase in Cost of Working

any additional cost incurred for the sole purpose of avoiding or diminishing the reduction in Turnover that would have taken place during the Indemnity Period in consequence of Damage if the cost had not been incurred, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided or diminished;

less any sum saved during the Indemnity Period in respect of such Business costs payable out of Gross Profit as are ceased or reduced in consequence of Damage.

Definitions

‘Gross Profit’ means the amount by which the sum of the Turnover and the Closing Stock exceeds the sum of the Opening Stock and the Uninsured Working Costs.

‘Closing Stock’ and ‘Opening Stock’ mean the amounts of the Insured’s opening and closing stocks arrived at in accordance with the Insured’s normal accountancy methods, due provision being made for depreciation.

‘Uninsured Working Costs’ mean all costs subtracted by the Insured in calculating the amount of insured Gross Profit.

‘Turnover’ means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises. Turnover also includes any money paid or payable to the Insured by tenants in respect of rental of the Premises and for services rendered; including any money paid or payable by tenants for rates, insurance and other fixed costs which, but for that payment, would be payable by the Insured.

‘Rate of Gross Profit’ means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage, adjusted as may be necessary to provide for trend and any other circumstances affecting the Business before or after the Damage, or that would have affected the Business had the Damage not occurred, so that the result will represent, as nearly as practicable the results of the Business that would, but for the Damage, have been obtained during the relative period after the Damage.

Where the Damage has occurred before completion of the first year’s trading of the Business, the words ‘during the financial year immediately before the date of the Damage’ are deemed to read ‘during the period between the date of the commencement of the Business and the date of the Damage’.

‘Standard Turnover’ means the Turnover during that period in the twelve months immediately before the date of the Damage that corresponds with the Indemnity Period, adjusted as may be necessary to provide for trend and any other circumstances affecting the Business before or after the Damage, or that would have affected the Business had the Damage not occurred, so that the result will represent, as nearly as practicable the results of the Business that would, but for the Damage, have been obtained during the relative period after the Damage.

Where the Damage has occurred before the completion of the first year’s trading of the Business, the words ‘the Turnover during that period in the twelve months immediately before the date of the Damage that corresponds with the Indemnity Period’ are deemed to read ‘the proportional equivalent for a period equal to the Indemnity Period of the Turnover during the period between the commencement of the Business and the date of the Damage’.

Where Damage occurs before sufficient results of the Business have been realised for the above definitions to produce an equitable loss adjustment, the loss will be adjusted on the basis of the results of the Business that would have been realised during the Indemnity Period had no Damage occurred.

Provisions (Gross Profit)

Alternative Trading

If, during the Indemnity Period, goods are sold or services are rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable in respect of those sales or services will be brought into account in arriving at the Turnover during the Indemnity Period.

Departments

If the Business is conducted in departments or other units, the independent trading results of which are ascertainable, the provisions of Gross Profit clauses (a) and (b) will apply separately to each department or other unit affected by the Damage.

Premium Adjustment

The premium charged for this insurance is adjustable at the end of the Period of Insurance in accordance with the following conditions:

- (a) Within six months after expiry of the Period of Insurance, or as soon as practicable thereafter, the Insured must submit to the Company a certificate setting out the actual Gross Profit earned in the accounting year most nearly concurrent with the Period of Insurance.
- (b) The premium will be adjusted at the agreed rate on the amount so certified.
- (c) If Damage has occurred during the Period of Insurance, any amount paid or payable for consequent loss of Gross Profit during that period will be regarded as actually earned.

Reduced Margin

If Turnover is maintained at a reduced Rate of Gross Profit in consequence of Damage giving rise to a claim under this Policy, an equitable allowance will be made for the loss of Gross Profit resulting from an increase in the ratio of stock usage or purchases (adjusted for stock variation) to Turnover. No allowance will be made for an increase in the ratio of any other uninsured costs to Turnover.

Uninsured Fixed Costs

If any fixed costs of the Business are not insured by this Policy (having been deducted in arriving at the Gross Profit), then, in computing the amount payable as Increase in Cost of Working, that proportion only of any additional cost will be brought into account that the Gross Profit bears to the sum of the Gross Profit and those uninsured fixed costs.

SEVERANCE AND REDUNDANCY PAYMENTS

This insurance covers all payments that the Insured elects to make to its employees whose services are terminated as a result of Damage.

CLAIM PREPARATION COSTS

This insurance covers costs reasonably incurred by the Insured for assessing and preparing any valid claim under the Insured's Material Damage and Business Interruption insurance in respect of loss resulting from the Damage.

BOOK DEBTS

This insurance covers the sum that the Insured is unable to recover from customers who purchase goods or services on a credit basis due to the Insured's accounting or other business records being Damaged anywhere in New Zealand. The amount payable as indemnity will be the difference between:

- ◆ the total amount of debit balances in customer's accounts due to the Insured and outstanding as at the date of Damage; and

- ◆ the total of all amounts in respect thereof that can be established during the 12 months after the occurrence of the Damage as owing by customers, subject to an equitable allowance for bad debts or any abnormal condition of trade that had or could have had a material effect on the Business.

FINES OR DAMAGES

This insurance covers fines or damages incurred by the Insured for breach of contract. The amount payable as indemnity will include all sums that the Insured becomes legally liable to pay as fines or damages, in sole consequence of the Damage, for non-completion or late completion of orders.

ADDITIONAL COSTS

This insurance covers additional costs reasonably incurred by the Insured in consequence of the Damage for any of the following purposes:

- (a) Avoiding or diminishing a reduction in Turnover that would, but for the additional costs being incurred, have taken place during the Indemnity Period.
- (b) Resuming or maintaining any normal operation or service of the Business during the Indemnity Period.

However, this insurance does not apply to costs otherwise recoverable under this Policy, or any costs incurred in the reinstatement of physically Damaged property other than those incurred in the reconstitution of records.

‘Turnover’ means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises. Turnover also includes any money paid or payable to the Insured by tenants in respect of rental of the Premises and for services rendered; including any money paid or payable by tenants for rates, insurance and other fixed costs which, but for that payment, would be payable by the Insured.

REDEPLOYMENT COSTS

Where, in consequence of Damage, the Insured elects to permanently re-deploy employees at any alternative site, this insurance will cover costs reasonably incurred by the Insured in the necessary relocation of employees for that purpose. The insured costs will include all such costs as the Insured would normally incur or reimburse to employees when transferring them and their families to different places of permanent residence for the purpose of the Business.

CONDITIONS

GENERAL CONDITIONS APPLICABLE TO SECTIONS 1 AND 2

APPLICATION OF MEMORANDA

Where the terms of any Memorandum attaching to this Policy are inconsistent with any other terms of the Policy, the terms of the Memorandum will prevail. Where the terms of any Memorandum are inconsistent with the terms of any other Memorandum, the terms most favourable to the Insured will prevail.

Where the Schedule states that a Memorandum is subject to a special limit or other special provision, the limit or provision will apply to that Memorandum but not to loss that would be covered under the Policy without the Memorandum.

CANCELLATION

(a) By the Insured

The Insured may cancel this Policy at any time with immediate effect by giving written notice to the Company. The Company will then retain a pro-rata proportion of the premium (subject to any adjustment required by the terms of this Policy) for the time during which the Policy has been in force, and will refund the unearned balance to the Insured.

(b) By the Company

The Company may cancel this Policy at any time by giving written notice to the Insured or to the Insured's broker. The notice must be delivered personally or by a method that requires confirmation of delivery. The cancellation will take effect at 4 p.m. on the 45th day after the notice has been delivered. The Company will then refund a pro-rata proportion of the premium to the Insured, subject to any adjustment required by the terms of this Policy.

DEDUCTIBLE

Each loss or series of losses arising out of one Event will be adjusted separately. The adjusted loss will be net of salvage and other recoveries. From each adjusted loss the amount specified in the Schedule will be deducted.

FRAUD

If the Insured or anyone acting on behalf of the Insured makes any claim that is in any respect fraudulent, or makes any false declaration in support of any claim, or uses any other fraudulent means or devices to obtain benefit under this Policy, all benefit in respect of that claim will be forfeited. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

GOODS AND SERVICES TAX

Where the Insured is liable to pay GST on receiving any indemnity payment under this Policy, the Company will reimburse the Insured for the cost of that tax. The reimbursement will be made in addition to the indemnity otherwise payable and will not be subject to any sum insured or other limit of the Company's liability. For the purpose of this clause, 'GST' means tax payable under Section 5(13) of the Goods and Services Tax Act 1985, or under any statutory amendment to or re-enactment of the Section or Act.

MISREPRESENTATION

This Policy is voidable in the event of the misrepresentation or non-disclosure of any material fact. However, the insurance will not be prejudiced by:

- (a) any innocent misrepresentation of property or occupancy; or
- (b) any act or omission of the occupier whereby, without the Insured's knowledge or consent, the risk of loss or damage to property not occupied by the Insured is increased.

The Insured's Insurance Manager (or equivalent) must give notice to the Company immediately upon becoming aware of any such event and the Insured must pay an appropriate additional premium if required. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

MUTUALLY ACCEPTABLE ADJUSTERS

Where the Company wishes to appoint any loss adjuster or assessor in respect of any claim under this Policy, the appointee must be mutually acceptable to the Company and the Insured.

NEW ZEALAND POLICY

This Policy is to be governed by and construed in accordance with the laws of New Zealand, whose courts will have sole jurisdiction over any legal action arising out of or in connection with this Policy.

OBSERVANCE

The Insured's observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with, and the truth of statements made by the Insured in writing, are conditions precedent to the Company's liability under this Policy. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy. Breach of this condition without the Insured's knowledge will not invalidate the Policy, but the Insured's Insurance Manager (or equivalent) must advise the Company immediately upon becoming aware of it. The Insured agrees to pay an appropriate additional premium if required.

OTHER INSURANCE

If, at the time of any claim arising under this Policy, there is any other valid and collectable insurance covering all or part of the same loss, this Policy will apply only to the amount of any loss in excess of that recoverable under the other insurance. This condition does not apply where the other insurance is 'excess' insurance expressly intended to provide a layer of cover in excess of that provided under this insurance.

The amount of loss excluded from this Policy by reason of any other insurance will not be cumulative upon the amount of loss excluded from the Policy by application of any Deductible; other insurance being permitted on loss within the Deductible.

REASONABLE PRECAUTIONS

The Insured must make reasonable endeavours to maintain any fire protection or security equipment or installations in accordance with the manufacturer's recommendations; and must take reasonable precautions against loss or damage as insured under this Policy.

REINSTATEMENT OF AMOUNT

In the event of loss for which a claim is payable under this Policy, and in the absence of written notice by the Company or the Insured to the contrary, any amount of insurance cancelled by the loss will be automatically reinstated. The Insured agrees to pay such pro rata premium at the applicable rate as may be required for the reinstatement.

SUBROGATION

Where, upon accepting liability for a claim under this Policy, the Company is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation, the Insured must, at the Company's expense, do and concur in doing and permit to be done anything reasonably required by the Company for the purpose of enforcing that right.

The Insured must comply with this condition when required, whether before or after having been indemnified by the Company. The Company will not exercise subrogation against any person or corporation insured under this Policy, or against any employee of the Insured unless the employee has caused the loss or damage wilfully.

CONDITIONS APPLICABLE TO SECTION 1 ONLY

CLAIMS

On becoming aware of any event giving or likely to give rise to a claim on this Policy, the Insured must:

- (a) take prompt steps to minimise the loss or damage;
- (b) take reasonable steps to protect the property from further loss or damage;
- (c) immediately notify the Company;

- (d) if a criminal act is suspected, inform the police.

As soon as practicable after any event from which a claim arises, the Insured must submit full particulars of the claim in writing to the Company and, at its own expense, provide the Company with any reasonably required proof and information in respect of that claim.

PROGRESS CLAIM PAYMENTS

Where loss or damage has given rise to a valid claim on this Policy, the Company will make progress claim payments on production of acceptable evidence of insured loss. If the aggregate of progress payments exceeds the total amount of loss as finally adjusted, the Insured will immediately refund the difference to the Company.

SALVAGE

The Company may enter any building where Insured Property has been damaged and may take and keep possession of the damaged property. The Insured will not be entitled to abandon any property to the Company. The Company may deal with the salvage in any reasonable manner, but will not sell or otherwise dispose of salvaged branded goods without the Insured's consent. If the Insured declines to give consent, the Insured will retain possession of the salvaged goods and their reasonable salvage value will be deducted from the amount of claim that would otherwise be payable. Where it is practical to remove brands labels or other marks, that identify the goods as supplied by the Insured, the salvage value of the goods will be determined after such removal at the Company's expense.

CONDITIONS APPLICABLE TO SECTION 2 ONLY

ACCUMULATED STOCKS

Where any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods, an equitable allowance will be made for this in the adjustment of the loss.

CLAIMS

Upon becoming aware of any Damage, the Insured must:

- (a) immediately notify the Company;
- (b) use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption to or interference with the Business and to avoid or diminish the loss;
- (c) as soon as is practicable, deliver to the Company a statement in writing of any claim certified by the Accountant, whose reasonable fee will be paid by the Company, with all particulars and details reasonably practicable of the loss;
- (d) produce and furnish all records, information, explanations, evidence and facilities as may reasonably be required for investigation and verification of the claim and, if required, a statutory declaration in verification of the particulars.

The term 'Accountant' under this condition means an accountant or adjuster whose qualifications are acceptable to both the Company and the Insured, and is appointed by both the Company and the Insured.

PROGRESS CLAIM PAYMENTS

Where Damage has given rise to a claim under this Policy, the Company will make progress claim payments on production of a statement of claim certified by the Accountant appointed in accordance with the 'Claims' condition of this Policy.

WINDING UP AND CESSATION OF INTEREST

The insurance provided under this Policy will cease if, for any reason other than Damage:

- (a) the Business is wound up or carried on by a liquidator or receiver or is permanently discontinued; or
- (b) the Insured's interest ceases;

at any time during the Period of Insurance, unless its continuance is agreed by the Company. For the purpose of this condition, each of the Insured (if more than one) will be treated as if issued with a separate policy.

MEMORANDA

GENERAL MEMORANDA APPLICABLE TO SECTIONS 1 AND 2

MORE THAN ONE INSURED

Where this Policy is to the benefit of more than one Insured:

- (a) the Insured first named in the Schedule will be responsible for payment, on behalf of all Insureds, of any premium due or that may become due in terms of this Policy;
- (b) the Company's obligation to make any payment to the Insured in terms of this Policy will be discharged on making that payment to the Insured first named in the Schedule;
- (c) any notice, for which provision is made in this Policy, given by or given to the Insured first named in the Schedule will be deemed sufficient notice by or to all Insureds.

RECOVERY APPORTIONMENT

If the Company, having exercised its right of subrogation, recovers any part or all of a loss in respect of which a claim has been paid or is payable under this Policy, the amount so recovered will be apportioned as follows:

- (a) The Insured will be fully reimbursed for the uninsured portion of the loss, excluding that portion of the loss that is uninsured by reason of a Deductible.

- (b) Any remaining balance will be apportioned between the Insured and the Company in the ratio of their respective losses; the loss to the Insured being that portion of the loss that is uninsured by reason of any Deductible, and the loss to the Company being the amount of its actual payment under the Policy.

The expenses of all recovery proceedings will be apportioned in the ratio of respective recoveries. If no recovery is made, proceedings conducted solely by the Company will be at its own expense.

No recovery to which this Memorandum applies will be taken into account in determining the amount of 'adjusted loss' for the purpose of the Deductible condition of this Policy.

RENEWAL TERMS

If the Company intends to refuse renewal of this Policy, or to offer renewal on any terms less favourable to the Insured than those applying during the current Period of Insurance, the Company must give the Insured 30 days notice of that intention. If the current Period of Insurance expires before the end of 30 days after the notice has been received by the Insured, the Period of Insurance will, if the Insured so requires, be extended to expire at the same time as the period of notice. In the event of such an extension, the Insured will pay a pro rata proportion of the premium for the extended Period of Insurance.

WAIVER OF RECOVERY RIGHTS (GROUP COMPANIES)

Where the Insured is a parent or subsidiary in a group of related companies, this insurance will not be invalidated by reason of the Insured waiving or having waived any right of recovery it may have against any other company in the same group. 'Subsidiary Company' means a company, more than half the nominal value of whose equity share capital is owned by a parent company either directly or through other subsidiaries; and a group of related companies means a group of companies related to one another by virtue of such ownership.

WAIVER OF RECOVERY RIGHTS (BY AGREEMENT)

This insurance will not be invalidated by reason of the Insured having waived any right of recovery or indemnity against any other party to a contract or agreement with the Insured in the ordinary course of business, but only where:

- (a) the contract or agreement is not for the supply of goods or services by the Insured; and
- (b) the waiver was made in writing before the loss occurred.

MEMORANDA APPLICABLE TO SECTION 1 ONLY

ALTERNATIVE RESIDENTIAL ACCOMMODATION

Where any residential accommodation insured by this Policy is made uninhabitable by damage for which a claim is payable under the Policy, this insurance extends to cover the reasonable cost of alternative accommodation necessarily incurred by the Insured or by the occupant (being an employee of the Insured) provided that:

- (a) the cost is not otherwise insured;
- (b) the period for which the costs are covered will be limited to the period reasonably required for reinstatement of the affected accommodation;
- (c) the Company may deduct a reasonable allowance for costs reduced or avoided as a result of the accommodation being uninhabitable.

CAPITAL ADDITIONS

Subject to the additional conditions set out below, this Policy extends to cover property (including, but not limited to, alterations, additions and improvements to existing property) situated anywhere in New Zealand and acquired by the Insured during the Period of Insurance.

Additional Conditions

1. This extension of cover does not apply to stock, or property of any kind expressly excluded from this insurance, or any appreciation of value that is not due to a physical alteration, addition or improvement.
2. Cover under this extension takes effect on each acquired property when the risk in the property passes to the Insured.
3. At the end of the Period of Insurance, or at earlier intervals if the Insured prefers, particulars of each property acquired during the Period of Insurance must be given to the Company. On receipt of those particulars:
 - (a) the Company will be entitled to charge an additional premium calculated pro rata from the date on which cover commenced, and
 - (b) if the Period of Insurance has not yet expired, the terms of this extension will be fully reinstated.
4. If any Reinstatement conditions are incorporated in this Policy, and unless the Insured gives notice to the contrary, the insurance on property covered under this extension will be subject to those conditions.

CLAIMS ASSESSMENT

This Policy extends to cover costs, including but not limited to fees, reasonably incurred by or on behalf of the Insured for the purpose of assessing or preparing any valid claim made under this Policy. The costs are included in the sum insured on the lost or damaged property.

CONSTRUCTIVE TOTAL LOSS

Where the Insured is prevented from reinstating any Insured Property by sole reason of any Law, the Insured Property will be deemed for all purposes of this Policy to have been destroyed. For the purpose of this clause, 'Law' means any statutory, regulatory or code requirement imposed by the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.

DEMOLITION AND OTHER COSTS

This Policy extends to cover costs necessarily incurred for any of the following purposes in consequence of loss or damage by an insured peril.

- (a) Demolition, dismantling, shoring up or propping of the Insured Property.
- (b) Disposal of debris (including any kind of solid, liquid or gaseous matter, and whether or not the debris is part of the Insured Property), and the clearing, cleaning and repairing of gutters, drains and the like.
- (c) Recovery, defence, safeguard, removal, storage, and return of stock, plant and other chattels whether damaged or undamaged.
- (d) Temporary repairs and other measures necessary to secure the property or to make it safe or suitable for continued use.

This extension of cover does not include any sums that the Insured becomes legally liable to pay by way of compensation or other damages consequent upon pollution or contamination of property by any of the debris.

EARTHQUAKE - RESIDENTIAL PROPERTY

(Natural Disaster Damage - Limitation)

Whereas:

- (a) the Insured has compulsory natural disaster cover under the Act (Natural Disaster Cover); and
- (b) the Natural Disaster Cover applies to EQC Residential Property;

then, in the event of any EQC Residential Property insured by this Policy suffering Natural Disaster Damage during the Period of Insurance and covered by Natural Disaster Cover, the Company's liability under this Policy will be limited to the amount of loss in excess of the Natural Disaster Cover, subject otherwise to the terms of this Policy except that the Deductible Amount will only apply to the extent that it exceeds the amount of Natural Disaster Cover. For the purpose of this clause, the Natural Disaster Cover is deemed to include the amount of 'excess' imposed by the terms of that cover.

Definitions

The 'Act' means the Earthquake Commission Act 1993 and any statutory amendment to or replacement of that Act.

'EQC Residential Property' means that property that is covered by the relevant sections of the Act.

'Natural Disaster Damage' has the meaning given to it in the Act.

EMPLOYEES AND DIRECTORS EFFECTS

Employees' and directors' personal effects (including Money as defined in the Money Memorandum, if included in this insurance) are deemed to be included in the description of Insured Property as if they were owned by the Insured, but only while the effects are in or about premises owned or occupied by the Insured, or elsewhere while being worn, kept, carried or used by employees acting in the course of their employment with the Insured or by directors acting in the course of their duties as directors of the Insured. This Memorandum will not operate to the benefit of any person who is otherwise insured.

EXPEDITING COSTS

Where a claim is payable under this Policy for the cost of repairing or replacing any of the Insured Property, the Company will also indemnify the Insured for such additional costs of express freight, air freight and overtime labour as are reasonably incurred for the purpose of expediting that repair or replacement.

GENERAL AVERAGE

This insurance extends to include General Average and Salvage charges payable according to Foreign Statement or to York Antwerp Rules if in accordance with the contract of affreightment. This extension of cover is not subject to any Deductible.

HAZARDOUS SUBSTANCE EMERGENCIES

The Company will indemnify the Insured for any charge that the New Zealand Fire Service is authorised to make against the Insured in respect of any Hazardous Substance Emergency arising out of or in connection with any Insured Property during the Period of Insurance. The indemnity will be payable regardless of whether the Insured Property has been damaged. 'Hazardous Substance Emergency' has the same meaning as defined in the Fire Service Act 1975 or any statutory amendment to or replacement of that Act.

LANDSLIP

This Policy extends to cover physical loss or damage – unintended and unforeseen by the Insured – directly or indirectly caused by or resulting from landslide.

LOST OR STOLEN KEYS

If, during the Period of Insurance, any key (or equivalent device) or combination giving access to Insured Property is lost, stolen or believed on reasonable grounds to have been duplicated without proper authority, this Policy extends to cover the costs reasonably and necessarily incurred in altering or replacing locks and their keys or combinations. This Policy also extends to cover the reasonable cost of opening any safe or strongroom following theft or loss of its key or combination.

MONEY

Subject to the definitions and additional exclusions set out below, this Policy extends to cover Money as follows:

Section A

Money in transit anywhere in New Zealand; Money at the Insured's business premises or sites of contract during Business Hours; Money in a securely locked safe or strongroom outside Business Hours.

Section B

Money at the Insured's business premises outside Business Hours and not in a securely locked safe or strongroom; Money at the residential premises of the Insured or any Principal or authorised employee of the Insured.

Definitions

'Money' means current coin, bank and currency notes, cheques, postal notes, travellers cheques, money orders, unused postage stamps, franking machine credits, tickets, redeemable vouchers and tokens, and other negotiable instruments.

'Business Hours' means any hours during which the Insured or any Principal or any employee entrusted with the care custody or control of Money is on the premises for the purpose of the Insured's business.

'Principal' means any of the Insured's directors and executive officers, but only in their capacity as such.

Additional Perils Insured

The Policy is further extended, if necessary, to cover loss of or damage to Money:

- (a) directly caused by or resulting from earthquake.
- (b) directly resulting from theft of any kind not expressly excluded from cover under this Memorandum.

Additional Exclusions

The extension of cover provided by this Memorandum is subject to the following additional exclusions.

1. Loss due to errors in receiving or paying out.
2. Loss or damage occurring while the Money is entrusted to any person other than the Insured, or any Principal, or any employee or agent of the Insured, or any professional Money carrier, or any courier.
3. Loss directly resulting from theft or fraud by any of the Insured's employees. However, this exclusion does not apply to loss discovered within 72 hours (excluding the hours of any Saturday, Sunday or other public holiday) of the act of theft or fraud.
4. Loss covered under any valid and collectable Fidelity Guarantee (or equivalent) insurance.
5. Loss resulting from payment of Money in exchange for any cheque that is subsequently dishonoured.

OTHER INTERESTS

Where the Insured has agreed to insure the interest of any person or corporation having an insurable interest in any of the Insured Property, the Company will indemnify the Insured and that person or corporation subject to the terms of this Policy as if a separate policy had been issued to each. However:

- (a) the Company will not be liable to indemnify any person or corporation whose interest has not been declared to the Company by the time indemnity becomes payable; and
- (b) the Company's liability will not be increased beyond the amount that would be payable if this Memorandum had not been incorporated in the Policy.

PROFESSIONAL FEES

This Policy extends to include all professional fees, clerk of works' and inspectors' salaries and wages, and other costs reasonably incurred in connection with the reinstatement of Insured Property lost or damaged by an insured peril. The insured fees, salaries, wages and costs are included in the sum insured on the Insured Property. This extension of insurance does not cover fees for preparing claims made under the Policy.

PROTECTION COSTS

The Company will indemnify the Insured for any costs reasonably incurred by the Insured for the purpose of, and for damage directly resulting from, fighting or controlling any insured peril that involves or threatens to involve Insured Property.

RECORDS

The Insured Property is deemed to include documents, manuscripts, computer system media, business books, microfilm, technical drawings and other records for their value as materials plus the cost of collecting and reproducing the information on them. The value of the information is not insured.

REDUNDANT FOUNDATIONS

Where the foundations of any building or plant are made redundant for any reason in consequence of insured damage to the property resting on them and, if the value of the foundations is reduced as a result, the loss of value will be deemed to be loss by physical damage for the purpose of claims under this Policy.

If it is not necessary to demolish the foundations in order to reinstate damaged property, and if the presence of the abandoned foundations increases the market value of the property to which they are fixed, the amount of increase will be treated as salvage in the adjustment of loss for claim settlement purposes.

REDUNDANT PLANT

Where, in sole consequence of loss or damage to any plant insured by this Policy, any undamaged or salvaged:

- (a) plant in the same interdependent system or line; or
- (b) spare parts held exclusively for the lost or damaged plant or other plant in that system or line;

are rendered redundant, the redundant plant and parts will be treated for the purpose of this insurance as lost by the same event that caused the physical loss or damage. Claims payable under this Memorandum will be net of any realisable salvage value of the redundant plant and parts.

REDUNDANT STOCK

This Policy extends to cover any reduction in the value of undamaged stock that has deteriorated or become unusable by the Insured for any reason whatsoever in sole consequence of loss or damage by an insured peril to any other Insured Property.

REFRIGERATED GOODS

This Policy extends to cover:

- (a) damage to goods stored in refrigerated cabinets or chambers arising from accidental stoppage or malfunction of refrigerating plant from any cause whatsoever except as provided below.
- (b) costs reasonably incurred to avoid or minimise the damage by transferring the threatened goods to alternative storage or by other means.

Special Provisions

1. The words 'goods stored' are deemed to include goods anywhere on the premises at the time of the loss causing event and that would, but for the event, have been placed in the refrigerated cabinets or chambers.
2. In respect of loss due to the disconnection of the public electricity supply, this extension only covers the loss where the electricity supplier has given less than 24 hours prior notice of the disconnection.

REINSTATEMENT

In so far as it can, this Memorandum applies to all Insured Property other than stock unless otherwise provided.

In the event of any Insured Property to which this Memorandum applies being lost or damaged, the basis on which the amount payable under this Policy is to be calculated will be the cost of Reinstatement of that property. Insurance under this Memorandum is subject to the Special Provisions set out below.

Definitions

In this Memorandum, and unless the context requires otherwise:

- (a) 'Reinstatement' means:
- 1) where property is lost or Destroyed, its replacement by an Equivalent Building or by Equivalent Plant as the case may require.
 - 2) where property is damaged but not Destroyed, the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new, and including any alterations that may be necessary to comply with any Law.
- (b) 'Equivalent Building' means:
- 1) a building or structure that is as nearly as practicable the same as the building or structure lost or Destroyed, using currently equivalent materials and techniques and incorporating such alterations as are necessary to comply with any Law.
 - 2) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph (b) 1) can be constructed; a building or structure that is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the building or structure lost or Destroyed.
 - 3) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph (b) 1) is suitable to the Insured's reasonable requirement, a building or structure that is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the building or structure lost or Destroyed.
- (c) 'Equivalent Plant' means any plant or equipment as nearly as practicable the same as or equivalent to the plant or equipment lost or Destroyed, having regard to the current state of technology, and having an equivalent capacity to that of the lost or Destroyed plant or equipment, but not greater capacity unless plant or equipment with an equivalent capacity is not available and the replacement plant or equipment has the nearest to an equivalent capacity.
- (d) 'Destroyed' means so damaged by an insured event that the property, by reason only of that damage, cannot be repaired.
- (e) 'Site' means any parcel of land owned or occupied by the Insured.
- (f) 'Law' means any statutory, regulatory or code requirement imposed by the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.
- (g) 'Undamaged' means not damaged physically and directly by an event insured under this Policy.

Special Provisions

1. Compliance With Law

The amount payable under this Memorandum will include the cost incurred in Reinstatement that is necessary to comply with any Law; provided that the amount payable will not include any such cost:

- (a) to the extent to which the work had already been required of the Insured by notice served prior to the happening of the loss or damage; or
- (b) in respect of Undamaged property or Undamaged portions of property other than foundations (unless foundations are expressly excluded from insurance under this Policy).

Special Provision 1(b) will apply whether or not the Undamaged property or portion comprises a separate building or structure or a separate item of plant or equipment.

2. **Site of Reinstatement**

Where property is Destroyed, the work of Reinstatement must be carried out on the same Site; provided that the work may be carried out upon any other Site:

- (a) where Reinstatement on the same Site is not permissible by reason of any Law, or
- (b) where Reinstatement on the same Site is not suitable to the Insured's reasonable requirement.

3. **Limitations on Amount Payable**

- (a) Where the work of Reinstatement is carried out in terms of Definition (b) 2) or (b) 3), or on any location other than the original location, the Company's liability in respect of the cost of Reinstatement will not exceed the cost that would have been incurred had Reinstatement been carried out in terms of Definition (b) 1) on the original location.
- (b) Where the Insured Property is damaged but not Destroyed, the Company's liability will not exceed the amount the Company could have been called upon to pay for Reinstatement if the property had been Destroyed.
- (c) The Company's liability under this Memorandum in respect of any item of Insured Property will not exceed the sum insured in respect of that item.

4. **Circumstances Where This Memorandum Does Not Apply**

No payment, beyond the amount that would have been payable had this Memorandum not been incorporated in the Policy, will be made:

- (a) if the Insured elects not to Reinstall the property;
- (b) if the work of Reinstatement is not commenced and carried out with reasonable despatch;
- (c) until the cost of Reinstatement has been actually incurred;
- (d) where a building or structure is damaged, but not Destroyed, and the repair of the damage is not permissible by reason of any Law, or by reason of the condition of the Undamaged portion of the property.

Where, by reason of any of these circumstances, no payment is to be made beyond the amount that would have been payable if this Memorandum had not been incorporated in the Policy, the rights and liabilities of the Insured and the Company in respect of the loss or damage will be the same as if this Memorandum had not been incorporated in the Policy.

5. Rates, Tax and Other Charges

The amount payable under this Memorandum will not include the amount of any rate, tax, duty, development charge, or any other charge or assessment arising out of capital appreciation, that may be payable in respect of the property by reason of compliance with any Law.

REWARDS

This Policy extends to cover the cost of any reward paid by the Insured for the purpose of protecting or recovering any of the Insured Property, provided that:

- (a) no payment will be made unless it contributes to the protection or recovery of the property;
- (b) the terms of the reward are agreed by the Company prior to the reward being offered;
- (c) the liability of the Company is not increased beyond the sum insured on that property.

The Company will not unreasonably withhold its agreement to the terms of the reward.

SOCIAL CLUB PROPERTY

The property of any pension fund, social club, sports club, or similar entity, whose activities are principally for the benefit of the Insured's employees, is deemed to be included in the description of Insured Property as if it were owned by the Insured.

SUBSIDENCE

This Policy extends to cover loss or damage to any of the Insured Property consequent upon sudden and unforeseen subsidence of land beneath or adjacent to the property. For the avoidance of doubt, the Policy does not extend to cover loss or damage consequent upon the normal settling, shrinkage, or expansion of any building or its foundations.

TRANSIT

This Policy extends to cover Insured Property while in transit anywhere in New Zealand outside premises owned or occupied by the Insured, and while in transit between New Zealand ports.

In respect of goods destined for transit beyond New Zealand, cover under this Policy ceases at the time the goods pass over the ships rail or through air transport loading doors for overseas transit from any New Zealand port or airport, or at the time the Insured's interest in the goods has ceased at a point of sale, whichever is the earlier.

UNHARMED PROPERTY

If, for the sole purpose of reinstating Insured Property damaged by an insured peril, it is necessary to demolish, damage or remove any property or part unharmed by that peril, the Company will indemnify the Insured for the cost of doing so. The Company will also indemnify the Insured for the cost of reinstating the property or part to a condition the same as, but not better nor more extensive than, its condition immediately prior to the demolition, damage or removal.

The indemnity provided by this Memorandum will not increase the Company's liability beyond the sum insured on the property damaged by the insured peril.

MEMORANDA APPLICABLE TO SECTION 2 ONLY

DEPENDENCY

Loss, as insured by this Policy and resulting from any of the following, is deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

Damage to any property whatsoever:

- (a) at any place anywhere in New Zealand or Australia and occupied by any direct or indirect customer of the Insured;
- (b) at any place anywhere in New Zealand or Australia and occupied by any direct or indirect supplier of goods or services to the Insured;
- (c) at any port installation, railway warehouse or airport anywhere in New Zealand;
- (d) that prevents or hinders the public supply of water or gas or electricity to the terminal ends of the supplier's service feeders at the Premises;
- (e) that prevents or hinders the discharge of effluent from the Premises;
- (f) that prevents or hinders any telecommunication with the Premises.

INFECTIOUS NOTIFIABLE HUMAN DISEASE

Where action taken by the Minister of Health following suspected or actual outbreak of any Infectious Notifiable Disease results in closure of all or part of the Premises, the closure will be deemed to have resulted from Damage to property used by the Insured at the Premises for the purpose of the Business. 'Infectious Notifiable Disease' means a disease notifiable under the Health Act 1956 or its amendments or any re-enactment of that Act.

For the purpose of any claim under this Memorandum, the Indemnity Period will commence 48 hours after first closure of the Premises and not as otherwise stated.

The Company's Liability under this Memorandum will not exceed 25% of the total Business Interruption sum insured.

MORE THAN ONE INSURED – INCREASED COSTS

Where, for the purpose of avoiding or diminishing a reduction in Turnover, goods or services are purchased from another Insured, the reasonable full price of the goods or services (less any discount normally allowed) will be taken into account for the purpose of adjusting a claim as though the goods or services were purchased during the course of normal business.

PREVENTION OF ACCESS

Loss, as insured by this Policy and resulting from Damage or threat of Damage to any property in the vicinity of the Premises, or from any threat to human life, that prevents or hinders the use of or access to the Premises will be deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

PUBLIC AUTHORITIES

Loss, as insured by this Policy, and resulting from any action of a public authority consequent upon:

- (a) Damage to any property whatsoever;
- (b) bodily injury to any person on or in the vicinity of the Premises;
- (c) vermin, pests, infectious contamination, fumes, escape of any hazardous material, defective sanitation or effluent system;

or the threat or fear of any of them, is deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

For the purpose of any claim under this Memorandum, the Indemnity Period will commence 24 hours after the action is first taken by the Public Authority and not as otherwise stated.

TURNOVER OR OTHER INDEX

In the event of a claim under this Policy, adjustment may be based on Turnover or any other index of business activity (Alternative Index), whichever affords the more equitable result. Except in the definition of Turnover, the word 'Turnover' wherever used in this Policy is to be read as 'Turnover or Alternative Index'.

GENERAL LIABILITY POLICY

In consideration of the Insured having paid or promised to pay the required premium, and subject to the terms of this Policy, the Company agrees to indemnify the Insured as set out below.

INDEMNITY FOR DAMAGES

The Company will indemnify the Insured in respect of all sums that the Insured becomes legally liable to pay by way of compensation consequent upon:

- (a) accidental physical loss of or damage to any tangible property;
- (b) accidental loss of use of any tangible property not otherwise lost or damaged;
- (c) accidental death or bodily injury or illness (including shock, fright, mental anguish or mental injury) to any person;
- (d) false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, libel, slander, invasion of privacy, wrongful entry, wrongful prevention of access, assault or battery not committed by or at the direction of the Insured unless committed for the purpose of preventing or eliminating danger to any person or property, or any of them;

happening within the Territorial Limits specified in the Schedule during the Period of Insurance and resulting from Occurrences in connection with the Business.

The Company's liability under the Indemnity for Damages clause for all sums payable to all claimants in respect of any one Occurrence (or if so specified, in the aggregate in respect of all occurrences of Damage or Injury during the Period of Insurance) will not exceed the applicable Limit of Indemnity specified in the Schedule.

INDEMNITY FOR COSTS

The Company will pay or will indemnify the Insured in respect of any claim or action to which the Indemnity in this Policy applies for:

- (a) all costs incurred by the Company, all costs recovered by any claimant against the Insured, and all interest accruing after entry of judgment until the Company has paid or deposited in court as much of that judgment as does not exceed the applicable limit of the Company's liability;
- (b) all reasonable costs, other than loss of earnings, incurred by the Insured with the Company's consent.

In respect of any claim made or action taken under the jurisdiction of the United States of America or Canada or their dependencies or territories, the Company's total liability under the Indemnity for Damages and Indemnity for Costs clauses will be subject to the same Limit of Indemnity as applies to the Indemnity for Damages clause.

The Company's liability under the Indemnity for Costs clause is not otherwise subject to any Limit of Indemnity.

DEFINITIONS

In this Policy, unless the context requires otherwise:

'Act', in the context of an Act of Parliament, includes any statutory amendment to or re-enactment of the Act and, where applicable, any regulation made under the authority of the Act.

'Aircraft' means any craft made or intended to travel through air or space.

'Damage' means any event described in (a) or (b) of the Indemnity for Damages clause.

'Injury' means any event described in (c) or (d) of the Indemnity for Damages clause.

'Occurrence' means an occurrence resulting in Damage or Injury and includes any one occurrence or a series of occurrences (including continuous or repeated exposure to injurious conditions) consequent upon or attributable to one source or original cause.

'Products' or 'Product' means any property and any container of the property (the container not being a Vehicle) manufactured, constructed, erected, installed, repaired, serviced, treated, renovated, sold, supplied or distributed by the Insured, after the property has ceased to be in the Insured's possession and control.

'Vehicle' means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.

EXCLUSIONS

Note: Some of the following exclusions may be fully or partially overridden by memoranda attaching to this Policy

Aircraft

This Policy does not insure against liability arising from the ownership, possession or use by the Insured of any Aircraft. However, this exclusion does not apply to liability arising from the act of loading or unloading or bringing to or taking away a load from any Aircraft.

Aircraft Products

This Policy does not insure against liability arising from any Product that, with the Insured's knowledge of its intended use, is incorporated into the structure, machinery, or controls of any Aircraft.

Asbestos

This Policy does not insure against liability consequent upon Damage or Injury happening directly or indirectly in connection with any:

- (a) mining, processing, handling, transport, distribution or storage of asbestos;
- (b) manufacture of asbestos products or processing of materials containing asbestos or any process of decontamination, treatment, or control of asbestos.

Defective Products

This Policy does not insure against liability for the cost of rectifying any defect in any Product, or the cost of repairing or replacing or making any refund of the price paid for any Product, by reason of the Product having proved defective, harmful or unsuitable for its intended purpose.

Employer's Liability

This Policy does not insure against liability consequent upon death or bodily injury or illness to any person arising out of or in the course of that person's employment with the Insured.

Liability Assumed By Agreement

In respect of Products and any representation or warranty made in respect of Products, this Policy does not insure against liability assumed by the Insured by agreement except to the extent that the liability would have applied notwithstanding that agreement. This exclusion does not apply to liability assumed by agreement in any written contract designated in the Schedule.

Libel or Slander

This Policy does not apply to liability consequent upon the publication of any libel or slander:

- (a) made before inception of the Period of Insurance; or
- (b) made at the Insured's direction with knowledge of its falsity; or
- (c) relating to advertising, broadcasting or telecasting activities conducted by or on behalf of the Insured.

Loss of Use

This Policy does not insure against liability consequent upon loss of use of property not physically lost or damaged where the loss of use results from:

- (a) any delay in or lack of performance, by or on behalf of the Insured, of any contract or agreement; or
- (b) the failure of the Products to meet the level of performance, quality, fitness, or durability warranted or represented by the Insured.

Part (b) of this exclusion does not apply to loss of use of other property resulting from sudden and accidental physical damage to any Product after it has been put to use by any person or corporation other than an Insured under this Policy.

Pollution

This Policy does not insure against liability consequent upon, or costs incurred for the prevention of, the discharge, dispersal, release or escape of any irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water unless the discharge, dispersal, release or escape is caused by a sudden unexpected and unintended happening that takes place in its entirety at a specific time and place.

Product Guarantee

This Policy does not insure against liability arising from the failure of any Product or design of the Product to fulfil the function intended or represented by the Insured unless the failure is due to any malfunction or defect in the Product or design itself.

Product Recall

This Policy does not insure against liability for damages claimed for the withdrawal, inspection, repair, replacement or loss of use of Products, or of any property of which the Products form part, if those Products or parts are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

Professional Advice

This Policy does not insure against liability consequent upon the rendering or failure to render professional advice by the Insured, or against liability consequent upon any error or omission in connection with that advice. However, providing no fee has been charged for the advice and the liability is not otherwise insured, this exclusion will not apply to liability consequent upon:

- (a) accidental physical loss of or damage to any property; or
- (b) the rendering or failure to render medical advice by any doctor, nurse, dentist or first aid attendant employed by the Insured for the purpose of providing the advice at the Insured's premises.

Property

This Policy does not insure against liability consequent upon Damage to property owned by the Insured or in the Insured's physical or legal control. However, this exclusion does not apply to:

- (a) premises that are occupied, but not owned, by the Insured; or
- (b) any Vehicle (not belonging to or used by or on behalf of the Insured) while the Vehicle is in a car park owned or operated by the Insured other than for income as a car park operator.

Property Worked Upon

This Policy does not insure against liability consequent upon Damage to that part of any property on which the Insured is or has been working if the Damage is caused directly by that work.

Vehicles

This Policy does not insure against liability arising from the ownership, possession or use by the Insured of any Vehicle required by law to be registered for road use. However, this exclusion does not apply to:

- (a) mobile plant being used or operated for the purpose it was designed (unless the plant is otherwise insured for that use or purpose) and not as a road vehicle;
- (b) liability arising from the act of loading or unloading or bringing to or taking away a load from any Vehicle.

War and Nuclear Risks

This Policy does not insure against liability directly or indirectly caused by or resulting from any of the following:

- (a) War, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power.
- (b) Nuclear weapons material.
- (c) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission.

Watercraft

This Policy does not insure against liability arising from the ownership, possession or use by the Insured of any Watercraft while afloat. However, this exclusion does not apply to liability arising from the act of loading or unloading or bringing to or taking away a load from any Watercraft. 'Watercraft' means any craft (exceeding eight metres in length) made or intended to travel through or over water.

Wrongful Infringement

This Policy does not insure against liability arising out of any infringement of civil rights committed by the Insured in the knowledge that the infringement was false or wrongful. For the purpose of this Exclusion, infringements of civil rights include any false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, invasion of privacy, wrongful entry, wrongful prevention of access, or any of them.

CONDITIONS

ADDITIONAL INSURED

Each of the following is an Insured under this Policy to the extent stated below.

- (a) The Insured named in the Schedule.
- (b) Any subsidiary company (now or hereafter constituted), more than half the nominal value of whose equity share capital is owned by the named Insured either directly or through other subsidiaries, and whose places of incorporation are within New Zealand, including its territories and protectorates.
- (c) Any director, executive officer, employee, shareholder, member or partner of an Insured, but only in connection with their duties in that capacity.
- (d) Any person or corporation to whom or to which an Insured described in (a) or (b) above is obliged under the terms of any written agreement to provide insurance as afforded by this Policy, but only:
 - 1) to the extent required by that agreement; and
 - 2) in connection with work performed by or for the Insured described in (a) or (b) above.
- (e) Any office bearer or member of any social club or sports club (or both), formed with the consent of an Insured, but only in respect of claims arising from duties connected with the activities of any such club; the activities being treated for the purpose of this Insurance as part of the Business.

ALTERATION OF RISK

Upon the Insured's Insurance Manager (or equivalent) becoming aware of any change materially varying any of the facts or circumstances existing at the commencement of this insurance, written notice of the change must be given to the Company as soon as possible. The Company will then be entitled to charge a reasonable additional premium for any increase in the risk, or the Insured will be entitled to a reasonable return of premium for any reduction in the risk, for the unexpired portion of the Period of Insurance.

APPLICATION OF MEMORANDA

Where the terms of any Memorandum attaching to this Policy are inconsistent with any other terms of the Policy, the terms of the Memorandum will prevail. Where the terms of any Memorandum are inconsistent with the terms of any other Memorandum, the terms most favourable to the Insured will prevail.

Where the Schedule states that a Memorandum is subject to a special limit or other special provision, the limit or provision will apply to that Memorandum but not to loss that would be covered under the Policy without the Memorandum.

CANCELLATION

(a) By the Insured

The Insured may cancel this Policy at any time with immediate effect by giving written notice to the Company. The Company will then retain a pro-rata proportion of the premium (subject to any adjustment required by the terms of this Policy) for the time during which the Policy has been in force, and will refund the unearned balance to the Insured.

(b) By the Company

The Company may cancel this Policy at any time by giving written notice to the Insured or to the Insured's broker. The notice must be delivered personally or by a method that requires confirmation of delivery. The cancellation will take effect at 4 p.m. on the 45th day after the notice has been delivered. The Company will then refund a pro-rata proportion of the premium to the Insured, subject to any adjustment required by the terms of this Policy.

CESSATION OF LIABILITY

In respect of any one Occurrence, the Company may at any time pay to the Insured the Limit of Indemnity specified in the Schedule (less any sum already paid as indemnity for compensation), or any lesser amount for which the claim or claims arising from the Occurrence can be settled. On making that payment, the Company will be under no further liability in respect of the Occurrence except for costs of litigation and other costs incurred prior to the payment being made.

CLAIMS

- (a) Notice in writing must be given as soon as possible to the Company of every Occurrence, claim, writ, summons, proceedings, impending prosecution, inquest and all information in relation to any of them in respect of which there may arise liability under this Policy.
- (b) The Insured must not, without the consent of the Company, admit liability or negotiate or make any admission, offer, promise or payment, in connection with any Occurrence or claim.
- (c) The Company may take over and conduct, in the Insured's name, the defence of any claim or action to which this insurance applies. The Company may investigate, negotiate and settle any such claim or action as it considers expedient; but will not be under any obligation to pay any claim or judgment or to defend any action after the applicable Limit of Indemnity has been exhausted by payment of judgments or settlements. The Insured must cooperate with the Company in any investigation, negotiation, defence or settlement that the Company undertakes, and must provide any assistance that the Company may reasonably require.
- (d) In the event of Damage or Injury in respect of which there may arise liability under this Policy, the Insured must, at the Insured's own expense, promptly take all reasonable steps to prevent other Damage or Injury from arising out of the same or similar circumstances.

CROSS LIABILITY

Claims made between Insureds or against any Insured will be treated as if each Insured had been issued with a separate policy in its own name. Each Insured will be separately subject to the terms of this Policy in so far as they can apply. Where an Occurrence gives rise to claims against more than one Insured, the Limit of Indemnity and any Deductible will not exceed the amounts specified in the Schedule, regardless of the number of Insureds indemnified.

Where the Limit of Indemnity is insufficient to fully indemnify all Insureds, it will apply in priority to the named Insured, then to its subsidiary companies, then to other Insureds in equal amounts.

DEDUCTIBLE

The aggregate of all sums payable to all claimants in respect of any one Occurrence will be treated as one claim for indemnity under the Indemnity for Damages clause of this Policy. From the amount of that claim, the Deductible (if any) specified in the Schedule will be deducted.

If more than one Deductible could apply in respect of the same Occurrence, the Deductibles will not be cumulative. Instead, the claim will be subject to the highest Deductible that could otherwise have applied.

FRAUD

If the Insured or anyone acting on behalf of the Insured makes any claim that is in any respect fraudulent, or makes any false declaration in support of any claim, or uses any other fraudulent means or devices to obtain benefit under this Policy, all benefit in respect of that claim will be forfeited. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

GOODS AND SERVICES TAX

Where the Insured is liable to pay GST on receiving any indemnity payment under this Policy, the Company will reimburse the Insured for the cost of that tax. The reimbursement will be made in addition to the indemnity otherwise payable and will not be subject to any sum insured or other limit of the Company's liability. For the purpose of this clause, 'GST' means tax payable under Section 5(13) of the Goods and Services Tax Act 1985, or under any statutory amendment to or re-enactment of the Section or Act.

NEW ZEALAND POLICY

This Policy is to be governed by and construed in accordance with the laws of New Zealand, whose courts will have sole jurisdiction over any legal action arising out of or in connection with this Policy.

MORE THAN ONE INSURED

Where this Policy is to the benefit of more than one Insured:

- (a) the Insured first named in the Schedule will be responsible for payment, on behalf of all Insureds, of any premium due or that may become due in terms of this Policy;
- (b) the Company's obligation to make any payment to the Insured in terms of this Policy will be discharged on making that payment to the Insured first named in the Schedule;
- (c) any notice, for which provision is made in this Policy, given by or given to the Insured first named in the Schedule will be deemed sufficient notice by or to all Insureds.

MUTUALLY ACCEPTABLE ADJUSTERS

Where the Company wishes to appoint any loss adjuster or assessor in respect of any claim under this Policy, the appointee must be mutually acceptable to the Company and the Insured.

OBSERVANCE

The Insured's observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with, and the truth of statements made by the Insured in writing, are conditions precedent to the Company's liability under this Policy. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy. Breach of this condition without the Insured's knowledge will not invalidate the Policy, but the Insured's Insurance Manager (or equivalent) must advise the Company immediately upon becoming aware of it. The Insured agrees to pay an appropriate additional premium if required.

OTHER INSURANCE

If, at the time of any claim arising under this Policy, there is any other valid and collectable insurance covering all or part of the same loss, this Policy will apply only to the amount of any loss in excess of that recoverable under the other insurance. This condition does not apply where the other insurance is 'excess' insurance expressly intended to provide a layer of cover in excess of that provided under this insurance.

The amount of loss excluded from this Policy by reason of any other insurance will not be cumulative upon the amount of loss excluded from the Policy by application of any Deductible; other insurance being permitted on loss within the Deductible.

PREMIUM ADJUSTMENT

If the premium for this Policy has been calculated on any estimate furnished by the Insured, the Insured must keep an accurate record of all relevant particulars and must, at any reasonable time, allow the Company to inspect the record. Within a reasonable time after the expiry of the Period of Insurance, the Insured must furnish the Company with such particulars as the Company may require for adjustment of the premium. The premium for the period will then be adjusted, and the difference between the adjusted premium and the premium actually paid will be paid by or allowed to the Insured as the case may require.

SUBROGATION

Where, upon accepting liability for a claim under this Policy, the Company is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation, the Insured must, at the Company's expense, do and concur in doing and permit to be done anything reasonably required by the Company for the purpose of enforcing that right.

The Insured must comply with this condition when required, whether before or after having been indemnified by the Company. The Company will not exercise subrogation against any person or corporation entitled to indemnity under this Policy.

MEMORANDA

BAILEES LIABILITY

This Policy extends to cover the Insured's liability consequent upon Damage to property in the Insured's physical or legal control, but this extension of cover does not apply to liability consequent upon Damage to:

- (a) property owned by the Insured or held by the Insured under any hire purchase or conditional purchase agreement;
- (b) land, buildings, or other things fixed to the land;
- (c) any Vehicle held by the Insured for service or repair.

CAR PARK OPERATOR

The Business to which this insurance applies includes but is not limited to the Insured's business as a car park operator. In respect of that business, the exclusion of liability for Damage to property in the Insured's physical or legal control does not apply to any Vehicle (other than a Vehicle owned by or used by or on behalf of the Insured) while the Vehicle is in or about any car parking facility operated by the Insured.

CHANGE IN BUSINESS

In the event of any addition to or change in the Business to which this insurance applies, the Company will hold the Insured covered under this Policy in respect of that addition or change. The Insured agrees to pay such reasonable additional premium as may be required for any consequent increase in risk. The Insured must notify the Company of any material addition to or material change in the Business within 45 days, but delay in notification due to oversight will not invalidate this insurance.

CONTRACT WORKS

Occurrences in connection with the performance of any contract of demolition, construction, erection, alteration, decoration, installation, testing, repairs or maintenance, all at or in connection with the Insured's premises or works, are deemed to be Occurrences in connection with the Business, but only where the contract price does not exceed \$1,000,000. The Insured must declare any proposed demolition work that will involve the use of explosives to the Company prior to its commencement. Cover in respect of any such demolition work will not commence unless or until the Company has confirmed it in writing.

EXEMPLARY DAMAGES

Subject to the Special Provisions set out below and to all terms of this Policy in so far as they can apply, the Policy extends to indemnify the Insured in respect of all sums that the Insured becomes legally liable to pay by way of exemplary damages arising out of any claim:

- (a) first made against the Insured during the Period of Insurance, and
- (b) notified to the Company during the Period of Insurance or within 30 days after expiry of the Period of Insurance;

consequent upon any accidental death or bodily injury for which compensation is payable under any Accident Compensation legislation and that happens to any person within New Zealand in connection with the Business.

The Policy also extends to indemnify the Insured in respect of any claim to which this Memorandum applies for:

- (a) all costs incurred by the Company, all costs recovered by any claimant against the Insured, and all interest accruing after entry of judgment until the Company has paid or deposited in court as much of that judgment as does not exceed the applicable limit of the Company's liability; and
- (b) all reasonable costs, other than loss of earnings, incurred by the Insured with the Company's consent.

Special Provisions

1. For the purpose of this Memorandum, 'Occurrence' means an occurrence anywhere in New Zealand resulting or potentially resulting in accidental death or bodily injury to which this Memorandum applies, and includes any one occurrence or a series of occurrences (including continuous or repeated exposure to injurious conditions) consequent upon or attributable to one source or original cause.
2. If, during the Period of Insurance, the Insured:
 - (a) becomes aware of an Occurrence; and
 - (b) gives written notice of that Occurrence to the Company;

any claim subsequently arising out of that Occurrence will be deemed to have been first made against the Insured during the Period of Insurance.
3. The Company's aggregate liability under this Memorandum in respect of all damages and costs arising out of all claims made or deemed to have been made against the Insured during the Period of Insurance will not exceed the applicable Limit of Indemnity specified in the Schedule.
4. The amount of claim to which the Deductible condition of this Policy applies will include all damages and costs arising out of any one occurrence of death or bodily injury or illness to any one person.
5. This Extension does not apply to:
 - (a) any claim that was made, threatened or in any way intimated against the Insured before the Period of Insurance commenced;
 - (b) any claim arising from an Occurrence that, at inception of the Period of Insurance, the Insured knew or ought to have known may give rise to the claim;
 - (c) any claim arising from an Occurrence that took place before the Retroactive Date (if any) specified in the Schedule;
 - (d) any claim arising out of asbestosis or any related illness;
 - (e) any legal liability incurred by the Insured under any jurisdiction other than New Zealand jurisdiction;
 - (f) any debt incurred by the Insured resulting from the enforcement of any liability incurred under any jurisdiction other than New Zealand jurisdiction.

FARM BUSINESS

The following extensions of cover apply in respect of the Insured's business as a farmer.

(a) **Aerial Operations**

This Policy extends to cover the Insured's liability consequent upon the falling, dropping, spraying or spreading of farming materials from aircraft (whether in the air or on the ground), or consequent upon any other Occurrence resulting from use of Aircraft operated by independent contractors in connection with the farming business.

(b) **Roadside Grazing**

This Policy extends to indemnify Transit New Zealand (or equivalent body) in respect of liability arising in connection with roadside grazing of animals owned by or in the physical or legal control of the Insured.

FIRE AUTHORITIES

This Policy extends to cover the Insured's statutory obligations:

- (a) in granting indemnity to the New Zealand Fire Service Commission in respect of Damage or Injury arising out of the Insured's use of Fire Service equipment or personnel in connection with any emergency or public service; and
- (b) to pay costs, fines and penalties incurred and apportioned by any Fire Authority under the Forest and Rural Fires Act 1977 and its amendments and any re-enactment of that Act (but excluding levies for expenditure under Sections 44 and 45 of the Act).

This extension of cover will operate regardless of whether Damage has actually occurred, and will also operate in respect of the use of any Vehicle to the extent that the liability is not otherwise insured.

INNKEEPERS LIABILITY

This Policy extends to cover the Insured's liability for Damage under the Innkeepers Act 1962, regardless of whether the property is or has been in the Insured's physical or legal control. Any claim arising from that liability will be payable free of Deductible.

LESSORS LIABILITY

Where the Insured is under an obligation to insure the interest of any principal party (Lessor) to any lease agreement entered in to by the Insured, then, to the extent required by that lease agreement, the Lessor is deemed to be included as an Insured in the Additional Insureds condition of this Policy, and the Lessor's business as property owner or manager (or both) is deemed to be included in the Business to which this insurance applies.

MOTOR TRADES

Subject to the provisions set out below, this Policy extends to cover the Insured's liability in respect of Damage to property comprising any:

- (a) Vehicle;
- (b) internal combustion engine;
- (c) accessory or fitting pertaining to either of them;

while the property is in the Insured's physical or legal control, but not including property owned, hired, leased, rented or borrowed by the Insured or held by the Insured under any hire purchase or conditional purchase agreement. This Policy also extends to cover liability in respect of Damage or Injury caused by or arising from the possession or use of the defined property.

For the purpose of this Memorandum, the word 'Vehicle' has the meaning given to it in the Definitions of this Policy, and is deemed to include any watercraft capable of being transported by trailer in a manner that complies with current Transport Regulations.

The extension of cover provided under this Memorandum includes liability for loss or damage resulting from actual or attempted theft or conversion of the property from the Insured's physical or legal control.

Provisions

1. This extension of cover does not apply to liability for Damage or Injury resulting from towing operations except where a vehicle is being towed for the reason that it is either mechanically disabled or is designed to be towed in the course of its normal use.
2. This extension of cover does not apply to the cost of rectifying any defective workmanship by the Insured. However, liability consequent upon Damage or Injury resulting from defective workmanship is not excluded.
3. If direct loss or damage happens to any Vehicle to which this Memorandum applies while the Vehicle is being driven by the Insured (or by any of the Insured's employees), and if the driver of the vehicle is under the age of 25 years at the time of the loss or damage; the indemnity payable by the Company will be subject to one of the following deductible amounts and no other.
 - (a) \$100 if the driver is a male under 21 years of age.
 - (b) \$50 if the driver is a male over 20 but under 25 years of age.
 - (c) \$50 if the driver is a female under 25 years of age.
4. This extension of cover does not apply to liability arising out of any Occurrence resulting from a Vehicle being driven by a person who, with the Insured's consent, is under the influence of intoxicating liquor or drug to the extent that an offence is committed under the Land Transport Act and its amendments or any re-enactment of that Act.

PREMISES

The Insured's ownership or occupation of premises is deemed to be part of the Business to which this insurance applies.

RECOVERY APPORTIONMENT

If the Company, having exercised its right of subrogation, recovers any part or all of a loss in respect of which a claim has been paid or is payable under this Policy, the amount so recovered will be apportioned as follows:

- (a) The Insured will be fully reimbursed for the uninsured portion of the loss, excluding that portion of the loss that is uninsured by reason of a Deductible.
- (b) Any remaining balance will be apportioned between the Insured and the Company in the ratio of their respective losses; the loss to the Insured being that portion of the loss that is uninsured by reason of any Deductible, and the loss to the Company being the amount of its actual payment under the Policy.

The expenses of all recovery proceedings will be apportioned in the ratio of respective recoveries. If no recovery is made, proceedings conducted solely by the Company will be at its own expense.

No recovery to which this Memorandum applies will be taken into account in determining the amount of 'adjusted loss' for the purpose of the Deductible condition of this Policy.

RENEWAL TERMS

If the Company intends to refuse renewal of this Policy, or to offer renewal on any terms less favourable to the Insured than those applying during the current Period of Insurance, the Company must give the Insured 30 days notice of that intention. If the current Period of Insurance expires before the end of 30 days after the notice has been received by the Insured, the Period of Insurance will, if the Insured so requires, be extended to expire at the same time as the period of notice. In the event of such an extension, the Insured will pay a pro rata proportion of the premium for the extended Period of Insurance.

VEHICLE DAMAGE TO PREMISES

This Policy extends to cover the Insured's liability for Damage to any premises occupied but not owned by the Insured, where the Damage is caused by or arises from the ownership, possession or use by the Insured of any Vehicle. This extension of cover does not apply where the Insured has a valid and collectable claim in respect of the same liability under any contract of Motor Vehicle insurance.

VEHICLES – EXCESS LIABILITY

This Policy extends to cover the Insured's liability consequent upon Damage or Injury caused by or arising from the ownership, possession or use by the Insured of any Vehicle, but only for any amount in excess of \$1,000,000 or the amount recoverable under the liability section of the Insured's Motor Vehicle insurance, whichever is the greater. This Memorandum does not apply to any liability that is otherwise covered under this Policy or any of its memoranda.

WAIVER OF RECOVERY RIGHTS (GROUP COMPANIES)

Where the Insured is a parent or subsidiary in a group of related companies, this insurance will not be invalidated by reason of the Insured waiving or having waived any right of recovery it may have against any other company in the same group. 'Subsidiary Company' means a company, more than half the nominal value of whose equity share capital is owned by a parent company either directly or through other subsidiaries; and a group of related companies means a group of companies related to one another by virtue of such ownership.

WAIVER OF RECOVERY RIGHTS (BY AGREEMENT)

This insurance will not be invalidated by reason of the Insured having waived any right of recovery or indemnity against any other party to a contract or agreement with the Insured in the ordinary course of business, but only where:

- (a) the contract or agreement is not for the supply of goods or services by the Insured; and
- (b) the waiver was made before the loss occurred.

Statutory Liability

Costs in addition

Policy wording



Business Insurance for
a growing New Zealand

Welcome to NZI.

Thanks for selecting us as your insurer. This is your Statutory Liability policy wording.



Why NZI

NZI is one of New Zealand's largest and most well-known insurance brands. We're proudly backed by IAG (Insurance Australia Group) New Zealand. IAG is Australasia's largest general insurer. At IAG, our purpose is to make your world a safer place.



Get in touch

If you have any questions, or you would like more information on this insurance policy, please contact your broker.

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Statutory Liability – costs in addition / claims made policy wording

Introduction

Welcome	Welcome to NZI. Thank you for selecting us as your insurer.
Policy contract	Your Statutory Liability Policy consists of: (a) this policy document, and (b) the schedule, and (c) any endorsements or warranties that we apply, and (d) the information you have provided in the application.
Your duty of disclosure	When you apply for insurance, you have a legal duty of disclosure. This means you or anyone acting on your behalf must tell us everything you know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding: (a) to accept or decline your insurance, and/or (b) the cost or terms of the insurance, including the excess. You also have this duty every time your insurance renews and when you make any changes to it. If you or anyone acting on your behalf breaches this duty, we may treat this policy as being of no effect and to have never existed. Please ask us if you are not sure whether you need to tell us about something.
Defined words	If a word is shown in bold , it has a specific meaning. There is a list of these words and what they mean in Section 8 – 'Definitions'.
Examples	We have used examples and comments to make parts of this policy document easier to understand. These examples and comments, which appear in <i>italics</i> , do not affect or limit the meaning of the section they refer to.
Headings	The headings in this policy document are for reference only and do not form part of it. They must not be used when interpreting the policy document.

Section 1 – Insurance agreement

1.1 Our agreement	You agree to pay us the premium and comply with this policy. In exchange, we agree to insure you as set out in this policy.
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Section 2 – What you are insured for

2.1 Statutory liability	You are insured for any fine that a New Zealand court or tribunal imposes on you arising out of an event that occurs in New Zealand in connection with the business , provided that you first knew, or ought to have known, of the prosecution in relation to that event , during the period of insurance , and you have advised us of the prosecution as soon as possible, but no later than 30 days after the period of insurance ends.
2.2 Defence costs	You are insured for defence costs necessarily and reasonably incurred by you with our prior written consent, to defend a: 1. prosecution that if proven, could result in a fine insured under this policy, 2. proceeding that if proven could result in statutory damages insured under this policy, 3. prosecution under the Health and Safety at Work Act 2015.

Section 3 – Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated. The amounts payable under all Automatic policy extensions are included within the **sum insured** and are not in addition to it.

3.1 Defence costs if acquitted

We shall reimburse **your** reasonable **defence costs** incurred to defend a **proceeding** or **prosecution** where it is alleged that **you** acted, or omitted to act, knowingly, wilfully or intentionally if **you** are subsequently acquitted.

For the purposes of this Automatic extension “acquitted” means the dismissal of charges before or after a defended hearing, or the entry of a not guilty verdict. “Acquitted” does not include the disposition of a charge pursuant to a plea bargain where multiple charges or informations have been laid.

3.2 Enforceable undertakings

You are insured for:

- (a) any amount **we** agree to pay as part of an enforceable undertaking under the Health and Safety at Work Act 2015 in respect of a **prosecution** arising out of an **event** in connection with the **business**.

- (b) **defence costs** necessarily and reasonably incurred by **you** with **our** written consent.

Provided that:

- (i) the **prosecution** could result in an order for **reparation** if **you** were convicted, and
- (ii) the amount **we** pay is no greater than the amount **we** would expect to pay as **reparation** had **you** been convicted.

You are not insured for:

- (a) any amounts in respect of an undertaking or agreement **you** make without **our** prior written consent, or
- (b) any costs in connection with compliance, training or remedial actions, or
- (c) any costs of compliance monitoring activities or meeting any non-financial terms of the enforceable undertaking, or
- (d) any amount payable to any party other than a person who would be a victim under the definition of “victim (a)” under the Sentencing Act 2002 had the **event** resulted in a conviction (or their estate in the event of death), or
- (e) any amount, **finances**, **defence costs** or **reparation** that may result from **your** failure to comply with or contravention of any of the terms of the enforceable undertaking.

The amount **we** agree to pay as part of an enforceable undertaking is included in the **sum insured** under 5.1 – ‘Maximum amount payable A. Liability’

3.3 Extended reporting period

If **we** elect to cancel or refuse to offer a renewal of this policy, then **you** may pay **us** an additional premium (being 90% of the last premium), to extend **your** cover under this policy for another 12 months.

However, this will only cover **you** for **events** or acts or omissions that happened before the expiry of the effective date of such cancellation or non-renewal.

This right of extension will lapse unless written notice of such election, together with payment of the additional premium due, is given to **us** within 30 days following the effective date of cancellation or non-renewal. If the right of extension lapses then cover under this policy ceases as at the effective date of the cancellation or non-renewal.

3.4 Mergers and consolidations

If the company named as Insured in the **schedule**:

- (a) is merged, amalgamated, or consolidated with or becomes a subsidiary company of another company,
 - (b) sells all or substantially all of its assets to another company,
- this policy will be extended to insure the new company, provided that:
- (i) the operations and activities of the merged, amalgamated or consolidated company are the same as those undertaken by **you** as described in the **schedule**, and
 - (ii) **you** give **us** notice that **you** wish to extend cover within 30 days of the merger, amalgamation, consolidation or sale, and
 - (iii) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.

Statutory Liability – costs in addition / claims made policy wording

There is no cover for any **proceeding** or **prosecution** in connection with any **event** that has occurred prior to the date of the merger, amalgamation or consolidation.

3.5 New subsidiary companies

This policy is extended to insure a subsidiary company created or acquired by **you** during the **period of insurance**, provided that:

- (a) the operations and activities of the new subsidiary company are the same as those undertaken by **you** as described in the **schedule**, and
- (b) **you** give **us** notice that **you** wish to extend cover within 30 days of the acquisition or creation of the new subsidiary company, and
- (c) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.

We will only cover **events** or acts or omissions that happen after the acquisition.

3.6 Official investigations cover

You are insured for **defence costs** necessarily and reasonably incurred by **you** in connection with an **official investigation** involving **you**, provided that:

- (a) the investigation arises out of:
 - (i) an **event**, or potential **event** in New Zealand in connection with the **business**, or
 - (ii) an act or omission in New Zealand in connection with the **business** that may result in **you** being liable to pay **statutory damages**, and
- (b) **you** first knew, or ought to have known, of the **prosecution** in relation to that **event** or the **proceeding** in relation to **your** act or omission during the **period of insurance**, and
- (c) **you** have advised **us** of the **prosecution** or **proceeding** as soon as possible, but no later than 30 days after the **period of insurance** ends.

3.7 Previous subsidiary companies

The definition of **you** is extended to include any entity that ceased to be **your** subsidiary company before or during the **period of insurance**, but **we** will not indemnify any such previous subsidiary for any **claim** arising out of an **event** occurring after it ceased to be **your** subsidiary.

3.8 Statutory damages/ reparations

You are insured for **your** legal liability to pay **statutory damages** or **reparations** that **you** become liable to pay arising out of **your** act or omission in New Zealand in connection with the **business**.

Exclusion 4.16 – 'Punitive or exemplary damages' does not apply to claims under this Automatic extension.

Section 4 – Exclusions

4.1 Asbestos

You are not insured for liability in connection with asbestos.

4.2 Commerce Act

You are not insured for any liability in connection with a breach of the Commerce Act 1986. However this exclusion does not apply to any individual person(s) covered under this policy.

4.3 Compliance costs

You are not insured for any liability in connection with:

- (a) any costs incurred in complying with any abatement, compliance, enforcement or remedial notice or order,
- (b) failing to comply with any abatement, compliance, enforcement or remedial notice or order.

4.4 Continuing offences

If any **fine**, **reparation** or **statutory damages** is imposed for a continuing offence under an **Act**, **you** are not insured for the part of the **fine**, **reparation** or **statutory damages** that relates to any period after **you**:

- (a) knew an offence was being committed,
- (b) ought to have known that an offence was being committed.

4.5 Dishonesty or fraud

You are not insured for liability in connection with any:

- (a) wilful breach of duty or wilful breach of an **Act**,
- (b) dishonest, fraudulent or malicious act or omission,
- (c) act or omission committed with criminal intent,
- (d) unlawful profit or advantage,
- (e) insider trading.

Statutory Liability – costs in addition / claims made policy wording

4.6 Excluded Acts	There is no cover for any liability under the following Acts: (a) Arms Act 1983 (b) Aviation Crimes Act 1972 (c) Crimes Act 1961 (d) Land Transport Act 1998 (e) Misuse of Drugs Act 1975 (f) Proceeds of Crime Act 1991 (g) Summary Offences Act 1981 and any other Act specified in the schedule as an excluded Act.
4.7 Health and Safety at Work Act	You are not insured for any fine under the Health and Safety at Work Act 2015.
4.8 Infringement fees	You are not insured for any infringement fees of any kind.
4.9 Intentional or reckless breach	You are not insured if you intentionally or recklessly disregard the provisions of an Act.
4.10 Known claims and circumstances	You are not insured for liability in connection with any claim that you first knew of, or ought to have known of, prior to the inception of this policy.
4.11 Legal jurisdiction	You are not insured for liability in connection with: (a) proceedings or a prosecution first brought in a court or tribunal outside New Zealand, (b) proceedings or a prosecution brought in a court or tribunal within New Zealand to enforce a judgment made by a court or tribunal outside of New Zealand, (c) legal liability arising under the proper law of a country other than New Zealand.
4.12 Monetary amounts paid or offered before sentence	You are not insured for any sum paid, or offered to be paid, by you prior to sentencing by the court where the sum is paid or offer made without our prior written consent.
4.13 Nuclear	You are not insured for liability in connection with: (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, (b) the use, handling or transportation of radioactive materials, (c) the use, handling or transportation of any weapon of war, explosive device employing nuclear fission or fusion.
4.14 Personal grievances	You are not insured for liability arising out of any contract of employment or service or any intended contract of employment or service, including any personal grievance or similar action by an employee.
4.15 Private prosecutions	You are not insured for any investigation, defence, proceeding, inquiry, or prosecution taken by a person or entity other than the statutory authority or enforcement agency given responsibility for administering enforcement of an Act.
4.16 Punitive or exemplary damages	You are not insured for any damages, including punitive, aggravated, liquidated or exemplary damages imposed by a court for the breach of any Act.
4.17 Retroactive date	You are not insured for any claim of any type in connection with an event that occurred prior to the retroactive date.
4.18 Sanctions	You are not insured for liability to the extent it would expose us to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.
4.19 Taxes	You are not insured for any event or act or omission in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other kind of revenue under an Act.
4.20 Terrorism	You are not insured for any claim of any type in connection with an act of terrorism, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism.

Statutory Liability – costs in addition / claims made policy wording

4.21 War

You are not insured for any claim of any type in connection with controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

Section 5 – Basis of settlement

5.1 Maximum amount payable

A. Liability

The most **we** will pay in total for all **finances, reparations, or statutory damages** in the aggregate during the **annual period** is the **sum insured**.

B. Defence Costs

The most **we** will pay in total for all **defence costs** incurred during the **annual period** is the **sum insured**.

C. Separate Limits

For the avoidance of doubt, the limits under 5.1 A – ‘Liability’ and 5.1 B – ‘Defence costs’ are separate. This means the **sum insured** available under 5.1 A – ‘Liability’ cannot be used to meet **defence costs**, and the **sum insured** under 5.1 B – ‘Defence costs’ cannot be used to meet liability for **finances, reparations or statutory damages**.

5.2 Excess

The excess shown in the **schedule** will be deducted from the amount **we** pay for **finances, reparations, statutory damages or defence costs**.

If a claim arises from separate **events**, acts or omissions then an excess will apply to each **event**, act or omission. **We** will deduct only one excess for a series of related **events**, acts or omissions arising from one source or cause, the highest excess will apply.

Section 6 – General conditions

6.1 How we administer this policy

A. Assignment

You may not assign this policy or any interest under this policy without **our** prior written consent.

B. Cancellation

By you

You may cancel this policy at any time by notifying **us**. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium due for the used portion of the **period of insurance**.

By us

We may cancel this policy by giving **you, your** broker or agent notice in writing or by electronic means at **your, your** broker's or agent's last known address. **Your** policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

C. Change of terms

We may change the terms of this policy (including the excess) by giving **you, your** broker or agent notice in writing or by electronic means at **your, your** broker's or agent's last known address. Unless otherwise specified in this policy the change in terms will take effect from 4pm on the 30th day after the date of the notice.

D. Currency

Any amounts shown in this policy are in New Zealand dollars, unless otherwise specified in the **schedule**.

Statutory Liability – costs in addition / claims made policy wording

E. GST

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

- (a) all sums insured exclude GST, and
- (b) all sub limits exclude GST, and
- (c) all excesses include GST, and
- (d) GST will be added, where applicable, to claim payments.

F. Other insurance

You must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

This policy does not cover **your** liability or loss at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

G. Premium payment options

If **you** choose to pay the premium other than annually, then:

- (a) **you** must use the Deduction Authority **we** require, and
- (b) this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

This policy will be renewed for further monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

H. Premium adjustments

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within three months of the expiry of an **annual period**, you must tell **us** what the actual figures are.

We will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

I. Separate insurance (cross liability)

Where the 'Insured' consists of more than one legal entity, then all parties are insured separately (as though a separate policy has been issued to each person/entity). However, this does not increase the amount of cover available under this policy.

A. Disputes about this policy

The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.

B. Legislation changes

Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.

C. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to your rights under the Insurance Law Reform Act 1977 and Insurance Law Reform Act 1985.

A. Comply with the policy

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times.

B. Breach of any condition

If:

- (a) **you**,
- (b) any other person or entity **we** cover under this policy,
- (c) anyone acting on **your** behalf,

breaches any of the terms and/or conditions of this policy, **we** may:

- (i) decline **your** claim either in whole or in part, and/or
- (ii) declare either this policy or all insurance **you** have with us to be of no effect and to no longer exist.

6.2 Laws and acts that govern this policy

6.3 Your obligations

Statutory Liability – costs in addition / claims made policy wording

C. True statements and answers

True statements and answers must be given, whether by **you** or any other person, when **you**:

- (a) apply for this insurance, and/or
- (b) notify **us** regarding any change in circumstances, and/or
- (c) make any claim under this policy, and communicate with **us** or provide any further information regarding the claim.

D. Reasonable care

You must take reasonable care at all times to avoid circumstances that could result in a claim.

Your claim will not be covered if **you** are reckless or grossly irresponsible.

E. Change in circumstances

You must tell **us** immediately if there is a material:

- (a) increase in the risk insured,
- (b) alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

For avoidance of any doubt, information is 'material' where we would have made different decisions about either:

- (i) accepting your insurance,
- (ii) setting the terms of your insurance,

if we had known that information. If in any doubt, notify us anyway.

F. Confidentiality

You must not:

- (a) reveal that **you** hold this policy,
- (b) disclose the terms of this policy.

You may only give this information if:

- (i) **we** agree in writing,
- (ii) **you** are bound to give the information by law.

Section 7 – Managing your claim

7.1 Your obligations

A. Do Not Admit Liability

You must not:

- (a) admit **you** are liable,
- (b) do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.

B. Advise us

If **you** become aware of any **event** that is likely to give rise to a claim under this policy, **you** must contact **us** immediately.

C. Minimise the loss

You must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.

D. Notify the Police

You must immediately notify the Police if **you** suspect criminal activity has occurred.

Statutory Liability – costs in addition / claims made policy wording

E. Provide full information

When **you** make a claim **you** consent to **your** personal information in connection with the claim being:

- (a) disclosed to **us**, and
- (b) transferred to the Insurance Claims Register Limited.

You must:

- (i) give **us** free access to examine and assess the claim, and
- (ii) send any relevant correspondence or documents to **us**, and
- (iii) complete a claim form and/or statutory declaration to confirm the claim if **we** request it, and
- (iv) provide any other information, proof of ownership or assistance that **we** may require at any time.

F. Dishonesty

If **your** claim is dishonest or fraudulent in any way, **we** may:

- (a) decline **your** claim either in whole or in part, and/or
- (b) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

G. Do not dispose of property

You must not destroy or dispose of anything that is or could be part of a claim until **we** have given **you** permission to do this.

H. What you must obtain our agreement to do

You must obtain **our** agreement before **you**:

- (a) incur any expenses in connection with any claim under this policy, or
- (b) negotiate, pay, settle, admit or deny any claim against **you**, or
- (c) do anything that may prejudice **our** rights of recovery.

7.2 Managing your claim

A. Allocation of defence costs

If a claim is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the **defence costs** for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the **defence costs** then that allocation shall be referred to a lawyer that **we** and **you** agree to instruct, whose determination shall be binding upon all parties.

The cost of the lawyer's determination is to be taken as part of the **defence costs** covered under Section 2.2 – 'Defence costs'.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

B. Apportionment

If **we** pay **defence costs** in excess of the maximum amount payable under Section 5.1 B – 'Defence costs', then **you** must refund to **us** all amounts in excess of the maximum amount payable.

C. Your defence

If the lawyer appointed to defend **you** advises that the **proceeding** or **prosecution** should not be defended, then **we** are not required to defend the **proceeding** or **prosecution** unless a second lawyer that **we** and **you** agree to instruct, advises that it should be defended.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society. In formulating their advice, the lawyer must be instructed to consider the:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the **proceeding** or **prosecution**.

The cost of the second lawyer's opinion is to be taken as part of the **defence costs** covered under this policy.

If the second lawyer advises that the **proceeding** or **prosecution** should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the second lawyer's opinion, and in the light of the matters they are required to consider), then:

- (a) **you** cannot object to the settlement, and
- (b) **you** must immediately pay the excess shown in the **schedule**.

Statutory Liability – costs in addition / claims made policy wording

D. Defence of prosecutions

After **you** have made a claim under this policy, subject to Section 7.2 C – ‘Your defence’, **we** have the sole right (which shall be a precedent to **your** right to be covered) to act in **your** name and on **your** behalf to defend, negotiate or settle the **proceeding** or **prosecution** as **we** see fit (this will be done at **our** expense).

We may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

E. Discharge of prosecutions

We may elect at any time to pay:

- (a) the maximum amount payable under Section 5.1 A – ‘Liability’, or
- (b) any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (including any defence costs already incurred up to **our** date of election) **our** responsibility to **you** under the policy is met in full.

F. Waiver of professional privilege

The lawyers **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**.

You authorise the lawyers to disclose this information to **us**.

Section 8 – Definitions

The definitions apply to the plural and any derivatives of the bolded words. For example, the definition of ‘accidental’ also applies to the words ‘accidentally’, ‘accident’ and ‘accidents’.

accidental	Unexpected and unintended by you .
Act	Any Act of the New Zealand Parliament and any statutory regulations that the Government makes under such Acts.
act of terrorism	Includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which: (a) involves violence against one or more persons, (b) involves damage to property, (c) endangers life other than that of the person committing the action, (d) creates a risk to health or safety of the public or a section of the public, (e) is designed to interfere with or to disrupt an electronic system.
annual period	The period of insurance . However, if you pay the premium monthly or quarterly, the annual period is the current 12 month period calculated consecutively from the date this policy first started.
application	The information provided by you to us when you purchased this insurance or requested a quotation for this insurance from us . It also includes any subsequent information you provide us with.
business	The business described in the schedule .
defence costs	Legal costs and expense including disbursements, witnesses’ costs, assessors’ or adjusters’ costs or experts’ costs that relate directly to the investigation, defence, compromise or handling of any claim, incurred by us , or by you with our prior written consent. For the avoidance of doubt, defence costs do not include any costs of your time including any time spent in assisting us or our appointed lawyers with the conduct of any claim.
employee	Any person who is employed by you in connection with your business and in respect of whose remuneration you deduct PAYE tax at source.
event	Your accidental commission of an offence under an Act .

Statutory Liability – costs in addition / claims made policy wording

fine	The amount of money you are sentenced to pay as a fine (including court costs). This does not include compliance or remedial costs.
official investigation	An investigation: (a) by a body empowered under an Act to investigate, and (b) relating to a breach or potential breach of an Act .
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
proceeding	Whichever of the following that occurs first: (a) receipt by you of an official complaint of a breach (or potential breach) of either the Privacy Act 1993 or the Human Rights Act 1993, or (b) service upon you of a civil proceeding alleging a breach (or potential breach) of either the Privacy Act 1993 or the Human Rights Act 1993, or (c) a circumstance that you become aware of, that is likely to lead to either (a) or (b) above.
prosecution	Whichever of the following that occurs first: (a) receipt by you of an official complaint of a breach (or potential breach) of an Act , or (b) service upon you of a prosecution (or notice of intended prosecution) under an Act , or (c) a circumstance that you become aware of, that is likely to lead to either (a) or (b).
reparation	The amount of money you are ordered to pay as reparation under Section 32 of the Sentencing Act 2002.
retroactive date	The retroactive date shown in the schedule .
schedule	The latest version of the schedule we issue to you for this policy.
statutory damages	Damages recoverable under either the Privacy Act 1993 or the Human Rights Act 1993 for an accidental breach of the applicable Act .
sum insured	The amount shown in the schedule .
we	NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.
you	Any person or entity named in the schedule as 'Insured'. If the entity is a company then it includes: (a) any subsidiary company, and (b) any director, officer, partner or employee of the entity or its subsidiaries, but only while they are acting in that capacity.

Statutory Liability – costs in addition / claims made policy wording

