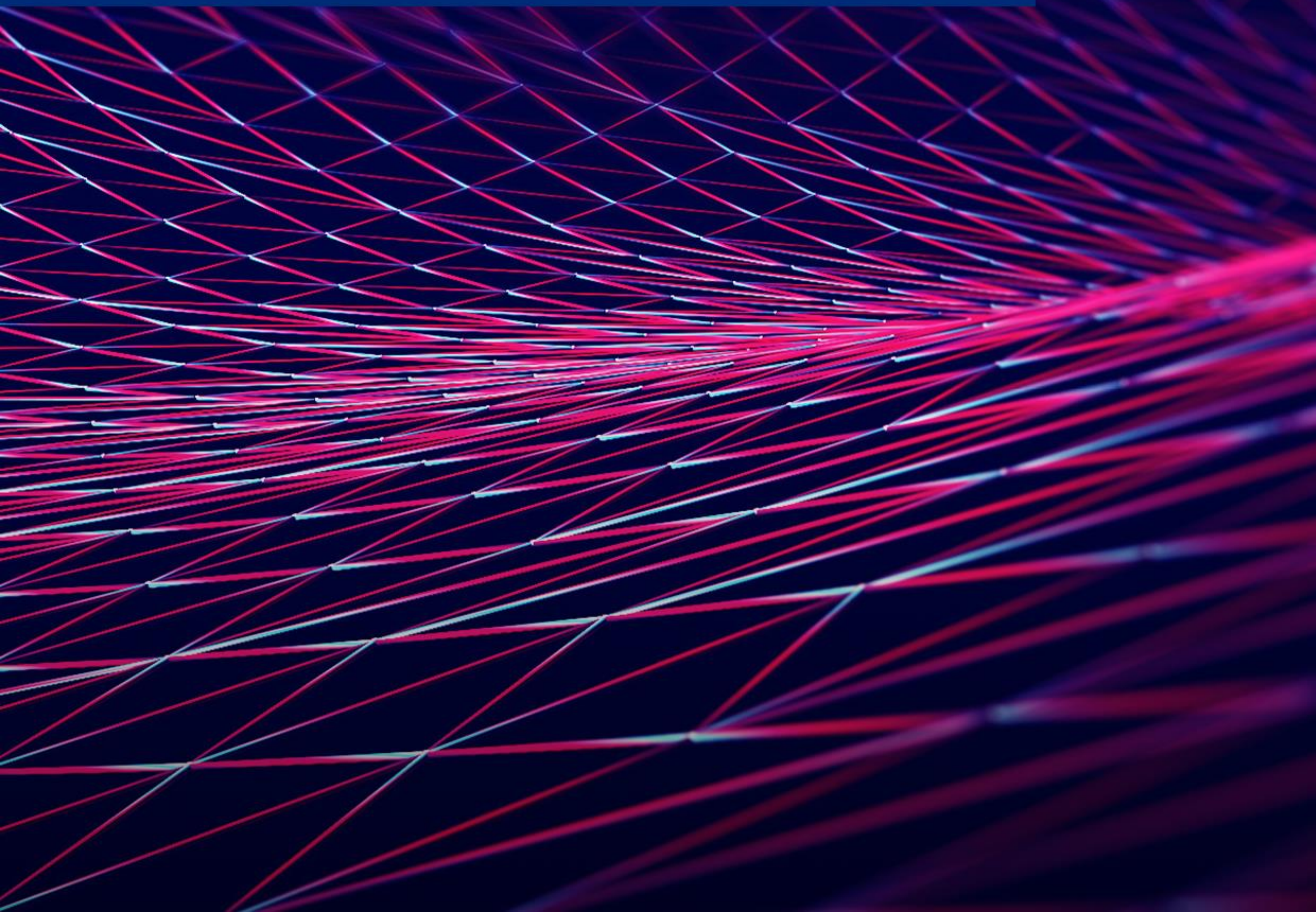
"This document has been supplied to Arizto Limited (the Agency) by the vendor or a third party and is merely passing this information over. The Agency has not verified the information nor warrants its accuracy. The Agency is hereby indemnified of any errors in the document and will not be held accountable for any persons who rely on this document to complete their own due diligence. We recommend you seek your own independent legal and/or technical advice."

Insurance Policy Wordings & Schedules

The Residents of 295 Armagh Street, Christchurch

Period: 25 November 2025 to 25 November 2026



RESIDENTIAL BUILDINGS (MULTI-DWELLING) POLICY

POLICY SCHEDULE

REFERENCE:	15-0198449-BCP COM-P0186132	
THE INSURER:	NZI a Business Division of IAG New Zealand Limited Ando - The Holland Insurance Company Pty Limited	
INSURED:	The Residents of 295 Armagh Street, Christchurch	
PERIOD OF INSURANCE:	From 4.00 pm Local Standard Time on 25 November 2025 To 4.00 pm Local Standard Time on 25 November 2026	
LOCATION:	295 Armagh Street, Christchurch	
SUM INSURED:	Section 1 – Cover For Your Residential Units:	$ 4,905,000
	Section 2 – Limit of Liability	$ 10,000,000
	Statutory Liability	$1,000,000
SPECIAL LIMITS		
	3.1 Alternative Accommodation	
	Following **loss** other than by **contamination damage**:	
	The maximum payable per **event** for each individual **unit** is:	$ 120,000
	The maximum payable per calendar month for each individual **unit** is:	$ 5,000
	The maximum period the benefit can be claimed per **event** is 24 months.	
	Following **contamination damage**:	
	The maximum payable per **event** for each individual **unit** is:	$ 25,000
	The maximum period the benefit can be claimed per **event** is 12 months	
	3.2 Common Property	
	The maximum payable per **event** is	$ 20,000
	The maximum payable **during the annual period** is:	$ 100,000
	3.4 Hidden Gradual Damage	
	The maximum payable during the **annual period** is:	
	For each individual **unit**:	$ 10,000
	For all **units**:	$ 50,000

3.5 Landlord's Contents

The maximum payable for **landlord's contents**:	
For each individual **unit** per **event** is:	$ 50,000
For all **events** during the **annual period** is:	$ 500,000

3.6 Loss of Rent

Following **loss** other than by **contamination damage**:	
The maximum payable per **event** for each individual **unit** is:	$ 120,000
The maximum payable per calendar month each individual **unit** is:	$ 5,000
The maximum period the benefit can be claimed per **event** is 24 months.	
Following **contamination damage**:	
The maximum payable per **event** for each individual **unit** is:	$ 25,000
The maximum period the benefit can be claimed per **event** is 12 months.	

3.7 Methamphetamine Contamination

The maximum payable for each **contamination claim**:	
For each individual **unit** and **landlord's contents** within:	$ 30,000
For all common property and common areas:	$ 30,000
The maximum payable for all **contamination claims** during the **annual period** is:	$ 250,000

3.9 New Building Work

The limit under part (a) of this extension is:	$ 250,000
The maximum payable during the **annual period** is:	$ 250,000

3.10 Stolen Keys

The maximum payable for any **event** is:	$ 5,000

Malicious Damage by Tenants Endorsement

The maximum payable during the **annual period** is:	
For each individual **unit**:	$ 5,000
For all **units**:	$ 50,000

Landlord's Contents Removal And Storage Endorsement

The maximum payable for each individual **unit** per **event** is:	$ 2,500
The maximum payable for all **units** during the **annual period** is:	$ 10,000

Tree Removal Endorsement

The maximum payable during the **annual period** is:	$ 50,000

	Cost of Re-Letting Endorsement The maximum payable during the **annual period** is:	
	For each individual **unit**:	$ 1,000
	For all **units**:	$ 10,000
EXCESS:	The highest applicable **excess** as follows applies:	
	In respect of **loss** to owner occupied **units** other than as stated below:	$ 250
	In respect of **loss** to tenanted **units** other than as stated below:	$ 400
	In respect of **loss** to unoccupied **units** other than as stated below:	$ 1,000
	In respect of **loss** indemnified under the Stolen Keys Extension:	$ 250
	In respect of **loss** indemnified under the Methamphetamine Contamination Extension:	$ 2,500
	In respect of **loss** by theft:	$ 2,500
	In respect of **loss** by malicious damage to units used for short term accommodation:	$ 2,500
	In respect of **loss** by **natural disaster**:	1% of site value, minimum (sum insured less EQC value) $1,000
	In respect of any **loss** for which no other **excess** is specified:	$ 500
POLICY WORDING:	NZI Residential Buildings (Multi-Dwelling) Policy RBD0818 NZI Broadform Liability BRD0318 NZI Statutory Liability Policy STL0318	
ENDORSEMENTS	NZI Communicable Disease Exclusion – Endorsement 01.21 NZI Cyber Exclusion NZI Sanctions Exclusion Ando Cyber Loss Exclusion – Property Clauses Co-Insurance Clause Ando Infectious Disease Exclusion	

MALICIOUS DAMAGE BY TENANTS

If any individual **unit** is rented by **you** to a tenant, then this policy is extended to cover sudden and **accidental loss** to the **building**(s) and/or **landlord's contents** that occurs and that **you** discover during the **period of insurance** which is a direct result of:

(a) an intentional act, or

(b) vandalism, or

(c) theft

by:

(i) a tenant, or

(ii) a person who occupies the **unit**, or

(iii) a guest of a tenant or occupier.

Cover provided by this endorsement is limited to the corresponding limit stated in the **schedule**. This limit does not apply to **loss** is as a result of fire or explosion, in which case the most **we** will pay is as per the provisions of 6. 'What we will pay'.

MARGIN CLAUSE

The amount referred to in 'What We Will Pay – 6.1. Maximum Amount Payable' is increased as follows:

The most **we** will pay for any **event** for a **building** (or group of **buildings**) at a specified situation shown in the **schedule** is the corresponding sum insured noted in the **schedule** for that **building** (or group of **buildings**), plus 25%. The additional percentage will not exceed $ 1,226,250 in addition to the 'maximum amount payable.

This increase does not apply to cover provided by Automatic Policy Extension – 3.8 Natural Disaster.

LANDLORD'S CONTENTS REMOVAL AND STORAGE

This Policy is extended to cover the reasonable costs for the removal, storage and return of landlord's contents as is necessary following insured **loss** to any **building** and/or **landlord's contents** during the **period of insurance**, subject to the limit stated in the **schedule**.

TREE REMOVAL

This Policy is extended to cover the expenses incurred in professional removal of trees or parts of trees, including the cost of treating the stump to prevent regrowth, where the tree or part of the tree:

(a) has fallen causing **loss** to any **building**, or

(b) is damaged in an event that results in **loss** to any **building,**

subject to the limit stated in the **schedule**.

COST OF RE-LETTING

This Policy is extended to cover a **unit** owner's reasonable costs incurred to re-let their unit if any tenanted **unit** becomes uninhabitable due to **loss** covered by this Policy and the existing tenant terminates their tenancy agreement as a result, subject to the limit stated in the **schedule**.

Cyber Loss Exclusion Clause - Property Classes

1. Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto, this **Policy** excludes all loss, damage, liability, cost or expense of whatsoever nature to the extent directly caused by, resulting from, or arising out of:

   1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System;

   1.2 any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

   except as specified below.

2. Subject to the other terms, conditions and exclusions contained in this **Policy**, this **Policy** will cover damage (as recognised by the original policies) to property insured under the original policies which shall include loss of or damage to Data (including Data repair, replacement, restoration or reproduction costs), any Time Element Loss and expense where damage and/or loss of or damage to Data, is directly occasioned by one or more of the original policy insured events, otherwise covered under this **Policy**.

3. "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 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.

4. "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.

5. "Time Element Loss" means business interruption, contingent business interruption or any other consequential losses.

Infectious Disease Exclusion

This policy does not insure loss, liability, cost or expense of whatever nature directly or indirectly arising from:

a) highly pathogenic avian influenza in humans; or
b) any disease(s) determined to be a quarantinable disease as defined and stated in the Health Act 1956 (New Zealand) s2(1), or any subsequent amendment, replacement or successor legislation of the Commonwealth of New Zealand, including delegated legislation; or
c) any mutation of the diseases described in a) to b) inclusive, including any fear or threat thereof (whether actual or perceived) or action taken by a competent public authority in controlling, preventing or suppressing such disease.

For the avoidance of doubt, loss, liability, cost or expense includes any cost to clean-up, decontaminate, disinfect, remove, replace, monitor or test:

(i) for any such diseases; or,

(ii) any property insured hereunder that is affected by or suspected to be affected by such disease.

Cyber Exclusion – Material Damage and Business Interruption

Policy Endorsement

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.

Communicable Disease Exclusion – Material Damage and Business Interruption

Policy Endorsement

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.

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.

Statutory Damages Exclusion: Statutory Liability

Policy endorsement

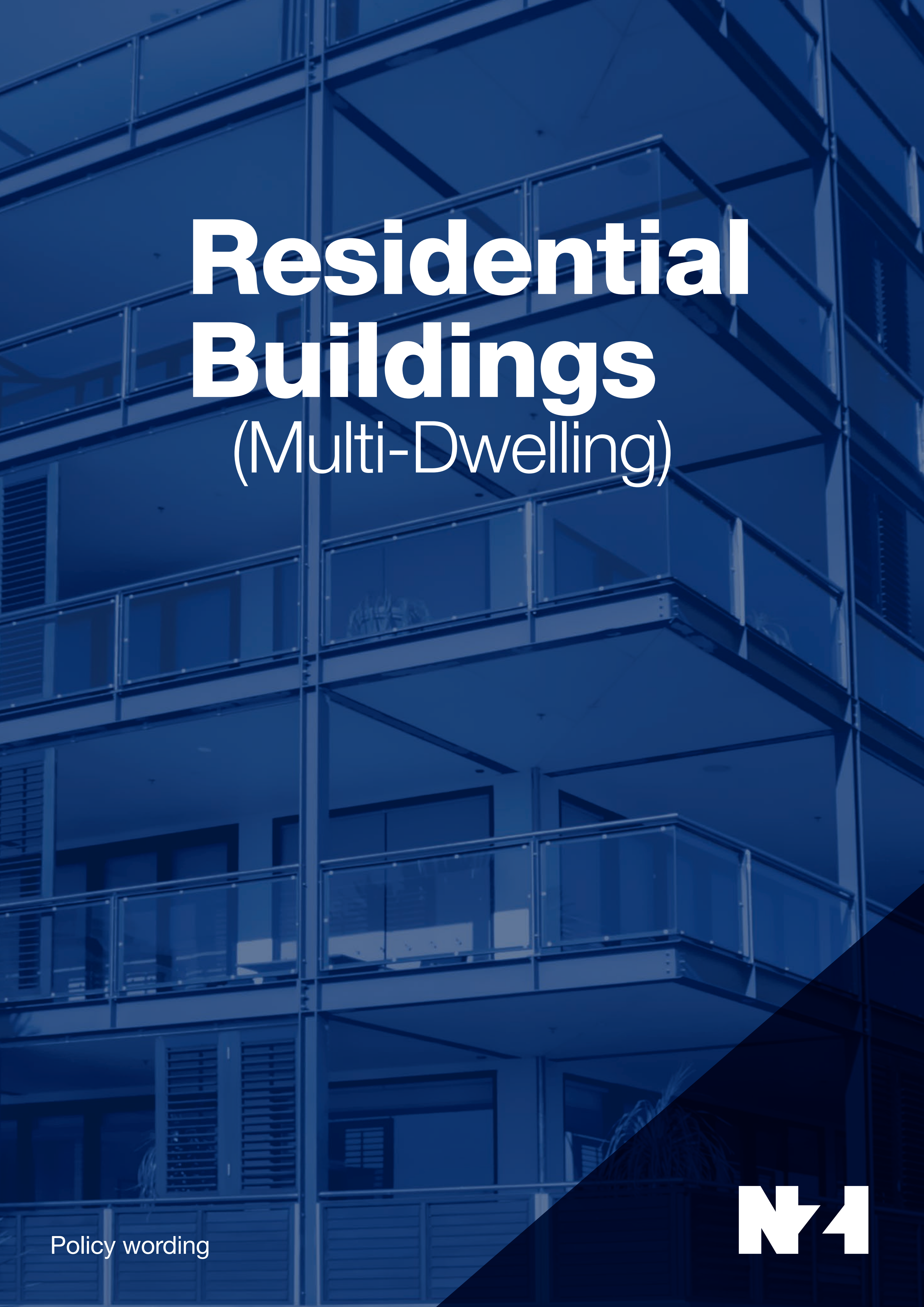
Your policy is amended as follows:

1. The following are deleted from the policy:
   (a) Section 2.2 (2); and
   (b) The words "**statutory damages**" in Section 4.4, Section 5.1, and Section 5.2.
2. Section 3.6 (a) is deleted and replaced by:
   (a) the investigation arises out of an **event**, or potential **event**, in New Zealand in connection with the **business**, and
3. Section 3.8 is deleted and replaced by the following:

3.8 Reparations	**You** are insured for **your** legal liability to pay **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.

4. A new exclusion applies as follows:

4.22 Statutory Damages	**You** are not insured for any **statutory damages**.



Residential Buildings

(Multi-Dwelling)

Policy wording

Welcome to NZI.

Thanks for selecting us as your insurer. This is your Residential Buildings (Multi-Dwelling) 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.

Contents

Introduction	3
Section 1 – Insurance agreement	3
Section 1 – Cover for your residential units	4
Section 1 – Automatic policy extensions	4
Section 1 – Exclusions	8
Section 1 – Basis of settlement	10
What we will pay	11
Section 2 – Liability cover	12
Section 2 – Exclusions	12
Section 2 – Basis of settlement	13
General exclusions	13
Claims conditions	15
General conditions	16
Definitions	18

Introduction

Welcome	Welcome to NZI. Thank you for selecting **us** as **your** insurer.
About this policy	**Your** Residential Buildings (Multi-Dwelling) 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	**You** have a legal duty of disclosure when **you** apply for insurance. 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 the 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 13. 'Definitions'.
Examples	**We** have used examples and comments to make parts of this policy easier to understand. These examples and comments are printed in *italics* and do not affect or limit the meaning of the section they refer to.
Headings	The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy document.

1. Section1 – Insurance agreement

1.1 Our agreement	**You** agree to pay **us** the premium described in the **schedule** and comply with this policy. In exchange, **we** agree to cover **you** as set out in this policy.
1.2 Vacant units	If no one has been living in a **unit** for more than 60 consecutive days, then from the 61st day this policy covers sudden and **accidental loss** to that **unit** that occurs during the **period of insurance**, but only if the **loss** is caused by any of the following: (a) theft following violent and forceful entry, (b) fire, lightning or explosion, (c) storm, wind, hail, snow or flood (but not if the water originates from inside the **unit**), (d) **natural disaster**, (e) aircraft or other aerial or spatial device or articles dropped from them, (f) riot, civil commotion or labour disturbance, (g) vandalism or a malicious act, (h) water or oil that leaks, overflows, or is discharged from any domestic water or heating system installed within the **building**, (i) any impact. Full cover under this policy will automatically start as soon as the **unit** is occupied again.
1.3 48-Hour restriction	This policy does not cover **loss** that occurs during the first 48 hours of this policy, caused by storm, flood or landslip. This only applies when **you** first take the policy out with **us**. However, this exclusion does not apply where: (a) this policy started immediately following another policy that also covered the same property against the risks of storm, flood and landslip, or (b) this policy was taken out at the time **you** purchased the **unit** or **buildings**.

2. Section 1 – Cover for your residential units

2.1 What you are covered for

You are covered for sudden and **accidental loss** to the **building** that occurs during the **period of insurance**.

3. Section 1 – Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated. Unless expressly stated otherwise, any amounts payable under these Automatic extensions are included within 6.1 'Maximum amount payable'.

3.1 Alternative accommodation

If any individual **unit** is owned and occupied as a principal residence by **you**, then this policy is extended to cover:

(a) the reasonable additional cost of temporary alternative accommodation (of similar standard to the **unit**), for **you** and any family member who permanently resides with **you**, and

(b) boarding out of domestic cat or dog, which is normally kept at the situation,

if the **unit** can no longer be lived in due to **loss** or **contamination damage** that occurs during the **period of insurance** and that:

(i) is covered by this policy, or

(ii) would have been covered but is covered by the **EQC Act** instead.

Cover under this extension ends on the earlier of the date on which **we**:

(a) settle **your** claim for **loss** or **contamination damage**, or

(b) have paid **you** 12 months' alternative accommodation costs.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of **our** estimate of the cost **you** would incur to repair or **remediate**, **we** will cover the cost of temporary alternative accommodation for the reasonable estimated period that it would take to repair or **remediate** the part of the **unit** or **building** that suffered the **loss** or **contamination damage**.

The most **we** will pay under this extension is $25,000 for each individual **unit** shown in the **schedule** as covered by this policy per **event** or **contamination claim**.

If **you** have alternative accommodation cover with **us** under any other policy, then the most **we** will pay, for each individual **unit**, under all policies for any **event** or **contamination claim** is the highest applicable limit.

We will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

3.2 Common property

This policy is extended to cover sudden and **accidental loss** to chattels, fixtures and fittings that are in common areas during the **period of insurance**, while they are owned by **you** and at the **buildings**.

We will at **our** option pay:

(a) the **present value** of the **loss**, or

(b) the cost to repair the item as nearly as possible to the same condition it was in immediately before the **loss** occurred.

The most **we** will pay for any **event** is $5,000 in total for all chattels, fixtures and fittings in common areas at the **building**.

We will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

3.3 Electric motors

This policy is extended to cover sudden and **accidental loss** during the **period of insurance** to:

(a) electric motors and starters not exceeding 3.75kw (5hp), and

(b) distribution switchboards and permanently installed electric reticulation at the situation,

provided that the damage is fusion or burnout that is **immediately preceded by**:

(i) the failure of electrical insulation, or

(ii) abnormal electric current, or

(iii) electrically induced self-heating.

Exclusion 4.7 'Damage to machinery' does not apply to this extension.

3.4 Hidden gradual damage

This policy is extended to cover:

(a) **hidden gradual damage** to the **building** and/or the **landlord's contents** that occurs and that is discovered during the **period of insurance**, and

(b) any other part of the **building** that is not directly affected but must be removed, damaged or destroyed to locate the cause of the **hidden gradual damage**, provided **we** have first given **our** permission.

The most **we** will pay during the **annual period** is:

(i) $3,000 for each individual **unit**, and

(ii) $30,000 in total for all **units**.

3.5 Landlord's contents

This policy is extended to cover sudden and **accidental loss** to **landlord's contents** at a **unit** during the **period of insurance**.

We will at **our** option pay:

(a) the **present value** of the **loss**, or

(b) **our** estimate of reasonable costs to repair the item as nearly as possible to the same condition it was in immediately before the **loss** occurred.

The most **we** will pay for any **event** is $5,000 for **landlord's contents** in each individual **unit** unless a higher amount has been specified in the **schedule**, up to a maximum of $500,000 in total for all **events** during the **annual period**.

We will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

3.6 Loss of rent

If any individual **unit** is rented by **you** to a tenant, then this policy is extended as follows:

We will pay the amount of rent lost because the **unit** cannot be lived in due to **loss** or **contamination damage** that occurs during the **period of insurance** and that:

(a) is covered by this policy, or

(b) would have been covered by this policy but is covered by the **EQC Act** instead.

Cover under this extension ends on the earlier of the date on which **we**:

(i) settle **your** claim for **loss** or **contamination damage**, or

(ii) have paid **you** 12 months' loss of rent.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of **our** estimate of the cost **you** would incur to repair or **remediate**, **we** will cover the amount of rent lost for the reasonable estimated period that it would take to repair or **remediate** the part of the **unit** or **building** that suffered the **loss** or **contamination damage**.

The most **we** will pay under this extension is $25,000 for each individual **unit** shown in the **schedule** as covered by this policy per **event** or **contamination claim**.

If **you** have loss of rent cover with **us** under any other policy, then the most **we** will pay, for each individual **unit**, under all policies for any **event** or **contamination claim** is the highest applicable limit.

We will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

3.7 Methamphetamine contamination

This policy is extended to cover **contamination damage** to the:

(a) **unit**, and

(b) **landlord's contents** in the **unit**, and

(c) common property, and

(d) common areas,

in the **building**, that first occurs and that **you** discover during the **period of insurance**, subject to the following:

Where you occupy the unit:

(i) If **you** occupy the **unit**, there is no cover for any **contamination damage** that is caused by or in connection with **you**, or **your** family. For the purposes of this exclusion, **you** includes any trustee or beneficiary of the trust if the **unit** is owned by the trust, or any director or shareholder of the company if the **unit** is owned by the company, or any **unit** title holder.

Where the unit is tenanted for 90 days or more:

(ii) Where an individual **unit** is rented by **you** to a tenant for a period of more than 90 days, there is no cover unless **you** or the person who manages the tenancy on **your** behalf has fully met the **landlord's obligations**.

Where the unit, or any part of the unit is let, rented or occupied for less than 90 days:

(iii) Where an individual **unit** or any part of the **unit** is let, rented or occupied for 90 days or less, there is no cover unless the **contamination damage** was caused by sudden and **accidental loss** caused in connection with the manufacture, distribution or storage (but only where the storage is in connection with supply or distribution) of **methamphetamine**.
There is no cover for **contamination damage** that is caused by or in connection with the consumption of **methamphetamine**.

Where there is pre-existing contamination damage, prior to the current period of insurance:

(iv) There is no cover for any **contamination damage** where any contamination existed or occurred prior to the current **period of insurance** unless the pre-existing contamination was disclosed to **us** and accepted by **us** in writing. However, if the **building** has been covered with **us** (or any other brand underwritten by IAG New Zealand Limited) continuously since the earlier period when the **contamination damage** first occurred, then **we** will waive the requirement for the **contamination damage** to have first occurred during the current **period of insurance**.

For the purposes of this extension:

(a) Common areas mean internal areas in common parts of the **building**, including lobbies, stair wells and shared vehicle storage areas.

(b) Common property means chattels, fixtures and fittings contained within the common area(s).

What we will pay:

Where there is cover under this extension, **we** will:

(a) reimburse **you** for the reasonable costs **you** have incurred during the **period of insurance** for testing provided:
   (i) the testing is carried out in accordance with New Zealand Standard NZS 8510 or by an operator approved by **us**, and
   (ii) the testing confirms **contamination damage** to the **unit** or common area, and

(b) pay to **remediate** the part that suffered the **contamination damage** subject to the provisions below:
   We may choose to:
   (i) pay the reasonable cost to **remediate** the part that suffered the **contamination damage**, or
   (ii) pay **you our** estimate of the reasonable cost **you** would incur to **remediate** the part that suffered the **contamination damage**.

Maximum payment

The most **we** will pay under this extension is:

(a) $30,000 for each **unit** including **landlord's contents** in the **unit** for each **contamination claim**, and

(b) $30,000 in total for all common property and common areas for each **contamination claim**, and

(c) $250,000 in total for all **contamination claims** during the **annual period**.

Excess

For each **contamination claim** under this extension an **excess** of $2,500 applies per **unit** and for all common property and common areas unless a higher **excess** is shown in the **schedule**.

3.8 Natural disaster

This policy is extended to cover sudden and **accidental loss** to the insured property that occurs during the **period of insurance** caused by **natural disaster**.

Natural disaster excess

Where **you** claim for insured property under this extension, the following **excesses** as shown in the table will apply for all damage caused by **natural disaster** from any one **event**. In all cases the minimum **excess** is $2,500, or any higher **excess** for **loss** caused by **natural disaster** as shown in the **schedule**.

Applicable percentage excess		
Region	Excluding **pre 1935 building risks**	For **pre 1935 building risks**
The **Regions** of Auckland, Northland, and the Districts of Dunedin City and Clutha	2.5% of the total sum insured under the policy for all **buildings**	10% of the total sum insured under the policy for all **buildings**
The rest of the **Regions** and Districts	5% of the total sum insured under the policy for all **buildings**	10% of the total sum insured under the policy for all **buildings**

However, where a claim is payable under the **EQC Act**, this **excess** will be offset by the amount actually paid by the Earthquake Commission to **you** for the same **loss** to the same **building** for the same **event**.

If the claim is solely for **loss** to **landlord's contents** and/or common property in the **building**, the above **excesses** will not apply. The policy **excess** as shown in the **schedule** will apply.

Where EQC cover applies

(a) If the damage caused by **natural disaster** is covered under the **EQC Act**, and the cost to repair or rebuild the part of the insured property that suffered the **loss** exceeds **your** maximum entitlement available under the **EQC Act** for that **event**, **we** will pay the difference between that maximum entitlement and the cost to repair or rebuild the part of the insured property that suffered the **loss**.

(b) Where the damage caused by **natural disaster** would have been covered under the **EQC Act** but there is no claim paid because:

- (i) **you** failed to correctly notify a claim to the Earthquake Commission within the time required under the **EQC Act**, or
- (ii) the Earthquake Commission decline the claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever, or
- (iii) of any act or omission on **your** part, the part of **your** agent, or the part of the Earthquake Commission,

we will only pay the difference between the maximum entitlement that would have been payable (but for the reasons outlined in (b) (i) to (iii) or the application of an excess) had the Earthquake Commission agreed to accept a claim, and the cost to repair or rebuild the part of the insured property that suffered the **loss**.

There is no cover for the excess payable by **you** under the **EQC Act**.

The most **we** will pay under this cover is the difference between that maximum entitlement and the total sum insured as shown in the **schedule**.

Some examples of insured property not covered under the EQC Act are:

- *gate or fence,*
- *driveway,*
- *patio, path, paving, tennis court or other artificial surface,*
- *swimming pool or spa pool.*

3.9 New building work

This policy is extended to cover:

(a) any new structure being built within the boundary of the **building** if **you** own it (or if **you** are responsible for it while it is being built), provided it will be covered by this policy when complete, and

(b) any materials within the boundary of the **building** that are to be included in the new structure,

for sudden and **accidental loss** that occurs during the **period of insurance** and that is caused by any of the following:

(i) fire, explosion or lightning,
(ii) storm or flood, but not exposure to normal weather conditions,
(iii) riot or labour disturbance,
(iv) aircraft or other aerial or spatial device, or articles dropped from them,
(v) impact by **motor vehicle** or an animal.

This extension does not cover any structure:
(a) where the expected value of the completed work, or the price of the contract including materials, is more than $10,000, or
(b) that involves alteration or addition to any part of the existing **buildings**, or
(c) that involves excavation more than 1 metre deep, or
(d) that has not been granted a building consent or similar if one is required.

The most **we** will pay during the **annual period** is $10,000.

3.10 Stolen keys

This policy is extended to cover costs incurred for:
(a) altering or replacing common access area locks, and
(b) keys (including electronic keys and swipe cards), and
(c) combinations that give access to the insured property,

if the keys or combinations are stolen or duplicated without proper authority during the **period of insurance**.

The most **we** will pay in total for any **event** is $2,500.

An **excess** of $250 applies to this extension.

3.11 Stress payment

When **we** settle a claim for the total **loss** of a **unit**, **we** will also pay the **individual proprietor** $2,000 per **unit** for the stress caused by the **loss**.

The most **we** will pay is up to a maximum of $50,000 in total for all **units** for any **event**.

Where the $50,000 limit occurs, the payment per **unit** will be apportioned evenly between affected **individual proprietors**.

We will pay these costs in addition to the maximum payment stated in 6.1 ‘Maximum amount payable’.

3.12 Sustainability upgrade

This policy is extended to cover the costs **you** incur to upgrade the **building** with **sustainable products** following a **loss** covered by this policy, provided that:
(a) the **building**, or any **unit** within the **building** is **destroyed**, and
(b) 5.1‘Basis of settlement: Reinstatement’ applies to the **building**, and
(c) **you** replace the **building** or **unit**, and
(d) the **sustainable products** are first approved by **us**.

Where the **building** is **destroyed**, the most **we** will pay for any **event** is the costs **you** incur using **sustainable products** for the reinstatement, limited to 5% of the actual cost to replace the **building** or $250,000, whichever is the lesser.

Where one or more **units** are **destroyed**, but the entire **building** is not, the most **we** will pay for any **event** is the costs **you** incur using **sustainable products** for the reinstatement, limited to $5,000 per **unit**, up to a maximum of $250,000.

We will pay these costs in addition to the maximum payment stated in 6.1 ‘Maximum amount payable’.

4. Section 1 – Exclusions

4.1 Causes of loss not covered

This policy does not cover **loss** connected in any way with:
(a) structural additions or structural alterations to the **buildings**, unless:
  (i) **we** have been notified of the additions or alterations beforehand and **we** have agreed in writing to cover this, or
  (ii) cover is provided under 3.9 ‘New building work’, or
(b) water in any form (including hail and snow) entering the **buildings** because any roofing material, exterior cladding, window or door has been removed by **you** or any other person who is acting on **your** authority, or
(c) interruption of the supply of water, gas, electricity, or any other fuel to the situation, or
(d) insects, rodents or vermin (other than possums), or
(e) an animal(s) owned by anyone living in a **unit**, if that **unit** is occupied by a tenant, or
(f) hydrostatic pressure to swimming pools and spa pools, unless the **loss** is as a result of earthquake, storm or flood.

However, exclusions (c), (d) and (e) only apply to the property directly affected. They do not apply to resultant sudden and **accidental loss** to other parts of the insured property.

4.2 Types of loss not covered

This policy does not cover for:

(a) repairing or replacing floor coverings, drapes or light fittings that are not in the room(s) where the **loss** occurred, or

(b) repairing or replacing undamaged parts of a bathroom suite or kitchen suite that have not suffered the **loss**, or

(c) **loss** to fuses, protective devices or lighting or heating elements caused by electricity.

4.3 Costs not covered

This policy does not cover **loss**, cost or expense arising from any fault, defect, error or omission in:

(i) design, plan or specification, or

(ii) workmanship, construction or materials.

However, this exclusion applies only to the property directly affected. It does not apply to resultant sudden and **accidental loss** to other parts of the insured property.

4.4 Gradual damage

This policy does not cover:

(a) wear and tear, depreciation, corrosion or rust, or

(b) rot or mildew, or

(c) gradual deterioration, except for **loss** covered under 3.4 'Hidden gradual damage'.

4.5 Natural disaster damage

This policy does not cover **loss** to the insured property connected in any way with **natural disaster** unless cover is provided under 3.8 'Natural disaster'.

4.6 Intentional damage

This policy does not cover **loss** that is intentionally caused by:

(a) a tenant, or

(b) a guest, or

(c) any person who occupies **your units**,

except where the **loss** is:

(i) a result of fire or explosion, provided the fire or explosion was not intentionally caused by **you** or anyone else covered under this policy, or

(ii) covered by 3.7 'Methamphetamine contamination'.

4.7 Damage to machinery

This policy does not cover any mechanical or electrical breakdown, derangement or failure of any **machine**.

This exclusion does not apply to:

(a) any damage originating completely outside the **machine** that then results in the mechanical or electrical breakdown, derangement or failure of the **machine**. However, this proviso does not apply to damage originating from any:
  - (i) error in: setting, programming or operating the **machine**, or
  - (ii) object (including part of the **machine**) being drawn into the **machine**, or
  - (iii) failure to service or maintain the **machine** correctly, and

(b) **accidental loss**:
  - (i) caused by fire or explosion to other separately identifiable parts of the **machine**, or
  - (ii) to other **landlord's contents** or **buildings**,

that occurs as a result of mechanical or electrical breakdown, derangement or failure of the **machine**.

Important: Please also read 10. 'General exclusions'.

5. Section 1 – Basis of settlement

5.1 Basis of settlement: Reinstatement

Where the **schedule** shows the **building** is covered for reinstatement, **we** will indemnify **you** as follows:

(a) where the **building** is **destroyed**: pay **you** the cost **you** incur to replace the **building** to a condition substantially the same as its condition when new, or

(b) where the **building** is physically damaged but not **destroyed**: pay **you** the cost **you** incur to repair the **loss** to the damaged part of the **building** to a standard that is reasonably equivalent to its condition and relative quality when new, but without necessarily reproducing it exactly.

For settlement of 'Common property' and 'Landlord's contents', please refer to Automatic policy extensions 3.2 'Common property' and 3.5 'Landlord's contents'.

Circumstances where reinstatement does not apply

5.2 'Basis of settlement: Indemnity' will apply in the following circumstances, regardless of any basis of settlement shown in the **schedule** to the contrary:

(a) if **you** do not repair or replace the **loss** to the **building**, or

(b) repair or replacement of the **loss** to the **building** is not started within a reasonable period of time, or

(c) until the actual costs of repair or replacement of the **loss** to the **building** are incurred, or

(d) if the **building** is awaiting demolition or disposal at the time of the **loss**, or

(e) either of the following apply:

  (i) repair or replacement of the damaged or **destroyed building** is not permissible under any **regulations**, or

  (ii) repair or replacement of the damaged or **destroyed building** is not permissible because of the **undamaged** portion of the property.

5.2 Basis of settlement: Indemnity

Where the **schedule** shows the **building** is covered for indemnity, or in any of the circumstances listed in 'Circumstances where reinstatement does not apply' above, **we** will indemnify **you** using whichever of the following options **we** choose:

(a) where the **building** is **destroyed**: pay **you** the cost to replace the **building** with property of a similar condition, age and specification, as it was in, immediately prior to the **loss**, or

(b) where the **building** is physically damaged but not **destroyed**: pay **you** the cost to repair the **loss** to the damaged part of the **building**, as nearly as possible, to the condition it was in immediately prior to the **loss**, or

(c) pay **you** an amount equal to the indemnity value of the damaged part of the **building**.

For settlement of 'Common property' and 'Landlord's contents', please refer to Automatic policy extensions 3.2 'Common property' and 3.5 'Landlord's contents'.

5.3 Additional costs

Where the **building** has suffered a **loss** covered by this policy, then the following costs are also covered. These costs are included in, and not in addition to the amount referred to in 6.1 'Maximum amount payable'.

Costs of compliance

Necessary and reasonable costs incurred in complying with **regulations** in order to repair or replace **loss** to the damaged or **destroyed** part of the **building**, except costs incurred:

(a) for work that **you** have already been ordered to carry out, or

(b) solely for the purpose of seismically strengthening the **building** to a performance level greater than its performance level before the **loss**.
We will repair **your building** to the same structural performance level it had before the **loss**.

(c) in connection with **undamaged building**, or **undamaged** parts of the **building**. This applies even if the **undamaged building** comprises a separate **building** or structure.

Demolition costs

Necessary and reasonable costs incurred to:

(a) demolish or dismantle the **building**, and/or

(b) temporarily shore or prop the **building**, and/or

(c) remove debris from the situation shown in the **schedule** (including any kind of solid, liquid or gas), and/or
(d) clear, clean and repair gutters, drains and the like, and/or
(e) recover, defend, safeguard, remove, temporarily store, and return **landlord's contents** and common property whether damaged or **undamaged**, and/or
(f) temporarily repair and secure the **building** to make it comply with safety rules and **regulations** suitable for continued use,

provided that the costs arise from a **loss** covered by this policy.

Where any costs are in connection with the removal of asbestos, the maximum **we** will pay for any **event** is:

(i) 5% of the sum insured of the **building** shown in the **schedule**, or
(ii) $25,000,

whichever is the lesser.

Fees and other costs

(a) Necessary and reasonable costs incurred for:
   (i) architect's, engineer's, surveyor's, building consultant's fees, and/or
   (ii) consents and associated legal fees, and/or
   (iii) training consultants and IT technicians,

   to repair or replace the damaged or **destroyed building** following a **loss** covered by this policy.
(b) Necessary and reasonable costs incurred for restoring or reconstructing any part of the garden or lawn within the boundary of the **building(s)**, that is damaged while, or as a result of the **building** being repaired or rebuilt. The most **we** will pay for any **event** is $2,500.

Claims preparation costs

Necessary and reasonable costs incurred to assess or prepare a claim following a **loss** covered by this policy. This policy does not include cover for any costs incurred to investigate or negotiate a claim made under this policy.

The most **we** will pay for any **event** is $25,000.

5.4 Location of replacement

Where **we** pay to replace a damaged or **destroyed building**, **you** may choose to replace at:

(a) the situation shown in the **schedule**, or
(b) any alternative site that **you** provide in New Zealand.

Where **you** choose to use an alternative site, **we** will not pay more than the cost to replace the damaged or **destroyed building** at the situation shown in the **schedule** in accordance with the terms of this policy.

5.5 Method of repair or replacement

We will pay the reasonable cost to repair or replace the **building** based on current industry accepted building materials and construction methods.

6. What we will pay

6.1 Maximum amount payable

(a) The most **we** will pay for any **event** for a **building** (or group of **buildings**) at a specified situation shown in the **schedule** is the corresponding sum insured noted in the **schedule** for that **building** (or group of **buildings**), and
(b) The most **we** will pay for all insured property for any **event** is the total sum insured shown in the **schedule**.

This clause 6.1 is subject to clauses 6.2 'Reinstatement of the sum insured once repaired' and 6.3 'Sum insured adjustment on renewal for unrepaired buildings'.

6.2 Reinstatement of the sum insured once repaired

Following a **loss** for which a claim is payable under this policy, the sum insured for the **building** that suffered the **loss** is reduced by the amount of the **loss**. The amount reduced will only be added back to the sum insured once the repair or replacement of the **building** that suffered the **loss** has been completed.

If the building is covered by a contract works policy while it is undergoing repair, the amount reduced will only be added back to the sum insured once the entire construction has been completed.

The sum insured will not reinstate following any claim for damage caused by **natural disaster** unless **we** have agreed to the reinstatement in writing.
We may ask **you** to pay an additional premium for any reinstatement of the sum insured.

6.3 Sum insured adjustment on renewal for unrepaired buildings

When a **building** that has suffered **loss** in any previous **annual period** has not been repaired or replaced at the start of the current **annual period**, the sum insured for this **annual period** will be:
(a) the sum insured as shown in the **schedule** for that **building**, less
(b) the estimated cost of remedying the existing unrepaired or unreplaced **loss**.
The sum insured will only be reinstated to its pre **loss** level as outlined under 6.2 'Reinstatement of the sum insured once repaired'.

6.4 Sub limits

If any sub limit in this policy wording is higher than the maximum amount payable for the applicable insured property as shown in the **schedule**, the sub limit does not apply and the most **we** will pay is the amount shown in the **schedule**.

6.5 Excess

The **excess** shown in the **schedule** will be deducted from the amount of **your** claim for each **event**. However, where a series of **events** arising from one original source or one original cause occurs over a period of more than 72 consecutive hours, one **excess** will be deducted for every 72 consecutive hour period. This does not apply to:
(a) **loss** covered under 3.4 'Hidden gradual damage' as only one **excess** will be deducted for each **event**, and
(b) **contamination damage** covered under 3.7 'Methamphetamine contamination' as the **excess** provisions set out in that extension will apply.
Where an **event** occurs that results in a claim under more than one extension (or sub-section of an extension) of this policy, only one **excess** will apply, being the highest applicable **excess**.

7. Section 2 – Liability cover

7.1 What you are covered for

We will pay for **your** legal liability for:
(a) **accidental loss** to anyone else's property, or
(b) **bodily injury** to anyone else,
occurring during the **period of insurance** in New Zealand caused by an **event** in connection with **your** ownership of the **landlord's contents** and/or **buildings** and/or their grounds.
We will also pay for all **defence costs** necessarily and reasonably incurred by **you** to defend any civil legal action that if proven, would be covered by this policy.

8. Section 2 – Exclusions

8.1 What you are not covered for

This policy does not cover:
(a) liability connected in any way with:
  (i) **loss** to property belonging to **you** or that is in **your** possession or control, or
  (ii) **bodily injury** to **you** or any person **you** have a business relationship with, or
  (iii) any business (other than renting the **unit** as a residence), trade, profession or sponsorship, or
  (iv) any contract or agreement, unless **you** would have been liable even without a contract or agreement, or
  (v) the ownership, possession or use of any **motor vehicle** (other than any domestic garden appliance), trailer, caravan, watercraft, aircraft or other aerial device, or
  (vi) any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during **the period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**, or
  (vii) asbestos.
(b) punitive or exemplary damages or fines.

Important: Please also read 10. 'General exclusions'.

9. Section 2 – Basis of settlement

9.1	**Maximum amount payable**	The most **we** will pay for **your** legal liability is $1,000,000 for each **event**. **Defence costs** covered by this policy will be paid in addition to the liability limit. The amounts payable under this clause 9.1 are payable in addition to the maximum payment stated in 6.1 'Maximum amount payable'.
9.2	**Excess**	For each **event**, the **excess** will be deducted.

10. General exclusions

The following exclusions apply to all parts of this policy.

10.1	**Building defects**	This policy does not cover any loss, damage, cost, expense, prosecution or liability, of any type connected in any way with a building or structure being affected by: (a) moisture or water build-up or the penetration of external moisture or water, or (b) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms, that is caused directly or indirectly by: (i) non-compliance with the New Zealand Building Code, or (ii) faulty design or faulty specification, including, but not limited to, faulty sequence, procedure or programme, or (iii) faulty materials, or (iv) faulty workmanship, when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained. This exclusion does not apply to 3.4 'Hidden gradual damage'.
10.2	**Confiscation**	This policy does not cover any loss, damage, cost, expense, prosecution or liability connected in any way with confiscation, nationalisation, requisition, acquisition, or destruction of or damage to property by order of government, public or local authority or under any statute or regulation, unless such order is required to prevent or control **loss** that would otherwise have been covered by this policy.
10.3	**Consequential loss**	This policy does not cover any kind of consequential loss other than as specifically provided for under 3.1 'Alternative accommodation' and 3.6 'Loss of rent'. *For example, this policy does not cover financial loss that occurs as a result of physical loss or physical damage that is covered by the policy.*
10.4	**Electronic data and programs**	This policy does not cover any loss, damage, cost, expense, prosecution or liability connected in any way with **electronic data** arising from any cause whatsoever including, but not limited to, a **computer virus**. This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**. However, this exclusion does not apply to physical damage to other insured property that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.
10.5	**Infectious diseases**	This policy does not cover any loss, damage, cost, expense, prosecution or liability in connection with any infectious disease notifiable under the Health Act 1956 or disease or organism notifiable under the Biosecurity Act 1993.
10.6	**Intentional or reckless acts**	This policy does not cover any loss, damage, cost, expense, prosecution or liability arising from any intentional or reckless act or omission by **you** or anyone else covered by this policy.

10.7 Nuclear

This policy does not cover any loss, damage, cost, expense, prosecution or liability of any type in connection with:
(a) ionising radiation or contamination by radioactivity from:
  (i) any nuclear fuel, or
  (ii) any nuclear waste from the combustion or fission of nuclear fuel.
(b) nuclear weapons material.

10.8 Sanctions

We will not pay any claim when the payment would contravene:
(a) any sanction, prohibition, or restriction under United Nations resolutions, or
(b) the trade or economic sanctions, laws or regulations of New Zealand, Australia, United Kingdom, the United States of America or the European Union.

10.9 Subsidence

This policy does not cover any loss, damage, cost, expense, prosecution or liability connected in any way with:
(a) subsidence or erosion, or
(b) settling, warping or cracking caused by earth or other movements. This exclusion (b) does not apply to **loss** covered by 3.8 'Natural disaster'.

10.10 Terrorism

This policy does not cover any loss, damage, cost, expense, prosecution, death or liability 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**.

10.11 Unlawful substances

This policy does not cover any loss, damage, cost, expense, prosecution or liability in connection with the presence of any 'controlled drug' as defined in the Misuse of Drugs Act 1975, in any **unit** or at the **building**.
This exclusion does not apply to:
(a) cover under 3.7 'Methamphetamine contamination', 3.1 'Alternative accommodation', or 3.6 'Loss of rent', or
(b) **loss** caused by **accidental** spread of fire or explosion, or
(c) liability as a residential landlord caused by, through or in connection with an **individual proprietor's** ownership of the **unit** and/or **landlord's contents**, provided:
  (i) the **individual proprietor**, or the person who manages the tenancy on their behalf, has fully met the **landlord's obligations**, and
  (ii) the **individual proprietor**, or the person who manages the tenancy on their behalf, has tested for the presence of **methamphetamine** before and after each tenancy of the **unit**, such testing having been completed in accordance with the New Zealand Standard NZS 8510 or by an operator approved by **us**, and such testing confirmed that **methamphetamine** contamination at the **unit** does not exceed the **contamination level**.

10.12 War

This policy does not cover any loss, damage, cost, expense, prosecution, death or liability of any type in connection with any of the following, including 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.

11. Claims conditions

Your obligations

11.1 Advise us

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

11.2 Minimise the loss

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

11.3 Notify the police

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

11.4 Provide full information

When making 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.

11.5 Be honest

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 this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

11.6 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.

11.7 Obtain our agreement

You must obtain **our** agreement before:

(a) incurring any expenses in connection with any claim under this policy, or

(b) negotiating, paying, settling, admitting or denying any claim against **you**, or

(c) doing anything that may prejudice **our** rights of recovery.

Managing your claim

11.8 Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery **we** will include **your excess**, and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your excess** first.

You must fully co-operate with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

11.9 Recoveries

If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to **us** if **we** request it.

We have the right to keep any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.

11.10 Reparation

If any person is ordered to make reparation to **you** for **loss** to any property that **we** have paid a claim under this policy for, then **you** must tell **us**. Any payments received must first reimburse **our** claims payment up to the amount of any reparation received.

11.11 Defence of liability claims

After **you** have made a claim, **we** have the sole right to act in **your** name and on **your** behalf to defend, negotiate or settle the claim 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**.

11.12 Discharge of liability claims

We may elect at any time to pay **you**:

(a) the maximum amount payable under the policy, or

(b) any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (plus any **defence costs** already incurred) **our** responsibility to **yo**u under the policy is met in full.

12. General conditions

How we administer this policy

12.1 Assignment

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

12.2 Cancellation

By you
You may cancel this policy at any time by giving **us**, or **your** broker notice in writing or by electronic means. 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 expired portion of the **period of insurance**.

By us
We may cancel this policy by giving notice in writing or by electronic means to **you** or **your** broker and every mortgagee of which **we** have notice, at **your** or their last known address.
The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**.

12.3 Change of terms

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

12.4 Currency

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

12.5 Goods and services tax

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.

12.6 Interests of other parties

If **we** are advised of any party having a financial interest over **your unit** or **building**, **we** may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of **our** obligations to **you** under this policy.
You consent to **us** transferring **your** relevant personal information to that party.
Any party, who is recorded as having a financial interest under this policy, is not covered by this policy and does not have rights to claim under this policy.

12.7 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.

12.8 Premium payment options

If **you** choose to pay the premium monthly or quarterly, 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 shown in the **schedule**.
The policy will be renewed for further monthly and quarterly periods of insurance (as indicated in the **schedule**) by payment of each monthly or quarterly premium due under the deduction authority.

12.9 Separate insurance

Where the 'Insured' consists of more than one legal entity the word 'Insured' shall apply to each as if a separate policy had been issued to each. However, this does not increase the amount of cover available under this policy.

Laws and Acts that govern this policy

12.10 Disputes about this policy

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

12.11 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.

Your obligations

12.12 Comply with the policy

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

If:

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

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

(i) decline the 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.

12.13 True statements and answers

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

(a) applying for this insurance, and/or
(b) notifying **us** regarding any change in circumstances, and/or
(c) making any claim under this policy, and communicating with **us** or providing any further information regarding the claim.

12.14 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.

12.15 Change in circumstances

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

(a) increase in the risk insured, and/or
(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:

(i) declare this policy unenforceable, and/or
(ii) 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, or
(ii) setting the terms of your insurance,

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

12.16 Proprietor and mortgagee details

You must inform **us** and keep **us** informed in writing, of the name and address of every **individual proprietor** and every mortgagee of each **unit**.

13. Definitions

The definitions apply to the plural and any derivatives of the bolded words.

For example, the definition of 'accident' also applies to the words 'accidents', 'accidental' and 'accidentally'.

accident

Unexpected and unintended by **you**.

act of terrorism

Any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division therefore, 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 that:

(a) involves violence against one or more persons, or
(b) involves damage to property, or
(c) endangers life other than that of the person committing the action, or
(d) creates a risk to health or safety of the public or a section of the public, or
(e) is designed to interfere with or disrupt an electronic system.

annual period

The **period of insurance**. However, if

(a) **you** pay **the** premium monthly or quarterly, or
(b) the **period of insurance** is for more than 12 months,

the annual period is the current 12month 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.

bodily injury

The **accidental** death of, or the **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

building

All the **units** and common areas, at the situation shown in the **schedule** including, but not limited to, any:

(a) garage, carport, domestic glasshouse or domestic outbuilding within the residential boundaries of the property on which the building is situated, and
(b) wall (including garden and retaining walls), deck, gate, or fence within the residential boundaries of the property on which the building is situated, and
(c) driveway or bridge, which is of permanent construction and provides sole and immediate access to the building or any **unit**, and
(d) patio, path, paving, tennis court or other permanent domestic structure, and
(e) fitted floor coverings (including glued, smooth edge or tacked carpet and floating floors), and
(f) kitchen stove and hob, range hood and any other permanently wired or plumbed building appliance, and
(g) water tank, septic tank, heating oil tank, or swimming pool of permanent construction, and
(h) spa pool if permanently plumbed,

that **you** own and that is at the situation shown in the **schedule**.

It also includes: underground service or overhead electricity line, telephone or data cable at the situation shown in the **schedule**.

It does not include any:

(i) part of the building that is used for business or commercial purposes, unless it is used as a home office or as a rental property, or
(ii) part of the building that is used for farming purposes (whether commercial or not), or
(iii) structure or property not at the situation shown in the **schedule**, or
(iv) temporary structure, or
(v) fixtures or fittings that are not permanently attached, or
(vi) loose floor covering including mats, rugs or runners, or
(vii) portable aerials or portable satellite dishes, or
(viii) portable swimming pool or portable spa pool, or

	(ix) tree, shrub or hedge, or (x) wharf, pier, landing or jetty, or (xi) land or earth or fill.
computer virus	A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes, but is not limited to, 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.
contamination claim	**Contamination damage** arising out of or attributable to an **event** or multiple **events** regardless of the number of acts, persons, tenancies, occupancies or incidents involved.
contamination damage	**Loss** caused by **methamphetamine** contamination that exceeds the **contamination level**.
contamination level	The relevant guideline value for indoor surface contamination as set out in the most recent version of the New Zealand Standard NZS 8510.
defence costs	Legal costs and expenses 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 anytime spent in assisting **us** or **our** appointed solicitors with the conduct of any claim.
destroyed	So physically damaged by an insured **loss** that the property, by reason only of that **loss**, cannot be repaired or the cost of repair is uneconomic.
electronic data	Facts, concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
EQC Act	Earthquake Commission Act 1993 and any Act in substitution of that Act.
event	Any one event or series of events arising from one source or original cause.
excess	This is the amount of **your** claim that **you** must pay. The amount of the excess is shown in either the **schedule** or in this policy wording.
hidden gradual damage	Hidden rot, hidden mildew or hidden gradual deterioration, caused by water that leaks, overflows or is discharged from any internal: (a) tank that is plumbed into the water reticulation system of the **building** and is permanently used to store water, or (b) water pipe, or (c) waste disposal pipe, installed at the **building**.
immediately preceded by	The **event** occurring immediately in sequence prior to the **loss**. *If there is a chain of events, this will be the last event occurring immediately prior to the loss.*
individual proprietor	The person or persons registered as the proprietors of a **unit**.
landlord's contents	Any of the following: (a) fixture or fitting including drapes and light fittings, and (b) household goods such as washing machines, dryers, refrigerators, freezers, dishwashers and heaters, and (c) loose floor covering including mats, rugs or runners, and (d) domestic garden appliances (including their parts and accessories), that are owned by or hired to **you** (provided **you** are legally liable under the hire agreement), and provided by **you** for use by a tenant. It does not include any: (i) personal effects, or (ii) livestock, domestic pet or other creature, or

(iii) fitted floor coverings (including glued, smooth edged or tacked carpet and floating floors), or
(iv) watercraft or outboard motor and their parts or accessories that are in them or attached to them, or
(v) **motor vehicle**, trailer or caravan and their parts or accessories that are in them or attached to them, or
(vi) aircraft or other aerial device and their parts or accessories that are in them or attached to them.

landlord obligations

If the **unit** is tenanted, the **individual proprietor** or the person who manages the tenancy on their behalf, must:

(a) exercise reasonable care in the selection of tenant(s) by at least obtaining satisfactory identification and written or verbal references for each adult tenant and when a reasonable landlord would consider it appropriate also check their credit and Tenancy Tribunal history, and
(b) inspect vacant **building(s)** or **units** on a monthly basis, and
(c) keep written records of the pre-tenancy checks conducted for each adult tenant, and provide to **us** a copy of these if **we** request it, and
(d) complete an internal and external inspection of the **unit** at a minimum of 3-monthly intervals and upon every change of tenants, and
(e) keep photographs and a written record of the outcome of each inspection, and provide to **us** a copy of these if **we** request it, and
(f) make application to the Tenancy Tribunal for vacant possession in accordance with the provisions of the Residential Tenancies Act 1986 if:
    (i) the **individual proprietor** becomes aware of any illegal activity by the occupant(s) at the **unit**, or
    (ii) intentional damage to the **unit** is caused by one of its occupant(s).

Important: Please refer to 10.11 'Unlawful substances' policy exclusion for an additional obligation (point (c) (ii)) in order to be covered for methamphetamine contamination related liability as a landlord.

loss

Physical loss or physical damage.

machine

Any device that:
(a) converts and directs motion or energy, and/or
(b) performs any electronic process,
including any protective component connected with that device.

methamphetamine

The Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975 or any precursor chemicals or by-products for either.

motor vehicle

Any type of machine on wheels, or caterpillar tracks, that is made or intended to be propelled by its own power, as well as anything towed by the machine.

natural disaster

An earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or natural disaster fire, as defined in the **EQC Act**.

period of insurance

The period shown in the **schedule**, that specifies the start and end dates of this insurance contract.

pre 1935 building risk

Where any **building** or part of the **building** is originally constructed prior to 1935.

present value

The estimated reasonable cost to replace the item with an item in New Zealand that is of equivalent age, quality and capability, and is in the same general condition.

region

The areas of land in the named Regions and Districts, as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.

regulations

Building regulations or other regulations that are:
(a) made under, or
(b) framed pursuant to,
any Act of Parliament or any local authority regulation or by-law.

remediate	To reduce the level of **methamphetamine** contamination to below the **contamination level**. *This means that we will not pay to remove all traces of methamphetamine contamination and will not restore the building to its condition when it was new.*
schedule	The latest version of the schedule that **we** issued to **you** for this policy.
sustainable products	Sustainable products are: (a) products that increase the efficiency of the **building** relating to the use of energy and/or water, (b) rebuilding materials that reduce environmental impacts. Sustainable products do not include the following: (i) fire protection devices or systems, (ii) security devices or systems, (iii) natural hazard protection. *Examples of sustainable products include the following:* • *double glazing,* • *solar water heating systems,* • *environmentally friendly timber,* • *environmentally friendly paints and/or carpets,* • *rainwater collection tanks and/or water efficient interior plumbing,* • *natural lighting and/or ventilation,* • *'Best Practice' insulation (as recommended by Standards New Zealand),* • *Energy Star-rated electrical equipment and/or interior lighting systems,* • *Energy Star-qualified roof materials,* • *facilities to encourage the use of alternative transport (e.g. bicycle storage),* • *wind turbines.*
undamaged	Not directly or physically damaged by an **event** that would be covered by this policy.
unit	Each self-contained part of the **building** designated for separate residential occupancy.
we	NZI, a business division of IAG New Zealand Limited.
you	The person(s) shown as 'Insured' in the **schedule**. Where 'Insured' in the **schedule** is shown as a body corporate, then 'you' refers to the body corporate and each **individual proprietor** of that body corporate, for their respective rights and interests.

Form no: NZ5072/5 08/18 **Wording no:** RBD0818 **Issued:** August 2018

backed by iag

Communicable Disease Exclusion: Broadform Liability

Policy endorsement

Your policy is amended as follows:

You are not insured for 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.

Broadform Liability

Policy wording

Business Insurance for
a growing New Zealand

Welcome to NZI.

Thanks for selecting us as your insurer. This is your Broadform 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.

Contents

Introduction	3
Section 1 – Insurance agreement	3
Section 2 – What you are insured for	3
Section 3 – Automatic policy extensions	4
Section 4 – Optional extension	8
Section 5 – Exclusions	8
Section 6 – Basis of settlement	11
Section 7 – General conditions	11
Section 8 – Managing your claim	13
Section 9 – Definitions	15

Introduction

Welcome

Welcome to NZI. Thank you for selecting **us** as **your** insurer.

About this policy

Your Broadform 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 9 – '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 *italics*, 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.

Section 2 – What you are insured for

2.1 Public and product liability

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance**, caused by an **event** in connection with the **business**.

2.2 Defence costs

You are insured for all **defence costs** necessarily and reasonably incurred by **you** to defend any civil legal action that if proven, would be covered by this policy.

We will meet these costs even if the legal action seems groundless.

Section 3 – Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated. Some clauses have specified sub-limits and excesses and these will apply unless specifically stated otherwise in the **schedule**. All sub-limits are included in and are not in addition to the **sum insured**.

3.1 Advertising liability

You are insured for all sums that **you** become legally liable to pay for **advertising liability** that happens during the **period of insurance** caused by an **event** in connection with the **business**.

You are not insured for **advertising liability** in connection with:

(a) an **event** that arose with **your** knowledge that it was illegal or false,

(b) a breach of contract, other than misappropriation of an idea, concept or design contrary to an implied contract,

(c) incorrect description of **products**, goods or services,

(d) a mistake in the advertised price of **products**, goods or services,

(e) an alleged failure of the **products**, goods or services to conform with advertised performance, quality, fitness or durability.

No cover is provided for any **advertising liability** where **your business** is that of advertising, broadcasting, publishing or telecasting.

Exclusion 5.6 – 'Defamation' does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $1,000,000. An excess of $1,000 applies for each **event** under this Extension.

3.2 Business advice or service

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in connection with:

(a) advice, service, errors or omissions by **you** in connection with **your business**, provided that the advice or service is not charged for,

(b) the rendering of or failure to render medical assistance by a person engaged or employed by **you** to provide first aid or other medical services at **your** premises.

Exclusion 5.4 – 'Business advice/error or omission' does not apply to this Extension.

3.3 Business travel to a non-territorial country

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in a **non-territorial country**, provided that **you** are temporarily visiting and not normally resident in the **non-territorial country** and that **your** legal liability arises in connection with travel related to, or in, the **non-territorial country** for the purposes of **your business**.

No cover is provided under this Extension:

(a) if **you** have a place of business in that **non-territorial country**, or if **you** are represented by any parent or subsidiary company or joint venture in that **non-territorial country**.

(b) for liability in connection with any work performed in connection with the manufacture, assembly, **repair**, servicing, maintenance, amendment, alteration or enhancement of any product or property.

(c) for liability in connection with the ownership, possession, control, maintenance or use of any **vehicle** or **watercraft**.

In respect of all **events** and claims for **injury** and/or **damage** to property occurring in the United States of America or Canada, (including those territories to which the legal jurisdiction of the United States of America or Canada applies), the **sum insured** specified in the **schedule** shall apply in the aggregate during the **annual period** and notwithstanding Section 6.1 B – 'Defence costs', cover for **defence costs** is included within the **sum insured** and not in addition to it.

Exclusions 5.13 – 'Legal jurisdiction' and 5.22 – 'Territorial limits' do not apply to this Extension.

3.4 Care, custody or control

You are insured for all sums that **you** become legally liable to pay for **damage** that happens during the **period of insurance** caused by an **event** in connection with **your business,** to property that is in **your** control or possession (and not owned by any person or entity defined under **you**, other than **employees**).

Exclusion 5.19 (b) – 'Property in your care, custody or control' does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $500,000.

An excess of $1,000 applies for each **event** under this Extension.

3.5 Drones

You are insured for all sums that **you** become legally liable to pay for **injury** and/or **damage** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your** use or operation of a **drone** where such use or operation is in connection with **your business**.

Provided that **you**:

(a) do not hold, and are not required to hold, a Civil Aviation Authority Rules Part 102 unmanned aerial operations certificate, and
(b) comply with all Civil Aviation Authority rules and regulations regarding the use of **drones**, and
(c) comply with all central or local government laws or bylaws regarding the use of **drones**.

Exclusion 5.1 (a) – 'Aircraft' does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $1,000,000.

An excess of $1,000 applies to each **event** under this Extension.

3.6 Goods lifted or carried by crane

You are insured for all sums that **you** become legally liable to pay for **damage** to property being lifted, lowered or conveyed by any crane operated by **you**, which happens during the **period of insurance** caused by an **event** in connection with **your business**, provided that **you** are not otherwise insured for **your** liability under any other policy.

However, no cover is provided for liability for:

(a) **damage** in connection with dual or multi-lifts. For the purpose of this Extension a 'dual lift' is where two cranes are used for any one lift, 'multi-lifts' are where more than two cranes are used for any one lift,
(b) **damage** to property being carried under a contract of carriage.

Exclusions 5.8 – 'Faulty workmanship', 5.19 (b) – 'Property in your care, custody or control' and 5.25 (a) – 'Vehicles' do not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $250,000.

An excess of $2,500 applies to each **event** under this Extension.

3.7 Hot works away from your premises

You are insured for all sums **you** become legally liable to pay for **injury** and/or **damage** that happens during the **period of insurance**, caused by an **event** in connection with **your business**, where the **injury** and/or **damage** arises from **your** undertaking **hot work** away from **your** premises.

Provided that:

(a) the area of the **hot work** shall be cleared of combustible material for a safe distance from or beneath the area of **hot work**. A safe distance shall be no less than 10 (ten) metres from where the **hot work** is being carried out. Where such a distance cannot practically be cleared, combustible material will be covered with fireproof blankets or similar protective equipment. Any combustible parts of the premises will be similarly protected, and
(b) hose reels or fire extinguishers of a type and capacity suitable for the combustible material and the premises shall be kept adjacent to the area of **hot work** and be available for immediate use, and
(c) **hot work** equipment will be lit, ignited or switched on for as short a time as possible before use and extinguished immediately after use and never left unattended whilst lit or ignited, and
(d) a thorough examination of the area will be made for any signs of combustion immediately after completing the **hot work** and again an hour after ceasing the **hot work**, and
(e) before applying any heat to metal built into or projecting through walls, floors or ceilings, an examination will be made to ensure that the other end of the metal is cleared of combustible material or such material is covered, and
(f) any site specific **hot work** permit is complied with.

Exclusion 5.11 – 'Hot work away from your premises' does not apply to this Extension.

3.8 Innkeeper's liability

You are insured for all sums that **you** become legally liable to pay under the Innkeepers Act 1962 for **damage** that happens during the **period of insurance** caused by an **event** in connection with **your business**.

Exclusion 5.19 (b) – 'Property in your care, custody or control' does not apply to this Extension.

3.9 Landlord's liability

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance**, caused by an **event** in connection with **your** legal ownership, but not physical occupation, of any premises.

3.10 Lost or stolen keys

You are insured for the costs reasonably and necessarily incurred in altering or replacing locks, and their keys or combinations, if the keys or combinations are lost, stolen or believed on reasonable grounds to have been duplicated without proper authority, during the **period of insurance** ,where the keys or combinations are in **your** possession in connection with **your business**. Provided that **you** do not own, hire, lease or rent the property to which the keys or locks relate.

Exclusion 5.19 (b) – 'Property in your care, custody or control' does not apply to this Extension.

3.11 Product withdrawal costs

You are insured for reasonable costs incurred, where it is necessary for **you** to withdraw or recall **your products**, provided that:

(a) the defect(s) in the **product** which cause the withdrawal or recall, have already given rise to a claim covered by this policy, and

(b) the cover is for the withdrawal or recall of **products** within New Zealand only.

We will pay 80% of the costs incurred for any **event**.

Exclusion 5.18 – 'Product recall' does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $100,000 inclusive of **defence costs**.

An excess of $2,500 applies for each **event** under this Extension.

3.12 Punitive or exemplary damages

You are insured for punitive or exemplary damages **you** are ordered to pay by a New Zealand Court for **injury** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business**.

You are not insured for:

(a) punitive or exemplary damages connected with a dishonest or fraudulent act or omission by **you**, or

(b) any liability arising from trespass to the person, assault, battery, false imprisonment, malicious prosecution, sexual harassment or sexual abuse.

Exclusion 5.9 (b) – 'Fines and exemplary damages' and General condition 7.3 D – 'Reasonable care' do not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $1,000,000.

3.13 Service/Repair – Machinery

You are insured for all sums that **you** become legally liable to pay for **damage** to machinery where the **damage** happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business** and arising out of **your repair** of the machinery.

Provided that the machinery is not owned, hired, leased, or rented by **you.**

Exclusions 5.8 – 'Faulty workmanship', 5.19 (b) – 'Property in your care, custody or control', and 5.20 – 'Reinstatement, repair or replacement of your products' do not apply to this Extension.

The most that **we** will pay under this Extension during the **annual period** is $250,000.

An excess of $2,500 applies for each **event** under this Extension.

3.14 Service/Repair – Vehicle and Watercraft

You are insured for all sums that **you** become legally liable to pay for **injury** and/or **damage**, that happens in New Zealand during the **period of insurance** arising from an **event** in connection with **your business**:

(a) arising from **your repair** of a:

- (i) **vehicle,**
- (ii) **watercraft** not exceeding ten metres in length,
- (iii) an internal combustion engine, accessories or fittings for either (i) or (ii) above,

(b) to a **vehicle** or **watercraft** not exceeding ten metres in length, that is in **your** care, custody or control for the purposes of **repair**, including while it is being driven or operated by **you**.

Provided that the **vehicle** or **watercraft** is not owned, hired, leased, or rented by **you**.

Exclusions 5.8 – 'Faulty workmanship', 5.19 (b) – 'Property in your care, custody or control', 5.20 – 'Reinstatement, repair or replacement of your products' and 5.25 (a) – 'Vehicles' do not apply to this Extension.

The most that **we** will pay for each **event** under this Extension for **damage** to the **vehicle** or **watercraft** being **repaired** is $500,000. This sub-limit does not apply to any resultant damage to other property including other **vehicles** and **watercraft**.

An excess of $1,000 applies for each **event** under this Extension.

3.15 Tenant's liability

You are insured for all sums that **you** become legally liable to pay for **damage** that happens during the **period of insurance** to any premises (including landlord's fixtures and fittings) occupied, but not owned, by **you**.

Exclusion 5.19 (b) – 'Property in your care, custody or control' does not apply to this Extension.

3.16 Underground services

You are insured for all sums that **you** become legally liable to pay for **damage** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business** to any existing:

(a) underground cables,
(b) underground pipes,
(c) other underground facilities.

Provided that prior to commencement of the work that caused the **damage**, **you** have:

(i) inquired with the appropriate authorities or owners to verify the existence of the cables, pipes or other underground facilities, or
(ii) sighted a plan of their location if such a plan exists, or
(iii) utilised a competent third party to confirm their location, and
(iv) taken all reasonable precautions to prevent **damage**.

Exclusion 5.24 – 'Underground services' does not apply to this Extension.

An excess of $2,500 applies to each **event** under this Extension.

3.17 Vehicles / mobile mechanical plant liability

You are insured for all sums that **you** become legally liable to pay for **injury** and/or **damage** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business** arising from:

(a) loading or unloading or bringing to or removal of a load from a **vehicle**,
(b) the use of any **vehicle** while it is operating as mobile mechanical plant or machinery at the time of the **injury** and/or **damage**, but not, while it is being driven as a **vehicle**,
(c) **damage** to a **vehicle** (not belonging to **you** or used by or on **your** behalf) in **your** physical or legal control where such **damage** occurs while the **vehicle** is in a car park owned or operated by **you**,
(d) damage to a bridge, viaduct, culvert, weigh bridge or road beneath the **vehicle**, where the **damage** is caused by vibration or by the weight of the **vehicle** and/or its load, provided that any designated weight restrictions were not exceeded.

Exclusion 5.25 (a) – 'Vehicles' does not apply to this Extension. Exclusion 5.19 (b) – 'Property in your care, custody or control' does not apply to claims under part (c) of this Extension.

3.18 Vibration and removal of support

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand caused by an **event** in connection with **your business** arising from the:

(a) vibration, or
(b) removal of the support, or
(c) weakening of the support, or
(d) interference with the support,

of land, buildings or structures.

Provided that the land, buildings or structures are not owned or occupied by **you**.

Exclusion 5.26 – 'Vibration and removal of support' does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $500,000.

An excess of $5,000 applies for each **event** under this Extension.

Section 4 – Optional extension

This Optional extension only applies if it is shown in the **schedule** and is subject to the policy terms. Cover under the Optional extension is included within the **sum insured** and not additional to it.

4.1 Property being worked on

You are insured for all sums that **you** become legally liable to pay for:

(a) **damage** to property **you** are or have been working on, where the **damage** happens in New Zealand during the **period of insurance** as a result of an **event** in connection with the **business**. Provided that the property is not owned, hired, leased or rented by **you**.

(b) **faulty products** where **your** product has caused **accidental** physical loss or destruction to other tangible property, where the accidental physical loss or destruction happens in New Zealand during the **period of insurance** caused by an **event** in connection with the **business**.

Provided that, **you** are not insured for liability:

(a) in connection with any defect in any design, plan or specification,

(b) in relation to property that is machinery, a **vehicle** or **watercraft**.

For the purposes of this Optional extension:

faulty products means the cost of repairing, correcting, removing, or replacement of the whole or part of **your product** which is faulty, defective, harmful or has failed to perform the function for which it was sold, supplied, manufactured or installed.

Exclusions 5.8 – 'Faulty workmanship', 5.19 (b) – 'Property in your care, custody or control' and 5.20 – 'Reinstatement, repair or replacement of your products' do not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is $100,000.

An excess of $1,000 applies for each **event** under this Extension.

Section 5 – Exclusions

5.1 Aircraft

You are not insured for liability in connection with:

(a) **your** ownership, possession, control, service, **repair**, maintenance, operation, loading, unloading or use of an **aircraft**,

(b) **products** that are knowingly incorporated in any **aircraft** or aerial device.

5.2 Asbestos

You are not insured for liability in connection with asbestos.

5.3 Building defects

You are not insured for liability in connection with a building or structure being affected by:

(a) moisture or water build-up or the penetration of external moisture or water,

(b) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,

(c) the failure of any building or structure:

(i) to comply with, or perform to, the requirements of any building code or standard,

(ii) to meet any standard of performance, quality, fitness or durability,

(iii) to be fit for its intended purpose.

This exclusion does not apply to any claim that is caused by the leakage of internal pipes, internal water systems or internal cisterns.

5.4 Business advice/ error or omission

You are not insured for liability in connection with any error or omission in:

(a) service or advice given by **you**,

(b) medical advice or medical treatment provided by **you**.

5.5 Contractual liability

You are not insured for liability that **you** have agreed to assume under a contract, unless:

(a) **you** would otherwise have been legally liable in the absence of that contract,

(b) **you** have advised **us** of the contract and it is shown in the **schedule** as being accepted,

(c) it is liability assumed by **you** under a warranty of fitness or quality in respect of **your products**, but subject always to Exclusions 5.8 – 'Faulty workmanship' and 5.14 – 'Loss of use',

(d) it is liability assumed by **you** under any lease or hire of real or personal property.

5.6 Defamation

You are not insured for liability in connection with libel or slander, being the publication or utterance of any defamatory or disparaging material.

5.7 Employer's liability

You are not insured for liability in connection with:
(a) **your** capacity or obligations as an employer,
(b) **injury** to an **employee** that arises out of, and in the course of, **your** employment of any person.

5.8 Faulty workmanship

You are not insured for liability for the cost of performing, completing, **repairing**, rectifying, correcting or improving any work undertaken by **you** or on **your** behalf.
This exclusion does not apply to liability for resultant damage to other property.

5.9 Fines and exemplary damages

You are not insured for liability for:
(a) any fine or penalty imposed on **you** (whether under contract or statute),
(b) any punitive or exemplary damages awarded against **you**.

5.10 Genetically modified organisms

You are not insured for liability in connection with genetically modified engineered organisms or material, transgenic seeds or any other products of a similar nature.

5.11 Hot work away from your premises

You are not insured for liability in connection with **hot work** carried out away from **your** own premises.

5.12 Information technology hazards

You are not insured for liability in connection with any of the following:
(a) use of electronic mail systems by **you** (including by **your employees**), including part-time and temporary staff, and others within **your** organisation,
(b) access through **your** network to the world wide web or a public internet site by **you** (including by **your employees**), including part-time and temporary staff, and others within **your** organisation,
(c) access to **your** intranet (meaning internal company information and computer resources) which is made available through the world wide web for **your** customers or others outside **your** organisation,
(d) the operation and maintenance of **your** web site.
For the avoidance of doubt nothing in this exclusion shall be construed to extend coverage to any liability which would not have been covered in the absence of this exclusion.

5.13 Legal jurisdiction

You are not insured for liability in connection with:
(a) any legal action brought in a court or tribunal in a **non-territorial country**,
(b) any legal action brought in a court or tribunal within New Zealand to enforce a judgement handed down in a court or tribunal in a **non-territorial country** whether by way of a reciprocal agreement or otherwise,
(c) any legal action to which the proper law to be applied is that of a **non-territorial country**,
(d) liability under the law of any country, state or territory (outside of New Zealand) that requires such liability to be insured or secured with an insurer or organisation in that country, state or territory.

5.14 Loss of use

You are not insured for liability in connection with the loss of use of tangible property that has not suffered physical loss or physical damage, where that loss of use is caused by:
(a) **your** delay in performing a contract,
(b) the failure of **your products** to meet a level of performance, quality, fitness or durability expressly represented by **you**.

5.15 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.

5.16 Offshore oil or gas platforms

You are not insured for liability in connection with any offshore gas or oil platforms.

5.17 Pollution

You are not insured for liability in connection with pollution.

'Pollution' means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

However, this Exclusion shall not apply if the discharge, dispersal, release or escape of pollutants is caused by a sudden, identifiable and **accidental** occurrence that takes place in its entirety at a specific time and place.

Provided that, the Exclusion stands and there is no cover under this policy for liability in connection with pollution that occurs in the United States of America or Canada, including those territories to which the legal jurisdiction of the United States of America or Canada extends or applies.

5.18 Product recall

You are not insured for liability in connection with the recall, withdrawal, **repair**, inspection, replacement, modification or loss of use of **your products**, or any property that **your products** form a part of, if such **products** or property are withdrawn from the market or from use because of any known or suspected defect in them or because of any Government or statutory ban, order or notice.

5.19 Property in your care, custody or control

You are not insured for liability for **damage** to:

(a) property owned by **you**,

(b) property in **your** control or possession.

5.20 Reinstatement, repair or replacement of your products

You are not insured for liability for **damage** to **your product** arising out of such **product** or any part of such **product**.

5.21 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.

5.22 Territorial limits

There is no cover for liability in connection with:

(a) an **event** that occurs outside the **territorial limits**,

(b) claims made upon **you** outside the **territorial limits**,

(c) claims that arise out of any contract entered into by **you** under the terms of which the work is to be performed outside the **territorial limits**.

However, this Exclusion does not apply to liability in connection with **your products** that have been exported to a **non-territorial country** without **your** knowledge.

5.23 Terrorism

You are not insured for liability in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

5.24 Underground services

You are not insured for liability in connection with any:

(a) underground cables,

(b) underground pipes,

(c) other underground facilities.

5.25 Vehicles

You are not insured for liability in connection with:

(a) **your** ownership, possession, **repair** or use of any **vehicle**,

(b) the use or driving of any **vehicle** when **you**:

- (i) do not hold an appropriate driver's licence or do not comply with the conditions of **your** driver's licence,
- (ii) have a proportion of alcohol in **your** breath or blood that exceeds the legal limit,
- (iii) are under the influence of any other intoxicating substance or drug,
- (iv) fail or refuse to supply a breath or blood sample as required by law,
- (v) fail or refuse to stop, or remain at the scene, following an accident (as required by law),
- (vi) are using the **vehicle** outside the manufacturer's recommended specifications,

(c) the use or driving of any **vehicle** that is in an unsafe condition if:

- (i) the condition of the **vehicle** causes or contributes to, the **injury** and/or **damage**, and
- (ii) **you** were, or ought to have been aware of the unsafe condition of the **vehicle**.

5.26 Vibration and removal of support

You are not insured for liability in connection with:
(a) vibration,
(b) removal of the support,
(c) weakening of the support,
(d) interference with the support,
of land, buildings or structures.

5.27 War

You are not insured for liability 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.

5.28 Watercraft

You are not insured for liability in connection with:
(a) **your** ownership, possession, **repair** or use of any **watercraft** that exceeds ten metres in length,
(b) the operation of any **watercraft**:
    (i) while **you** are under the influence of alcohol or any other intoxicating substance or drug,
    (ii) outside the manufacturer's recommended specifications.

Section 6 – Basis of settlement

6.1 Maximum amount payable

A. Legal liability

The most **we** will pay for **your** legal liability for each **event** is:
(a) the **sum insured** shown in the **schedule**, or
(b) where one or more Extensions apply, the limit for the Extension/s,
whichever is lesser.

However, whenever **your** legal liability arises in connection with **your products**, the most **we** will pay for all **events**, in the aggregate, during the **annual period**, is the **sum insured** shown in the **schedule**.

B. Defence costs

We will pay all **defence costs** covered under Section 2.2 – 'Defence costs' in addition to Section 2.1 – 'Public and product liability'.

6.2 Excess

An excess of $500 applies for each **event**, unless a different amount is shown in an Extension or in the **schedule**.

For avoidance of any doubt, if **you** are entitled to cover under more than one Extension, then **we** will only deduct one excess. That excess will be the highest excess.

Section 7 – General conditions

7.1 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 expired 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 the notice 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 or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.

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 the liability or loss 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 the parties are insured separately (as though a separate policy had been issued to each person/entity). However, this does not increase the amount of cover available under this policy.

7.2 Laws and Acts that govern 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.

7.3 Your obligations

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.

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 the 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, or

(ii) setting the terms of your insurance,

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

Section 8 – Managing your claim

8.1 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 regardless of the anticipated quantum, **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.

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:

(a) give **us** free access to examine and assess the claim, and

(b) send any relevant correspondence or documents to **us**, and

(c) complete a claim form and/or statutory declaration to confirm the claim if **we** request it, and

(d) 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,

(b) negotiate, pay, settle, admit or deny any claim against **you**,

(c) do anything that may prejudice **our** rights of recovery.

8.2 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 decided by 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 this policy.

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 costs and/or expenses in excess of the maximum amount payable, then:

(a) **you** must refund to **us** all amounts in excess of the maximum amount payable,

(b) **we** can offset that payment against what **we** must pay to **you** under this policy.

C. Your Defence

If the lawyer appointed to defend **you** advises that the claim should not be defended, then **we** are not required to defend a claim against **you** unless a second lawyer that **we** and **you** agree to instruct, advises that the claim 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 his or her 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 claim.

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 claim 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:

(i) **you** cannot object to the settlement, and

(ii) **you** must immediately pay the excess shown in the **schedule**.

D. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery. If **we** initiate a recovery **we** will include **your** excess, and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

You must fully co-operate with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

E. Defence of liability claims

After **you** have made a claim under this policy, subject to Section 8.2 C – 'Your defence', **we** have the sole right (which shall be a precedent to **your** right to be covered) to:

(a) act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and

(b) defend or legally represent **you**, and

(c) publish a retraction or apology (in the case of defamation proceedings).

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

F. Discharge of liability claims

We may elect at any time to pay **you**:

(a) the maximum amount payable under the policy,

(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.

G. 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 9 – 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 of terrorism

Any act, or preparation in respect of action, or threat of action designed to influence or coerce 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 that:

(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 disrupt an electronic system.

advertising liability

Means **accidental**:

(a) defamation,

(b) infringement of copyright or passing off of a title or slogan,

(c) unfair competition, or idea, concept or design misappropriation, contrary to an implied contract,

(d) invasion of privacy,
in connection with any advertisement, publicity, article, broadcast, telecast or communication to the public made in connection with advertising activities by **you** or on **your** behalf.

aircraft
Any vessel, craft or thing including a **drone** made or intended to fly or move in or through the atmosphere or space.

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** or on **your** behalf 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** including any change in the activities undertaken by **you** provided that **you** have given **us** prior written notice of such activities and **you** have received confirmation of coverage of those activities from **us**.

damage
Any of the following:
(a) **accidental** physical loss or **accidental** physical damage to any tangible property, including its subsequent loss of use,
(b) **accidental** loss of use of any tangible property that has not suffered physical loss or physical damage provided such loss of use arises out of physical damage to, or destruction or loss of other tangible property.

defence costs
Legal costs and expenses 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 solicitors with the conduct of any claim.

drone
Means a remotely piloted aircraft system (RPAS), Unmanned Aerial Vehicle (UAV), Unmanned Aircraft System (UAS), Remotely Piloted Vehicle (RPV), or model aircraft, and that:
(a) is not used to carry or deliver cargo or equipment of any nature, other than carrying camera, GPS, or audio equipment, and
(b) does not exceed a gross take-off weight of 5kg, and
(c) is operated by **you** from a ground based controller, and
(d) is not powered by an internal combustion engine.

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
Any one event (including continuous or repeated exposure to conditions or liability) or series of events arising from one source or original cause.

hot work
Any work involving;
(a) the application of heat, a naked flame or an open heat source, or work that produces sparks,
(b) the use of gas, welding, arc welding, oxyacetylene welding equipment including cutting with such equipment,
(c) cutting involving the use of rotary disc or grinding equipment, soldering, brazing or use of heat guns.

injury
Any of the following:
(a) the **accidental** death of, or the **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury,
(b) false arrest, false imprisonment, malicious prosecution or malicious humiliation,
(c) wrongful entry or eviction, or any other invasion of the right of private occupancy,
(d) battery or assault, provided that:
  (i) it is not committed by **you**, or
  (ii) it is not committed under **your** direction,
  unless it is committed to prevent or eliminate danger to persons or property.

non-territorial country	Any country that is outside the **territorial limits**.
period of insurance	The period shown in the **schedule**, that specifies the start and end dates of this insurance contract.
products	Anything (after it has ceased to be in **your** possession or under **your** control) manufactured, constructed, erected, assembled, installed, applied, **repaired**, serviced, grown, treated, sold, supplied or distributed by **you**, including any packaging or container (other than a **vehicle**).
repair	Repair, alter, renovate, service or install.
schedule	The latest version of the schedule **we** issue to **you** for this policy.
sum insured	The amount shown in the **schedule**.
territorial limits	New Zealand and any additional countries or territories that are specified in the **schedule**.
vehicle	Any: (a) motor vehicle, (b) machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, (c) anything, other than a watercraft, designed to be towed by either (a) or (b) above and includes its accessories, tools, specialised equipment and spare parts.
watercraft	Any vessel, hovercraft, craft or thing made or intended to float on or in or travel on or through the water.
you	Any person or entity named in the **schedule** as 'Insured'. This includes any of the following: (a) any existing subsidiary company of that entity provided they are incorporated in New Zealand, (b) any other organisation: (i) where the named Insured exercises more than 50% management control, and (ii) over which the named Insured is exercising active management, and (iii) that is incorporated or based in New Zealand, (c) any director, executive officer, **employee** or partner of: (i) that person or entity, or (ii) any entity referred to in (a) and (b) above, but only while acting in that capacity, (d) any office bearer or member of a social or sporting club, welfare organisation or an employee superannuation fund formed with the consent of an entity referred to in (a), (b) or (c), but only in respect of claims arising from duties connected with activities of such club or organisation, (e) any new organisation that the person or entity acquires through consolidation, merger, purchase of the assets, or assumption of control and active management, provided that: (i) the new organisation is acquired during the **period of insurance**, and (ii) the acquisition is notified to **us** within 90 days after it takes effect, and (iii) they are incorporated or based in New Zealand. (f) any principal who is party to a contract with: (i) the person or entity named in the **schedule**, or (ii) any entity referred to in (a) and (b) above, but only for the principal's liability that arises out of that persons or entity's actions under that contract, (g) any contractor or sub-contractor but only while they are engaged and working in New Zealand for and on behalf of the person or entity named in the **schedule** or any entity referred to in (a) and (b) above, provided that they are not otherwise insured. General Condition 7.1 I – 'Separate Insurance (Cross Liability)' does not apply in respect of such contractors or sub-contractors. **We** may also use the word 'Insured' to describe you.
we	NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.

Form no: NZ5060/10 03/18 **Wording no:** BRD 0318 **Issued:** March 2018

backed by iag

Business Insurance for a growing New Zealand

Communicable Disease Exclusion: Statutory Liability

Policy endorsement

Your policy is amended as follows:

You are not insured for any actual or alleged claim, liability, or cost or expense, or investigation, inquiry, prosecution, proceeding, complaint, fine, statutory damages, or reparation:

(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.

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.

Contents

Introduction	1
Section 1 – Insurance agreement	1
Section 2 – What you are insured for	1
Section 3 – Automatic policy extensions	2
Section 4 – Exclusions	3
Section 5 – Basis of settlement	5
Section 6 – General conditions	5
Section 7 – Managing your claim	7
Section 8 – Definitions	9

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 *italics*, 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.

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, **fines**, **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.

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.

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**.

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 **fines**, **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 **fines**, **reparations** or **statutory damages**.

5.2 Excess

The excess shown in the **schedule** will be deducted from the amount **we** pay for **fines**, **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**.

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.

6.2 Laws and acts that govern 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.

6.3 Your obligations

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.

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.

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**.

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**.

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.

Form no: NZ5062/9 03/18 **Wording no:** STL0318 **Issued:** March 2018

backed by iag

Business Insurance for a growing New Zealand