

AMP Farm Plan

Policy Document





Farm Plan Policy Document

Thank you for choosing us to provide you with your insurance cover.

Arranging insurance means you are making a legal contract under which you promise to meet certain obligations and conditions, and in return we promise to provide specified insurance cover.

Please examine this document, including the schedule, to ensure the insurance protection is in accordance with your requirements.

If it does not meet your requirements, or you wish to make changes to the insurance cover, please contact your AMP Adviser, Broker, or phone us toll free on **0508 806 244**.

Contents

Introduction	4
30 Day Money Back Guarantee	4
Privacy Act and the Insurance Claims Register (ICR)	4
Definitions	4
General exclusions	12
General conditions	14
Policy Sections:	
Home	17
Home contents	32
Motor	45
Boat	53
Personal income	57
Farm assets	60
Farming operations interruption	71
Livestock, dogs and horses	75
Machinery breakdown	77
Farmers liability	79
Statutory liability	85
Employers liability	88

Introduction & Definitions

Introduction

We will provide the cover set out in the applicable sections of this policy during the *period of insurance* shown on your *schedule* provided you have paid the *premium* and subject to the policy's terms, limits, conditions and exclusions. Your insurance contract consists of:

1. this policy document; and
2. the personalised *schedule* with details of the cover which applies to you; and
3. the information in the proposal, application or declaration;

whether you have received or provided this information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form.

30-day Money Back Guarantee

If you are not satisfied with the cover provided by the policy you may return the policy within 30 days of receiving it.

If you have not made any claims during that 30 days you will be given a full refund of any *premium* paid.

Privacy Act and the Insurance Claims Register (ICR)

The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to you conditional upon you authorising us to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect.

You also authorise us to obtain from ICR Ltd personal information about you that is (in our view) relevant to this policy or any claim made against it. You have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

Definitions

Definitions explain words frequently used in the policy. Defined words are shown in italics.

Accessories means:

- a. fitted entertainment, communication and navigation systems;
- b. child restraints/seats;
- c. tools and breakdown equipment permanently kept in your vehicle, purchased by you to repair your vehicle;
- d. car seat covers;
- e. first aid kit, torch, fire extinguisher, maps;
- f. other equipment permanently fitted to the vehicle.

Accident, accidental and accidentally means a sudden and unforeseen event not intended or expected by you.

Act means any Act of the New Zealand Parliament in force at the commencement of the *period of insurance* or which comes into force during the *period of insurance* and any substitution of, amendment to, replacement of or statutory regulation made under such Act.

Act of terrorism means an act including but not limited to the use of force or violence and/or the threat of that, including the intention to influence any government or to put in fear the public or any section of the public which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons 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).

Aerial devices include any type of aircraft including drones, hovercraft, spacecraft or other craft or thing made or intended to float on or in or travel through air or space.

Boat means the hull and any fixtures fittings and equipment which is permanently affixed, including sails, masts, spars and rigging, machinery and motors (both inboard and outboard) anchor and warp, fish finder, depth sounder, other navigational aids and marine radios and boat trailers.

Bodily injury means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury to another person.

Buildings means a building described on the *schedule* including permanently attached fixtures, fittings and their accessories; fences, gates, sheep and cattle yards attached to the building; walls (but not retaining walls or hedges) that form part of the building.

Claim (only in respect of the Statutory Liability section) means any threatened or actual legal proceedings, investigation or inquiry regarding an *occurrence* in respect of the *farming operations* of the *entity* and which may give rise to the imposition of *finer* and the incurring of *defence costs*. Any claim arising out of, based upon or attributable to

Definitions (*continued*)

a single *occurrence* (which is an *occurrence* or any related or continuous or repeated *occurrences* committed or alleged to have been committed by *you* individually or jointly and whether directed to or affecting one or more than one person or legal entity) will be considered a single claim for the purposes of this policy.

Claim (only in respect of the Employers Liability section) means any threatened or actual legal proceedings, investigation or inquiry as a result of any *employee* sustaining *personal injury* in New Zealand arising out of or in the course of their employment in the *farming operations* and which may give rise to *damages* and the incurring of *defence costs*. Any claim arising out of, based upon or attributable to a *single personal injury* will be considered a single claim for the purposes of this policy.

Contents means anything in *your* possession or located at the *home*, belonging to *you* or hired by *you* or in *your* custody or control for which *you* are responsible, not being otherwise insured, but does not include:

- a. mechanically propelled vehicles, trailers, caravans or aircraft (except ride-on mowers and other domestic garden appliances, electric wheelchairs and electric mobility aids for the aged or impaired, and remote controlled scale models);
- b. vehicle *accessories* in or on a vehicle;
- c. vehicle keys and/or vehicle remote controls;
- d. entertainment and communications systems that are in or on a vehicle, including any parts that attach to these systems;
- e. navigation systems or radar detectors in or on a vehicle, including any parts that attach to them;
- f. trees, shrubs and plants (other than pot plants);
- g. fixtures, fittings, sculptures, or artwork (and their accessories) permanently attached to the *home* or to land;
- h. contents used in any way for professional or business purposes, except for:
 - i. laptop computers, tablets, mobile or smart phones, or any other similar handheld electronic device that *you* also use for personal use; or
 - ii. the cover provided under Benefit 12 – Property used for Trade, Professional or Business Use and Benefit 21 – Home Office or Healthcare Practice
- i. contents normally housed in an address not named on the *schedule*;
- j. any item of contents that *you* have sold, gifted, or given away, that is no longer in *your* possession, or any item which *you* have taken ownership of or responsibility for, but *you* have not yet taken possession of;
- k. any artificial body parts, surgical implants, or attachments, that are permanently fitted to *you* or to any animal;

- l. any animal;
- m. the *home*.

Continuity date means the date shown on the *schedule*, which is the date from which *you* have maintained uninterrupted cover with *us* or such other date as agreed in writing by *us*.

Dairy Shed means a *building* which has been designed for the purpose of milking livestock. It includes the platform, milking plant, yards, fencing rails, canopies, all services including effluent pumps contained within the structure, wash down equipment, and the vat but only if the vat is owned by *you*. It does not include the *effluent handling system*.

Damage to machinery means physical damage, unintended and unforeseen by *you*, which necessitates repair or replacement of the *machinery* before it can resume normal working.

Damage to property means physical loss of or damage to tangible property owned by someone else including resultant loss of use and/or loss of use of property which has not been physically damaged or destroyed provided such loss of use is caused by an *occurrence*.

Damages means amounts payable in accordance with any judgement against *you* and/or settlements negotiated by *us*, including the other party's costs where applicable and includes interest on any judgement that accrues after entry of the judgement and before *we* have paid, tendered or deposited in court that part of the judgement that does not exceed the appropriate limit of liability, limit of indemnity or *sum insured* shown on the *schedule*.

Damages do not include any fine, penalty or any other form of criminal sanction, enforcement order, reparation order, remedial order or compliance order, non-pecuniary relief, taxes or any payment deemed to be unlawful to insure against.

Death by accident (only in respect of the livestock, dogs and horses) means death caused by external or internal bodily injury caused, independently of any other cause, solely and directly by violent, *accidental*, external and visible means.

Defence costs means all reasonable legal costs and expenses for expert assistance (other than *your* wages, salaries, lost earnings or fees) incurred by *you* or on *your* behalf, with *our* consent, which will not be unreasonably withheld, in defending, investigating, monitoring, settling or appealing any claim made against *you* except where it is alleged that *you* intentionally, knowingly or wilfully committed any act giving rise to an *occurrence*.

Disablement means the complete and continuous inability of the *insured person* directly resulting from *injury* or *illness*, to engage in, perform or attend the *insured person's* usual *occupation* or any other *occupation* for which the *insured person* is or may become qualified or experienced in.

Domestic pets mean any animal that is tamed and kept for pleasure and companionship. It does not include any animal

Definitions (continued)

that is not usually found living in urban households, or one that is kept as a working or sporting animal or that is kept for breeding or for any economic purpose.

Effluent handling system means a structure which has been designed for the containment and processing of effluent. It includes silos, liners, plumbing and similar infrastructure, motors, and stirrers. It excludes any land and earthworks.

Electronic data means any facts, concepts and information converted to a form usable for communication, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

Employee (except in respect of the Employers Liability section) means any:

- a. person under a contract of service or apprenticeship with *you*;
- b. person hired to or borrowed by *you*;
- c. labour only sub-contractor;

while working for *you* in connection with *your farming operations*.

Employee (only in respect of the Employers Liability section) means any person directly employed by *you* in the *farming operations* and from whose remuneration *you* make PAYE tax deductions.

Entity means the insured specified on the *schedule* and all its *subsidiaries*.

Excess means the first amount of any claim that *you* must meet as *you* are not insured for this amount. *We* will deduct it from any amount payable. The amount of the excess or excesses applicable is shown on the *schedule* or in applicable section of this policy.

Farm assets means property covered under the Farm Assets section of the policy.

Farming operations means *your* usual farming activities, other than farm contracting and includes:

- a. exhibitions and competitions at shows and dog trials;
- b. distributing farming materials (except for 1080, 1081 or similar chemicals and any hormone herbicides including phenoxy and growth regulator type herbicides) from aircraft where the aircraft is operated by independent aerial operators on *your* behalf;
- c. the ownership, possession or use of any farming or agricultural equipment (except aircraft or *watercraft*) if it is used only for *your* own *farming operations*;
- d. the sale or supply of farm goods and produce;

e. occasional farm contracting but only to the extent allowed by additional benefits in various sections of this policy;

f. any other business operations declared by *you* and allowed by *us* and shown on the *schedule*.

Fine (only in respect of the Statutory Liability section) means any monetary penalty or fine or costs and disbursements that is payable by the insured as a result of a conviction for an offence under an *Act* arising out of an *occurrence*, except where it has been established that the insured has intentionally, knowingly or wilfully committed the *occurrence*.

Fine does not include the following:

- a. the cost or payment of any enforcement order, remedial order or compliance order;
- b. any tax (including any fine or penalty resulting from the failure to pay any tax), rate, duty or interest on such tax, rate or duty, except Goods and Services Tax, as provided for in this policy;
- c. any damages, restitution, compensation or reparation order (including, but not limited to section 89(3)(b) of the Commerce Act 1986) imposed by a tribunal or court of competent jurisdiction except reparation ordered under the Health and Safety at Work Act 2015 (or any replacement Act) to the extent that such reparation is not deemed by the legislation to be unlawful to insure against;
- d. the value of any property subject to confiscation or forfeiture;
- e. a fine, penalty or infringement fee imposed under the Health and Safety at Work Act 2015 (or any replacement Act);
- f. any other monetary payment, penalty, fine or reparation that legislation has deemed to be unlawful to insure against.

Flood means the inundation of land by water escaping from or released from the normal confines of the sea, any watercourse, reservoir, pond, dam, or lake, as well as the runoff, accumulation, or pooling of water. However, flood does not include inundation of land where it affects only *your* property.

Greenhouse is any building where the exterior cladding is of flexible or rigid plastic material, cloth or glass.

Gross Profit means the amount by which the sum of the *turnover* and the amount of the closing stock exceeds the sum of the amount of the opening stock and the amount of the uninsured working expenses listed in the *schedule*.

Note: The amount of Opening and Closing stock will be arrived at in accordance with *your* normal accountancy methods, due allowance being made for depreciation.

Definitions (continued)

Gross profit will always mean *farming operations* gross profit.

Home means each dwelling, including residential flat or holiday home, which is:

- owned by *you* (for the purpose of the Home section of this policy); and
- owned or occupied by *you* (for the purpose of the Home Contents section of this policy); and
- used for *residential purposes*; and
- located within the *residential boundaries*; and
- at the *situation of risk* shown on the *schedule*.

Home includes the following items which are owned by *you*, used for *residential purposes*, and located within the *residential boundaries* of the *situation of risk*.

- each additional self-contained dwelling unit that is capable of being lived in and is intended by *you* to be, or actually is the home of one or more persons, if *your schedule* specifically indicates that the home includes additional dwelling unit(s);
- separate outbuilding(s) that are not self-contained or capable of being lived in, and garage(s);
- permanent decks;
- *greenhouses* and garden sheds, patios, pergolas, and built-in furniture;
- aerials and satellite dishes that are attached to the home;
- fixed floor coverings (glued, tacked, or smooth-edged);
- coverings fixed to the ceiling or wall;
- curtains, drapes and blinds;
- fixed light fittings and appliances permanently wired or plumbed to a gas, plumbing, or electricity supply;
- letter boxes, exterior blinds and awnings, fixed clotheslines, and built-in barbecues;
- septic tanks, heating oil tanks, service tanks, water tanks, and their fixed pumps and systems;
- permanent spa pools or swimming pools, including their fixtures, covers, pipes, and fixed pumps;
- walls, fences, and gates;
- solar panels;
- gas pipes, fresh-water pipes, underground drainage and sewerage pipes;
- cables and poles associated with electricity, data and telephone services;
- any driveways, paths, patios, bridges, paving, and tennis courts;

- any private roads, lane, right-of-way, access way, or bridge (including associated guttering, drains, piping, cables, and lighting) providing access to a driveway owned by *you* or shared by *you* with other residential property owners, and for which *you* are responsible;
- permanently installed ornamental fish ponds and water features connected to the dwelling's water supply;
- sculptures and artwork, that are permanently affixed to the home and/or land;
- *your* share in any walls (except retaining walls), fences, gates, pipes, cables, or driveways where those things are jointly owned by *you* and other property owners;
- any part of the home used as a home office or health care practice as provided under the Home Contents section Benefit 21 – Home Office or Healthcare Practice, or as provided under the Home section Benefit 7 – Home Office or Healthcare Practice;

but does not include:

- a. *contents*;
- b. temporary structures;
- c. retaining walls, except for the cover provided under Home section Benefit 20 – Retaining Walls;
- d. power generation and power storage equipment, except for the cover provided under Home section Benefit 18 – Power Generation Equipment;
- e. hedges, trees, shrubs, plants, lawns and garden edging except where cover is provided under Home section Benefit 8 – Landscaping;
- f. *landlords furnishings*, unless Home section Optional Additional Benefit – Landlord Extension is shown on the *schedule*;
- g. any boarding house (as defined by the Residential Tenancy Act 1986);
- h. wharves, piers, jetties or the like;
- i. culverts, ponds, dams and slipways;
- j. sea walls, flood walls, and levees;
- k. the adjacent property owner's share in any walls, retaining walls, fences, gates, pipes, cables, or driveways where those things are jointly owned by *you* and other property owners;
- l. the land, earth, or fill.

Horses means horses used in *your farming operations* and domestic horses (including use in occasional pony club events) but excluding horses used in competitive racing and equestrian events or for stud/breeding purposes.

Definitions (continued)

Illness means illness, sickness, disease or debilitating or degenerative condition that is not an *injury*.

In New Zealand means anywhere in New Zealand including within 150 kilometres of New Zealand's coastline but not while on voyages to or from ports and/or places outside New Zealand.

Indemnity period means the period of time immediately following damage to *your* property during which we will cover *you* for *your* loss of *gross profit* caused by such damage interrupting or interfering with *your* normal *farming operations*. This period cannot exceed the indemnity period shown on *your schedule*.

Indemnity value (only in respect of the Home section of this policy) is the amount we deem is needed to compensate *you* for the change in *your* financial position as a result of the *loss*. This is either:

- a. for a *total loss* – the *market value* of the *home* immediately before the *loss* occurred; or
- b. for a *partial loss* –
 - i. the cost of repairing the damaged portion of the *home* to a condition no better or more extensive than it was when new, less an allowance for depreciation, age, and wear and tear; or
 - ii. the reduction in the *market value* as a result of the *loss*; but no more than the *market value* immediately before the *loss* occurred;
- c. for *landlord's furnishings* (where the Optional Additional Benefit – Landlord Extension is shown on the *schedule*) at *our* option:
 - i. the *market value* of the *landlord's furnishings* immediately before the *loss* occurred; or
 - ii. the cost of replacing, repairing or reinstating *landlord's furnishings* to a condition no better or more extensive than when new, less an allowance for depreciation, age, and wear and tear, but no more than the *market value* immediately before the *loss* occurred.

Indemnity value (only in respect of the Home Contents section and Benefit 3 of the Home section of this policy) is the amount we deem is needed to compensate *you* for the change in *your* financial position as a result of the *loss*.

This is either:

- a. for a *total loss* – the *market value* of the *contents* immediately before the *loss* occurred; or
- b. for a *partial loss*:
 - i. the cost of replacing, repairing or reinstating the *contents* to a condition no better or more extensive

than when new, less an allowance for depreciation, age, and wear and tear; or

- ii. the reduction in the *market value* as a result of the *loss*; but no more than the *market value* immediately before the *loss* occurred.

Indemnity value (except in respect of the Home section and Home Contents section) is the amount needed to put *you* back in the same financial position *you* were in immediately before the *loss* occurred. This is either:

- a. the *market value* of the property immediately prior to the loss or damage; or
- b. the cost of replacing, reinstating, rebuilding or repairing the damaged portion of the property to a condition no better or more extensive than it was when new, less an allowance for depreciation and wear and tear.

Injury means external or internal bodily injury caused, independently of any other cause, solely and directly by violent, *accidental*, external and visible means, including exposure to the elements or by inhaling water or gas) or by medical misadventure or treatment injury (as defined in the Accident Compensation Act 2001) and extends to include occupational overuse syndrome.

Insured person (only in respect of the Personal Income section) means the person named as the insured person on the *schedule*.

Insured person (except in respect of the Personal Income section) means any natural person who is:

- a. a former, current or future director, officer or *employee* of the *entity*;
- b. deemed to be a former, current or future director, officer or *employee* of the *entity* by virtue of any applicable legislation;
- c. a former, current or future trustee of a superannuation fund established for the benefit of the *employees* of the *entity*;
- d. a former, current or future partner or *employee* of the partnership insured named on the *schedule*; or
- e. the person or former, current or future *employee* of the person named on the *schedule* when acting in that capacity.

It does not mean any liquidator, external auditor, receiver, official assignee, statutory manager, administrator, including voluntarily appointed administrators, mortgagees in possession or any *employee* of such person.

Irrigator is a machine specifically itemised on the *schedule* used for the dispersal of water and or effluent onto farm land but excluding pumps and fixed reticulation unless these are specifically noted on the *schedule*.

Definitions (continued)

Landlord's furnishings means dishwashers, stoves, refrigerators, washing machines, dryers and built in microwaves not permanently wired into the *home*.

Loss or losses means physical loss or physical damage caused by an *accident*.

Loss of or Loss of use (only in respect of the Personal Income section) means physical severance or permanent total loss of use which is incurable.

Machinery means those items described on the *schedule* under the Machinery Breakdown section including all their integral parts, except those that are normally exchangeable or replaceable.

Market value (only in respect of the Home section of this policy) means:

1. what a registered valuer engaged by *us* determines to be the market value of the *home* excluding land; or
2. what *we* deem to be the value of *landlord's furnishings* (where the Optional Additional Benefit – Landlord Extension is shown on the *schedule* as being included).

Market value (only in respect of the Home Contents section of this policy) means the value of the *contents*.

Market value (except in respect of the Home section and Home Contents section) means the value of the property (at the location the loss occurs) immediately prior to the *loss*.

Natural disaster means earthquake, *natural landslip*, volcanic eruption, hydrothermal activity, tsunami or fire resulting from any of these. It does not include any gradual or slowly moving *natural landslip*.

Natural landslip means the movement (whether by way of falling, sliding or flowing or by a combination of these) of ground-forming materials composed of natural rock, soil, artificial fill or a combination of such materials, which, before movement, formed an integral part of the ground; but does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compaction or erosion.

Occupation means the *insured person's* occupation shown on the *schedule*.

Occurrence (except in respect of the Statutory Liability section) means an event including continuous or repeated exposure to substantially the same general conditions that is not expected or intended by *you*.

Occurrence (only in respect of the Statutory Liability section) means any act or omission that results in, or may result in, an allegation of the commission of an offence under any *Act*.

Other assets means any of the following that are specified on the *schedule* and are owned by *you* or held in trust or on commission and for which *you* are legally responsible.

- a. Machinery, plant and tools including computers and cell phones but excluding motor vehicles, motor cycles, *irrigators*, aircraft, *watercraft*, hovercraft, spacecraft, self propelled or trailered or tractor drawn farm vehicles and their implements.
- b. Animal feed (excluding growing crops).
- c. General stores such as fertilisers, spraying and packing materials and fuels.
- d. Grain and produce (excluding growing crops).
- e. Milk.
- f. Refrigerated goods (excluding goods lost or damaged due to deterioration).
- g. Wells.
- h. Wool.

Other property means dinghy, gear and equipment kept permanently on board the *boat* but which is not permanently affixed, including life jackets, clothing, wet weather gear, flares, tools, bed clothing, foodstuffs, cooking utensils and other similar accessories, but excluding fishing or sporting gear unless specified on the *schedule*.

Partial disablement means the inability to perform a substantial part of the normal duties of the *insured person's* occupation and not engaging in any other occupation.

Period of insurance means the period of insurance shown on the *schedule*.

Personal injury (except in respect of the Employers Liability section) means:

- a. bodily injury, death, disability, disease, *illness*, shock, fright, mental anguish or mental injury; or
- b. the effects of:
 - i. false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, wrongful entry, wrongful prevention of access;
 - ii. assault or battery not committed by or at the direction of *you* unless committed for the purpose of preventing or eliminating danger to any person or property; or
- c. libel, slander, defamation or invasion of privacy.

Personal injury (only in respect of the Employers Liability section) means bodily injury, disability, disease or *illness* including death as a result of any of these, shock, fright, mental anguish or mental injury but does not include personal injury:

- a. sustained by an *employee* before the *retroactive date* shown on the *schedule*; or
- b. caused by or arising out of sexual harassment or sexual abuse.

Definitions (continued)

For the purposes of the Employers Liability section personal injury will be sustained when the *employee* is first exposed to conditions in New Zealand out of which the personal injury arose.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapour, soot, fumes, acids, alkalis, micro-organisms, bacteria, virus, chemicals, sewage and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Premium is the amount *you* need to pay *us* to ensure cover commences or remains in force. This means the first premium or any subsequent premium and may include any government or other levies and taxes.

Products means any products, including any packaging or container (other than a *vehicle*) supplied, sold, distributed, grown, extracted, manufactured, constructed, erected, installed, serviced, repaired or treated by *you* in the course of *your farming operations* after it has ceased to be in *your* possession or under *your* control and also includes:

- a. the design, formula or specification of such products; or
- b. directions, markings, instructions, warnings or advice given or omitted to be given in connection with such products.

Rate of gross profit means the rate of *gross profit* earned on the *turnover* during the financial year immediately before the date of the damage.

Rent means the periodic payments due to *you* by the *tenant(s)* for use of the *home* as agreed under the current *tenancy agreement*.

Reparation means an amount ordered by a New Zealand court under section 32 of the Sentencing Act 2002 (or any replacement Act) and any subsequent amendments to be paid to the victim of an offence. Reparation does not include:

- a. *damages*, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against; or
- b. *your defence costs* in relation to an offence

Replacement condition (only in respect of the Home section of this policy) means what *we* determine is reasonably required to rebuild the *home* to a building standard or specification similar to, but not more extensive or better than the *home's* condition when new, using currently equivalent techniques and building materials readily available in New Zealand. *We* will only replicate heritage features if the currently equivalent techniques and/or building materials are readily available in New Zealand.

Replacement cost (only in respect of the Home section of this policy) means what *we* determine is reasonably required to repair or rebuild the damaged portion of the *home* to the *replacement condition*. The cost is calculated at the time of the *loss* giving rise to a claim under this policy.

Replacement value (only in respect of the Home and Home Contents sections of this policy) means:

- the amount that would be required to completely rebuild the *home* to the *replacement condition* in the event that the *home* was totally destroyed;
- the amount that would be required to completely rebuild a retaining wall to the replacement condition in the event that the retaining wall was totally destroyed;
- the cost of replacement, repair, or reinstatement of *contents* without deduction for wear and tear or depreciation.

Residential boundaries means that part of the land on which the dwelling which constitutes *your home* is situated, which is used by *you*, by members of *your* family, or by *your tenant*, for predominantly *residential purposes*. It does not include:

- any part of the land which is used solely for farming or commercial purposes; or
- any part of the land that is more than 150 metres away from a dwelling or garage used for *residential purposes*, where the *home* is situated on a property greater than 10,000 square metres in size, and is not serviced by a dedicated town mains water supply.

Residential purposes means the ordinary domestic activities of life, and excludes activities undertaken for commercial or business purposes.

Retroactive date (only in respect of the Statutory Liability section) means the date shown on the *schedule*. If instead of a date the word “unlimited” appears then the policy responds, subject to its terms, in respect of an *occurrence*, irrespective of when it occurred.

Retroactive date (only in respect of the Employers Liability section) means the date shown on the *schedule*. If instead of a date the word “unlimited” appears then the policy responds, subject to its terms, in respect of a *personal injury*, irrespective of when it occurred.

Room or rooms (only in respect of the Home and Home Contents sections of this policy) means any room(s), common area(s), and passageway(s) openly connected together and not separated by any doors, doorways, or stairs.

Schedule is the latest current policy schedule, expiry notice, renewal notice, or endorsement issued to *you* or *your* insurance adviser by *us*.

Definitions (continued)

Similar items (only in respect of the Home and Home Contents sections of this policy) means items in the *home*, as well as items of *contents*, with a similar nature, colour, texture, material, or design and includes items which form part of a set.

Single personal injury means a *personal injury* or any related, continuous or repeated *personal injuries* sustained or alleged to have been sustained by the *employee*.

Situation means the Situation shown on the *schedule*.

Situation of risk means the place or address shown as Situation of Risk on the *schedule*.

Subsidiary means a company will be the subsidiary of another company if that other company:

- a. controls the composition of the board of the company; or
- b. is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the company; or
- c. holds more than one-half of the issued shares of the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or
- d. is entitled to receive more than one-half of every dividend paid on shares issued by the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital.

Where the company is a subsidiary of a company that is that other company's subsidiary.

Sum insured means the sum insured shown on the *schedule*.

Tenancy agreement means the written contract of tenancy between *you* and the *tenant(s)* over the *home*.

Tenant or *tenants* (only in respect of the Home and Home Contents sections of this policy) means any person or persons (including the person's husband, wife, or partner, and the person's family) who have the right to occupy the *home* for a period of no less than 90 days:

- a. in consideration of regular rental payments and are party to a *tenancy agreement* with *you*; or
- b. as an employed farm worker; or
- c. as a sharemilker in consideration of regular rental payments or deductions, or as a condition of the sharemilking contract with the owner of the *home*.

Tenanted means that *your home* is occupied by *tenants*.

Total loss (only in respect of the Home and Home Contents sections of this policy) means that *we* consider that the

home or, where the Optional Additional Benefit – Landlord Extension is shown on the *schedule*, the landlord's furnishings, are damaged beyond economic repair.

Turnover means the amount paid or payable to *you* for goods sold and delivered and for services rendered in the course of the *farming operations* at the *situation*.

Uninhabitable (only in respect of the Home and Home Contents sections of this policy) means the *home* is no longer a safe or sanitary place to live, as determined by government or local authorities, or by *us*, due to physical damage to the *home*, and where notice to this effect has been issued. It does not mean a disinclination by *you* or *your tenants* to remain in occupancy of an otherwise safe or sanitary *home*.

Unoccupied means that no authorised person has slept overnight in the *home* within the last 60 days.

Vehicle means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine while attached to it.

Vehicle (only in respect of the Motor section) means any vehicle described on the *schedule* including keys, equipment supplied and fitted by the manufacturer and tools supplied by the manufacturer that would normally remain within the vehicle and *accessories*, tarpaulins and load securing equipment attached, fitted to or contained in the vehicle.

For the purposes of the exclusions, vehicle also means any other vehicle covered by this policy.

Watercraft means any type of craft, vessel or thing made or intended to float on or in or travel through water.

We, us or *our* means Vero Insurance New Zealand Limited.

Wells means a hole or shaft in the ground in order to obtain water consisting of the liners, screens, shafts, piping, headworks and ancillary equipment and excluding all costs of bores, earthworks, blasting or excavation costs.

You or *your* means the insured *entity*, person or persons named on the *schedule*, their partner and members of *you* or *your partner's* immediate family permanently residing at *your home*, not being otherwise insured. Partner means a marriage partner or de facto partner as defined in the Property (Relationships) Act 1976 or civil union partner in terms of the Civil Union Act 2004.

General exclusions

These are the general exclusions that apply to all parts of this policy. Some sections of the policy may also contain specific exclusions and some benefits contain exceptions within them.

We will not pay for:

1. Confiscation, war, radioactivity, terrorism, natural disaster, natural perils and land movement

loss, destruction, damage or liability directly or indirectly caused by arising from, is consequent upon, or arising in connection with:

- a. confiscation, requisition, destruction of, or damage to property by order of any Government or Local Authority unless it is to prevent or control *loss* that would otherwise have been covered by this policy;
- b. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, military rising, mutiny, rebellion, revolution, insurrection, military or usurped power;
- c. nuclear weapons material, ionising radiations or contamination from any nuclear fuel or from any nuclear waste which results from the combustion (including self sustaining process of nuclear fission) of nuclear fuel;
- d. any *act of terrorism* regardless of any other cause or event contributing concurrently or in any other sequence to such loss, damage, liability, death, injury, illness, disablement, cost or expense or action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.
- e. *Natural Disaster*. This Exclusion 1e will not apply to the Motor, Boat, Personal Income, Farmers Liability, Statutory Liability or Employers Liability sections of this policy;
- f. landslip, subsidence, erosion, settling, ground heave, cracking or movement of land. This Exclusion 1f does not apply to the Personal Income, Statutory Liability or Employers Liability sections of this policy.

2. The Accident Compensation Act 2001

amounts which can be recovered (including by a victim) under the provisions of the Accident Compensation Act 2001 (or any subsequent Act or amendment), or which would be recoverable but for:

- i. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or to claim any

amount he or she would be entitled to claim under the Act for any other reason whatsoever; or

- ii. the Accident Compensation Corporation's decision to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

However, this exclusion does not apply to the following:

- a. Motor section additional benefit 20 - Personal Injury;
- b. Boat section additional benefit 7 - Medical Payments;
- c. Personal Income section.

3. Building or home defects and mould

building or home defects and mould or fulfil any obligation in respect of any claim (including *defence costs* or any other cost or expenses) or *damage to property* or *personal injury* that is directly or indirectly caused by or contributed to or arises in connection with:

- a. the action or effects of micro-organisms such as amoeba, bacteria, fungi, mould, protozoa and any similar or like forms, mildew, rot, decay or gradual deterioration in any building or structure;
- b. the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of or in anyway responding to or assessing the effects of micro-organisms, mildew, mould, rot, decay or gradual deterioration in any building or structure;
- c. the failure of any building or structure to comply with or perform to the requirements of any building code or to meet the level of performance, quality, fitness or durability of its intended purpose; or
- d. the failure of any building, structure or the *home* to meet the standard described for that building, structure or the *home* to meet the standard prescribed by any Regulation, Act or By-Law; or
- e. the failure of any building or structure to contain or incorporate materials, a design, a system or a standard of workmanship which effectively prevents or manages the presence or penetration of moisture or water to which the building or structure might reasonably be subject;

except as may be covered by any Gradual damage additional benefit that exists in any policy section.

4. Asbestos

loss, damage or personal injury directly or indirectly caused by or arising out of or in connection with:

General exclusions (*continued*)

- a. the inhalation of;
- b. exposure to;
- c. fears of the consequences of inhalation of or exposure to;
- d. cleaning up, removal of; or
- e. damage to or loss of use of any property arising out of;

asbestos, asbestos fibres or any derivatives of asbestos.

5. Electronic data

- a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *electronic data*;
- b. error in creating, amending, entering, deleting or using *electronic data*;
- c. total or partial inability or failure to receive, send, access or use *electronic data* for any time or at all;
- d. communication, display, distribution or publication of *electronic data* but not where this causes bodily injury if otherwise covered by a section of this policy but for this exclusion;

regardless of any other contributing cause or event whenever it may occur.

6. Consequential loss

any intangible loss, loss of use, loss of enjoyment, or consequential loss of any kind, including loss of value except as covered by the Farm Assets, Farming Operations Interruption, Livestock, Dogs and Horses or Personal Income sections.

7. Land

land, damage to land, or any costs involved in the repair or stabilisation of land in order to facilitate the repair or rebuild of *buildings* or *homes*, or any treatment of the land required to make it suitable for repair or building of *buildings* or *homes*.

The only work to land covered by this policy is:

- that which is required by the benefit 20 - Retaining Walls under the Home section; and
- the digging of foundations or piles as required by government or local authority statutes, bylaws, or regulations, necessary to allow for the repair or rebuild of *buildings* or *homes* following *loss* covered by this policy.

You must ensure that *your* land provides an adequate platform for the completion of any repair or rebuild undertaken pursuant to the cover provided by this policy.

General conditions

These conditions give *you* information about this policy and *your* and *our* obligations arising from it.

Some sections of this policy can cover other parties as well as *you*. To gain benefit of any cover under this policy, they must meet all the same conditions and obligations that *you* are required to meet.

However, if *you* breach any conditions no cover will apply to any other parties.

Some sections of the policy also contain specific conditions.

1. Assignment

You must not assign or attempt to assign this policy or *your* interest in this policy to any other person or party.

2. Breach of policy terms and conditions

No claim will be payable where any person entitled to indemnity under this policy breaches any of the terms and conditions. Nothing in this policy affects the common law rights of either party, including the right to avoid the policy for non-disclosure.

3. Cancellation

We may cancel this policy at any time by sending a letter, facsimile, or e-mail to this effect to *you* at *your* last known postal address, facsimile number, or e-mail address, or to *your* insurance adviser. The cancellation will take effect at 4.00 pm on the 14th day after the communication has been sent. *We* will refund the unused part of *your* paid *premium*. *You* may cancel this policy by giving written notice to *us*. *We* will refund the unused part of *your* paid *premium* provided that *you* have not made a claim.

4. Change of circumstances

You must tell *us* immediately if there is an increase or alteration to the risk insured. This includes any change of circumstances that affects the persons, properties, or liabilities covered by this policy. *You* must tell *us* if *you* or any member of *your* household or any person insured under this policy receives a criminal conviction.

Please ask *us* if *you* are not sure whether *you* need to tell *us* about something.

5. Change of Terms

In the event that *we* are no longer able to obtain or retain full reinsurance protection from *natural disaster* events covered by this policy, *we* may change the terms of this policy (including the *excess*) during the *period of insurance* by sending a letter, facsimile, or e-mail advising *you* of this to *you* at *your* last known postal address, facsimile number, or e-mail address, or to *your* insurance adviser. The change or changes will take effect at 4.00 pm on the 14th day after the communication has been sent.

6. Claims

- a. On the happening of any event or *occurrence* that may give rise to a claim under this policy *you* must:
 - i. notify *us* of such event or *occurrence* immediately;
 - ii. take all reasonable steps to minimise the extent of loss or damage;
 - iii. immediately send *us* any communications which *you* receive in relation to an event which may give rise to a claim;
 - iv. obtain *our* consent before proceeding with repairs (other than for replacement or repair of window or *vehicle* glass);
 - v. provide any information or assistance that *we* may require, including proof that *you* own the property *you* are claiming for and evidence of its value. Proof might include receipts, bank or credit card statements, valuations, photographs and contracts of sale;
 - vi. make any damaged property available for inspection by *us* and/or provide *us* with photographic evidence of any damaged property should a health and safety issue warrant immediate removal or destruction;
 - vii. in the case of loss by theft, burglary or vandalism, advise the Police immediately.
 - viii. assist *us* to take any recovery action *we* choose to instigate against person or persons *we* consider are responsible for the loss;
 - ix. at *your* cost *you* must cooperate with *our* assessors, investigators, lawyers and anyone else *we* may appoint to help *us*, including attending meetings with them when *we* require *you* to; and
 - x. not refund the bond to the *tenant* where *your* home is *tenanted* and the *tenant* is potentially legally liable for any *loss* for which *you* have lodged a claim under the policy and *you* are lawfully entitled to withhold some or all of the bond.

Failure to comply with conditions a.i. to a.x. may result in *your* claim being declined or, if the claim has already been settled, *we* may require *you* to return funds paid by *us*.

- b. *You* must not, without *our* written consent, incur any expense or negotiate, pay, settle, admit, repudiate or make any agreement in relation to any claim.

General conditions (continued)

- c. We will be entitled at *our* expense and in *your* name to take any proceedings necessary to obtain relief from any other party and to take over and conduct the defence and settlement of any claim against *you* for *damages* or under the Forest and Rural Fires Act 1977. At *your* cost *you* must provide all reasonable assistance and co-operation.
- d. We have the right to keep any property, including the proceeds from its sale, for which we have paid a claim under this policy subject to adjustment if *you* have not been fully indemnified for *your* loss.
- e. In respect of *your vehicle* or *boat*, if we pay the *market value* then cover ceases and no *premium* is refundable. We may keep whatever is left or recovered of the *vehicle* or *boat*.
- f. *You* authorise *us* to disclose information to third parties in relation to any claim that *you* make under this policy. *You* also authorise *us* to obtain information from third parties that is relevant to any *claim* that *you* make under this policy.
- g. *You* must, prior to settlement of *your* claim, complete documentation which evidences *our* settlement of *your* claim.

7. Correctness of statements and fraud

The proposal, application or declaration form is the basis of this contract. All statements made or information given by *you* or on *your* behalf;

- whether *you* have provided these statements or information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form, or provided information to *us* by telephone;
- in support of this policy; or
- in support of any claim;

must be complete and correct in all respects.

If any claim under this policy is supported by any incorrect information or statement or is in any respect fraudulent, then *your* claim is not payable and this entire policy automatically terminates from the date that the incorrect information was supplied to *us*, or the statement or fraudulent claim was made to *us*. We may also cancel any other policy *you* have with *us*.

8. Duty of disclosure

You must tell *us* everything that may be relevant to a prudent insurer's decision to issue, renew or alter the cover, or the terms on which they would do any of these things, including the *premium* that we charge and the *excess*.

You have a duty of disclosure at the time of arranging *your* insurance and every time *your* insurance renews and when *you* make changes to this insurance.

There are serious consequences if *you* fail to tell *us* information which is material to the decision to issue, renew, or alter this policy, or the terms on which we did any of these things.

Please ask *us* if *you* are not sure whether *you* need to tell *us* about something.

9. Excess

You must contribute the *excess* amounts shown in the policy or on the *schedule* as the first amount of any claim.

The *excesses* will be deducted from the amount of *your* claim, not from the policy limit, and will apply cumulatively.

Where a single event causes *loss* to property under more than one section of this policy, only one standard *excess* (or where a number of *excesses* under a policy apply cumulatively, the sum of those *excesses*) will apply. The amount of the *excess* will be the highest that could be applied under any of the policies affected.

All voluntary or imposed *excesses* will always have to be paid by *you* in addition to any standard *excess*.

Where *you* suffer a *total loss* and *you* have been paying *your premium* by instalment the standard *excess* shown on the *schedule* will be increased to include:

- a. the balance of the amount of *premium* *you* would have paid if *you* had instead elected to pay *your premium* annually; and
- b. the total value of the service fees for all of the *premium* instalments.

Your excess for a motor *vehicle* or *boat* claim will be refunded if we are satisfied that the driver of *your vehicle* or *boat* was completely free of blame and the person at fault is identified. However this will not include the increased portion of the standard *excess* in the case of *total losses* where the *premium* has been paid by instalment as referred to above.

10. Governing law

This policy is governed by New Zealand law, and the New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

11. Government EQC cover

Where the policy insures *home* or home *contents* at more than one named location, for the purposes of the Earthquake Commission Act 1993, each location is deemed to be subject to a separate contract.

General conditions (*continued*)

12. Headings

Where headings are used in this policy the headings or references are purely descriptive in nature and are not to be used for interpretative purposes.

13. Instalment premiums

Where we have agreed to accept payment of *premium* by instalments:

All benefits under this policy will be forfeited from the date the first unpaid instalment was due, and *your* policy will be automatically cancelled if any *premium* instalment/s remains unpaid for 28 days.

To ensure that *you* have an opportunity to maintain cover in the event that an instalment *premium* has not been made to *us*, we will attempt again to collect the outstanding *premium* instalment from *your* nominated bank account.

Where any instalment is overdue, but the policy has not been cancelled, all benefits under this policy will be suspended from the date the first unpaid instalment was due.

14. Joint insureds

Where the *schedule* shows the insured in joint names, or includes the name of a Trust, then this policy is a joint policy. This means that if one of *you*, including Trustees and Beneficiaries, does or fails to do anything so that there is no cover, there will be no cover for any of *you*, not just the person responsible. *You* are each deemed to act with the express authority of each other, and have the right to make a change to the policy, make or settle a claim under the policy, or cancel the policy.

15. Modifications

You must immediately advise *us* if any insured *vehicle* or insured *boat* is altered or modified from the manufacturers standard specifications. This may result in an increase in *premium*, a change in terms or conditions or *us* deciding not to provide cover.

16. Other insurance

This policy, except for the Personal Income section, does not cover *loss* or liability where cover is provided by other insurance.

We will not contribute towards any claim under any other policy.

17. Other interests

Where we have been advised of any mortgage or secured financial interest over the *home*, *home contents*, *farm assets*, *vehicle*, or *boat* covered by this policy, we may make payment of any claim proceeds directly to that interested party. This will meet *our* obligations under this policy.

We are authorised by *you* to disclose personal information about *you* to any holder of a financial interest.

Any party recorded as having a financial interest under this policy is not covered by this policy and has no right to make a claim.

18. Reasonable Care

You must, at *your* cost or expense, take all reasonable steps to prevent *loss* and maintain the insured property in good repair. We will always have the right to examine *your* property. *You* must try to avoid any *loss* for which *you* could be held legally liable. This policy will not respond in the event that *you* are reckless or grossly negligent. Reckless or grossly negligent means that *you* have acted or failed to act in the way a reasonable person would, given the circumstances that *you* faced at the time of the loss.

19. Reparation

If any person is ordered to pay *reparation* to anyone we insure under this policy for loss or damage to any property that we have or will pay 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.

20. Sanctions

This policy will not provide cover, nor will we be liable to pay any claim or provide any benefit hereunder, to the extent that the provision of such cover, payment of such claim or provision of such benefit is prohibited by any sanction, prohibition or restriction under the laws or regulations of any jurisdiction applicable to *us* or *our* parent company or its ultimate controlling entity.

21. Sum Insured adjustment on renewal

We will consider a range of factors that can influence the cost of rebuilding, repairing or replacing. As a result we may choose to make an adjustment to Farm Assets, Home and Home Contents *sums insured*. Where we take this action *your* new *sum insured* will be shown on the renewal *schedule*, and *your* *premium* will be adjusted accordingly. However, *you* need to consider if *your* *sum insured* is sufficient for *your* situation.

Home

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

The cover provided to you under this policy is dependent upon the Cover Option shown on the schedule.

Cover Option – Maxi

When shown on the *schedule* that you are insured for Sum Insured Replacement you are insured for Cover Option - Maxi. We will insure you for loss to the *home* during the *period of insurance* at the *situation* shown on the *schedule*.

How we may settle your claim

Where your *home* sustains loss which we accept under this policy, we may elect to:

1. repair or rebuild the *home* to the *replacement condition*;
2. allow you to repair or rebuild the *home* and pay up to the *replacement cost* after you have incurred that cost. If we choose this option, we reserve the right to inspect the building works at any time, to be fully informed about the works, and to inspect any relevant documentation;
3. pay up to the *replacement cost* that we are satisfied you will incur within 12 months. Before we choose this option you must agree with us on the terms with which you will secure our payment until the cost is incurred;
4. pay up to the *replacement cost* to allow you to build a *home* at a different location, but we will not pay for any additional costs associated with building at that location. If we choose this option, building must be completed within 12 months unless we agree to extend the time period, and we reserve the right to inspect the building works at any time, to be fully informed about the works, and to inspect any relevant documentation;
5. pay up to the *replacement cost* to allow you to purchase an established *home* elsewhere within 12 months provided we can agree with you on the terms with which you will secure our payment until such time as the cost is incurred;
6. pay the *indemnity value* where you do not intend to repair or rebuild within 12 months, unless we agree to extend that time;
7. pay any part of the *replacement cost* to any mortgagee or other party with a secured financial interest in the *home*, and settle your claim by choosing one of the options above.

Regardless of the election which we make, our liability will be limited to the *sum insured*.

Limits on what we will pay

1. The maximum amount we will pay under this policy is:
 - a. the *sum insured*; plus
 - b. any GST you have paid or that is payable on the *sum insured*; plus
 - c. any amounts we may be liable to pay under the following benefits:
 - i. Benefit 1 – Alternative Accommodation;
 - ii. Benefit 5 – Forest and Rural Fires Act;
 - iii. Benefit 8 – Landscaping;
 - iv. Benefit 10 – Property Owner’s Liability;
 - v. Benefit 22 – Stress Payment;
 - vi. Benefit 23 – SumExtra; and
 - vii. Optional Additional Benefit – Landlord Extension (if shown on the *schedule* as being included).Payment in respect of all other benefits not listed here will not increase payment to you beyond the *sum insured*.
2. The *sum insured* shall be reduced from the sum stated on the *schedule* by the amount required to repair, replace, or rebuild any loss which occurred in any previous *period of insurance* and which has not been repaired, replaced, or rebuilt at the commencement of the current *period of insurance*.
3. The most that we will pay for loss to any private road, lane, right-of-way, access way or bridge (including associated guttering, drains, piping, cables, and lighting), including a bridge within the *residential boundaries* of the property on which the *home* is situated, that provides access to the driveway owned by you or shared by you with other residential property owners and for which you are responsible, is \$50,000.

This limit applies to your share of the incurred costs during any one *period of insurance*.
4. Where any *similar items* forming part of the *home* suffer loss we will not pay more than the value of or cost to replace the particular item which suffers loss. We are not obliged to exactly replace, repair, or rebuild any items that have suffered loss. We will not replace *similar items* which have not sustained loss.
5. We will only replace damaged wallpaper, floor coverings, drapes, curtains and blinds in the *room* where the loss occurred.
6. Where the *home* is registered with Heritage New Zealand Pouhere Taonga, we will not pay for any additional costs or fees required to comply with any heritage covenant(s) that apply to the *home*.

Home (continued)

7. We will only pay to repair the base and/or top layer of the damaged area of a driveway, not the land beneath.
8. Our liability to you, under all liability benefits (the Forest and Rural Fires Act Benefit and the Property Owner's Liability Benefit), will be limited to \$2,000,000 in total during the *period of insurance*, plus your legal costs and expenses incurred with our consent.
9. We will only pay the *indemnity value* for any fixed floor coverings (glued, tacked or smooth-edged) over 5 years of age if anyone other than you occupies the *home*.
10. We will only pay the *indemnity value* for outdoor shade cloth or fabric (shade sails) over 5 years of age.

Benefits included in your cover

We will cover or pay for the following benefits numbered 1 to 26, which are subject to the policy definitions, clauses, exclusions, conditions and limits.

1. Alternative Accommodation

Where you own and occupy the *home*, we will reimburse you for the reasonable additional cost of temporary accommodation (of a similar standard to the *home*) for you, including the boarding of your domestic pets and the temporary storage of your contents (including the removal and return of the contents from storage or temporary accommodation), incurred by you while:

- a. the *home* is *uninhabitable* due to *loss* covered by this policy; or
- b. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* covered entirely by the Earthquake Commission; or
- c. there is prevention of access to the *home* by government or local authorities which is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*.

We will pay the Alternative Accommodation benefit for the period the *home* is *uninhabitable* up to a maximum of 12 months.

In the event of a widespread *natural disaster* we may at our sole discretion remove the 12 month limit.

We will not reimburse costs for travel, consumables, phone charges, electricity, gas, or water supply services, or other costs that would otherwise be paid by you if the *home* was undamaged or still habitable. We will not pay for any increase in these costs associated with the temporary accommodation.

This benefit does not cover the costs of providing alternative accommodation for any home office or health care practice.

This benefit will not apply in any case where:

- the *home* is not *uninhabitable* (other than where provided under c. above); or
- you choose to or are encouraged to move out of your *home* while repair or rebuilding is undertaken, unless we agree in writing that vacating the *home* is necessary.

This benefit will not apply where the *loss* covered by the Earthquake Commission is *loss* only to land.

Our liability under this benefit will be limited to 5% of the *sum insured* shown on the *schedule* or \$30,000 whichever is the greater, for any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

2. Authorities Damage

We will, within the *sum insured*, pay for physical damage to the *home* caused by government or local authorities in order to prevent *loss* covered by this policy.

3. Contents

We will pay the *indemnity value* for your contents in your *home* occupied by your employee.

Our liability under this benefit is limited to \$5,000 for any one event.

4. Fees and Clearance Costs

We will, within the *sum insured*, pay:

- a. the costs incurred in demolishing and clearing the building site of the damaged portion of the *home* and the removal of debris from the *home*, and;
- b. architects, surveyors, consultants, legal and council fees incurred with our prior consent, directly required to enable the repair or rebuild of the *home* following any *loss* insured by this policy. This does not include costs which would not usually be required to enable building work of the type required for the repair or rebuild to proceed.

5. Forest and Rural Fires Act

We will cover you for your liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus your legal costs and expenses incurred with our consent) for:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and
- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

Home (continued)

However, we will not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

We will not cover *you* for any punitive or exemplary damages and/or any reparation orders awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

We will not pay more than \$1,000,000 (plus legal costs and expenses incurred with our consent) in total for any legal liability (whether pursuant to this Act or otherwise) arising out of any one event.

6. Goods and Services Tax – GST

Provided the GST is recoverable by us, the *sum insured* under this section of the policy is exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All limits, amounts or excesses shown are GST inclusive.

7. Home Office or Healthcare Practice

This policy extends to include, within the *sum insured*, any part of the *home* used as a home office or health care practice.

Health care practice, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by *you* for the carrying on of the business of a health practitioner as defined by the Health Practitioners Competence Assurance Act 2003; or
- b. used by customers for access to that part of the *home*.

Home office, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by *you* to conduct business of an administrative, clerical, or professional nature; or
- b. used by customers for access to that part of the *home*.

8. Landscaping

We will pay for *loss* to *your* gardens (including hedges, trees, shrubs, and plants), garden edging, and lawns where:

- a. the *home* was also damaged in the same event and we have agreed to pay a claim for *loss* to the *home*; or

- b. a vehicle not belonging to *you* and/or not in *your* control causes *loss* by impact during the *period of insurance*, without causing any *loss* to the *home*.

Our liability under this benefit will be limited to \$5,000 for any one event.

9. Natural Disaster Damage

This policy provides cover for *natural disaster* where:

- a. there is *loss* to the *home*, and
 - i. *your loss* to the *home* is covered under the Earthquake Commission Act 1993 (the EQC Act); and
 - ii. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC Act for *your* claim; and
 - iii. all amounts paid to *you* by the Earthquake Commission have been used by *you* to carry out repairs, or to rebuild the *home*, and/or to mitigate further *loss*.
- b. there is *loss* to:
 - i. permanently installed swimming or spa pools; or
 - ii. drains, pipes, and cables; or
 - iii. driveways, paths, patios, fences and walls (other than retaining walls, except where cover is provided by Benefit 20 – Retaining Walls); or
 - iv. tennis courts;

that are not subject to insurance under the EQC Act.

Where there is *loss* caused by *natural disaster* for which *you* are covered under this policy, *our* liability will be limited to the amount that we would have paid under the policy if the cause of *loss* was other than *natural disaster*, less the amount that *you* have received from the Earthquake Commission, and less the additional *excess* of \$5,000 which applies for any payment under paragraph b. above.

However, this policy will never provide cover for *loss* to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate *loss* to the *home*, even if such *loss* or costs are covered by the Earthquake Commission.

10. Property Owner's Liability

A. Liability for damages

We will cover *you* for *your* legal liability to pay *damages* for *accidental bodily injury* or *accidental* physical damage to property happening during the *period of insurance* resulting from an event that occurs in New Zealand and which arises out of *your* ownership of the *home*.

Home (continued)

B. Liability for reparation

We will cover *you* for *your* legal liability to pay *reparation* for *accidental bodily injury* or *accidental* physical damage to property happening during the *period of insurance* resulting from an event that occurs in New Zealand and which arises out of *your* ownership of the *home*, provided that:

- a. *you* tell *us* immediately if *you* are charged with any offence in connection with *your* ownership of the *home* which resulted in *bodily injury* to another person or physical damage to property; and
- b. *you* obtain *our* written approval before any offer of *reparation* is made.

We will not pay under any of these benefits for legal liability:

- a. for damage to property belonging to *you* or under *your* control;
- b. arising out of:
 - i. any business, profession, or employment;
 - ii. the ownership, possession, or use of any mechanically propelled vehicle, trailer, aircraft or boat;
- c. assumed by agreement (unless *you* would have been liable anyway), except liability normally agreed to by a landlord under a tenancy or lease agreement;
- d. for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) or the Forest and Rural Fires Act 1977 and any subsequent amendments to those Acts;
- e. to pay any punitive or exemplary *damages* awarded against *you*;
- f. for *accidental bodily injury* or *reparation* arising out of any intentional, knowing, wilful or reckless criminal act or omission;
- g. where any exclusion in Home cover or in the General exclusions applies.

Our liability to during any *period of insurance* will be:

- a. for liability for *damages*, the legal liability limit shown on the *schedule*; and
- b. for liability for *reparation*, the legal liability limit shown on the *schedule* or \$1,000,000, whichever is the lesser.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* *defence costs* incurred with *our* prior written consent. However we will not pay *your* legal defence costs

and expenses or any legal costs incurred by any other party in relation to an offence or where *your* legal liability is to pay *reparation*.

You are only entitled to payment of this benefit under one policy or section of a policy per event.

11. Reinstatement of Cover

Where the *home* sustains *loss* which is covered by this policy, the amount of cover available for future claims will be reduced from the *sum insured* stated on the *schedule* by the amount of that *loss*.

The amount of cover shall be restored as and to the extent that the *loss* is repaired, rebuilt or reinstated.

However, before any amount of *your* cover is restored following *loss* *you* must pay any additional *premium* that we may charge.

This reinstatement of cover shall operate only once during the *period of insurance*, unless we agree otherwise in writing. There shall be no reinstatement of cover where there has been a *total loss* under this section of this policy.

12. Sale and purchase

If *you* have contracted to sell *your* interest in the *home*, section 13 of the Insurance Law Reform Act 1985 provides the purchaser with cover under this policy until the purchaser takes possession of the *home* or until settlement, whichever is earlier, provided the purchaser is not otherwise insured. The terms, conditions and exclusions of this policy apply to *you* and the purchaser as if *you* are insured jointly.

13. Statutory Requirements

If we pay to repair or rebuild the *home*, we will, within the *sum insured*, pay those costs required to repair or rebuild the damaged portion of the *home* needed solely to comply with government or local authority statutes, bylaws, or regulations, provided that:

- a. *you* were not aware of, or *you* had not been served with notice of, the failure of the *home* to comply with such statutes, bylaws, or regulations prior to any *loss*;
- b. there has not been an entry made on *your* Certificate of Title as required by section 74 of the Building Act 2004 unless we have agreed in writing to provide the cover relating to such entry, prior to any *loss*;
- c. such costs do not relate to design issues that are otherwise excluded by General Exclusion 3. Building or home defects and mould;
- d. the damaged portion of the building complied with relevant statute or local body regulation at the time it was built and at the time of any alteration to it, or if not compliant at those times, had subsequently been certified as being compliant;

Home (continued)

- e. we will pay the cost of compliance for only that part of the *home* that has suffered physical damage covered by this policy and which relates solely to the repair of the *home* for that damage. We will not pay for any undamaged part of the *home*, whether or not it complies with any statute or local body regulation;
- f. where the *home* is registered with Heritage New Zealand Pouhere Taonga, we will not pay for any additional costs or fees required to comply with any heritage order(s) or covenant(s) that apply to the *home*.

We will never pay the costs associated with the repair, preparation, stabilisation or other treatment of the land necessary to comply with regulations to permit repair or rebuilding of the *home*.

The following Additional Benefits numbered 14 to 26 are only available under Cover Option – Maxi and are subject to the policy definitions, clauses, exclusions, conditions, and limits:

14. Electronic Programmes

We will, within the *sum insured*, pay the reasonable costs of resetting, restoring or reprogramming software necessary to operate any electronic equipment installed in *your home*, where that equipment has suffered *loss* covered by this policy. However this does not extend to the loss of any data stored on any of this equipment.

15. Gradual Damage

We will pay for gradual physical damage to the *home* resulting from water leaking or overflowing from any internal water system, provided that the *loss* first occurs during the time that *you* own the *home* and the water leak or overflow causing the *loss* was not visible, noticeable, or obvious.

An internal water system, for the purposes of this benefit, is any water pipe, waste disposal pipe or water storage tank which is hidden from view within the dwelling structure and is permanently connected and/or contained within its walls, cupboards, floors, ceiling or roof, or connected to any water cylinder, refrigerator, water purifier, washing machine, dishwasher, or similar household item.

Our liability under this benefit will be limited to \$3,000 for any one event. This limit includes the cost of searching for the source of the leak or overflow, where reasonably incurred, and where we have accepted a claim for the resulting *loss*.

16. Methamphetamine contamination

This benefit only applies if:

- *your home* is tenanted; and

- *you* comply with the Landlord Obligations set out in the “Policy Conditions” section of this policy.

We will pay for the testing, decontamination and repair of *your home* if it suffers *loss* as a result of use, consumption, storage or manufacture of methamphetamine or its precursor chemicals by *your tenants* or persons at the *home* with *your tenants’* permission. This benefit includes the costs reasonably incurred in searching for and identifying contamination, if testing confirms that the *home* is contaminated.

Cover under this benefit will only apply where, at the time of the claim being made, the level of chemical contamination exceeds the guidelines for acceptable indoor surface residues issued by the Ministry of Health in its Guidelines for the Remediation of Clandestine Methamphetamine Laboratory Sites. We will only pay for decontamination to the extent required to achieve the acceptable post-remediation re-occupancy levels for indoor surface residues outlined in the Guidelines.

We will pay, within the *sum insured*, the reasonable cost incurred by *you* in decontaminating the *home*. If a damaged portion of the *home* needs to be repaired or rebuilt in order to achieve the levels outlined in the Guidelines, we will pay the reasonable cost incurred in repairing or rebuilding the damaged portion to *replacement condition*.

Our liability under this benefit will be limited to \$30,000 for any one event. We will only provide cover under this benefit for loss or damage caused by one event while the *home* was let to the same *tenants* or under the same *tenancy agreement*.

We will never pay the cost associated with decontaminating or repairing land even if this is required to facilitate decontamination, repair or rebuilding of the *home* or to comply with government or local authority statutes, bylaws or regulations.

17. New Building Work

The policy extends to include cover for *loss* to:

- a. any new separate structure being built at the *situation of risk* shown on the *schedule* that *you* own (or are responsible for while it is being built), provided that it falls within the definition of *home* and would be covered by this policy when complete;
- b. any work being undertaken to upgrade existing fittings or features in the *home*; and
- c. any materials at the *situation of risk* shown on the *schedule* that are to be included in the new structure.

Home (continued)

Cover will only apply to *loss* caused by any of these events:

- i. fire, explosion, lightning or *natural disaster*; or
- ii. storm or *flood* (excluding any exposure to normal weather conditions); or
- iii. riot, civil commotion, strikes, or labour disturbance; or
- iv. impact from *aerial devices*, or articles dropped from them; or
- v. impact by any vehicle or animal.

This benefit will not cover structures or work:

- i. where the expected value of the complete work, or the price of the contract including materials, is more than \$25,000; or
- ii. that involves excavation more than 1 metre deep; or
- iii. that involves an extension, such as an additional room, being added to an existing dwelling; or
- iv. that *you* are building for commercial purposes; or
- v. that has not been granted a Building Consent or similar, if one is required; or
- vi. that is subject to a separate contract works insurance policy.

Our liability under this benefit will be limited to \$25,000 during any one period of insurance.

18. Power Generation Equipment

We will, within the sum insured, pay for loss to power generation equipment resulting from:

- a. fire, explosion, lightning or *natural disaster*; or
- b. impact from *aerial devices* or articles dropped from them; or
- c. impact by any vehicle or animal.

We will only pay for loss under this benefit where the power generation equipment:

- a. is owned by *you*; and
- b. is located on land which is owned by *you* and on which *your home* is located; and
- c. which provides power to *your home*.

Power generation equipment, for the purposes of this benefit, means any wind, or fuel powered electricity generation equipment, including support structure, generator, power storage, and associated wiring, switching, and distribution equipment.

Our liability under this benefit will be limited to \$10,000 during any one period of insurance.

19. Resetting or Reprogramming Security System

If an alarm or a security system that *we* approve is installed at the *home*, and *we* are satisfied that it was activated during a break in or attempted break in during the *period of insurance*, *we* will pay the reasonable costs of having the security system reset or re-programmed. This benefit does not cover any maintenance costs.

Our liability under this benefit will be limited to \$500 during any one period of insurance.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

20. Retaining Walls

We will pay, within the sum insured, for loss to retaining walls arising out of any one event, including your share in retaining walls that are jointly owned by you and other property owners. This includes the cost of gaining access to the wall, stabilising the soil, and providing footings and drainage materials directly necessary for the work to the retaining wall or part of the retaining wall that has suffered loss.

For the purposes of this benefit, a retaining wall means a wall which is built for the sole function of retaining land. Any incomplete retaining wall is not covered by this benefit.

Retaining walls which are over 1.5 metres above ground level are insured only if the appropriate local authority has issued any necessary permit, consent, or certificate.

Our liability under this benefit will be limited to \$80,000 for any one event, unless:

- a. *you* are able to provide *us* with a valuation for *your home*, that:
 - i. was issued by a quantity surveyor, suitably qualified valuer or builder prior to *loss*; and
 - ii. separately identifies the total *replacement value* for all retaining walls and all other improvements contained within the *residential boundaries*; and
- b. the *sum insured* represents the total *replacement value* of the *home* and the retaining walls as shown within the valuation;

in which case *our liability under this benefit is limited to the full replacement value of the retaining walls as shown in the valuation.*

Home (continued)

21. Stolen Keys

Where any key giving access to the *home* is stolen or believed on reasonable grounds to have been duplicated without proper authority following its disappearance, *we* will pay the cost reasonably incurred in altering or replacing locks and their keys and changing the combination number of any electronic keypad. *We* will also pay the reasonable cost of opening any safe following theft or disappearance of its key or combination.

Our liability under this benefit will be limited to \$2,000 for any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

22. Stress Payment

If *your home* is a *total loss* and *we* accept a claim under the Home section of *your* policy *we* will pay *you* an additional sum of \$5,000 for the stress caused by this *loss*.

If you have this cover under any other section or policy with us the maximum we will pay for any one event will be \$5,000.

23. SumExtra

The SumExtra benefit is available when *your schedule* shows *you* are insured for cover for *your home* and the cover is not limited to *indemnity value*.

If *we* elect to settle *your* claim for *loss* to *your home* on the basis that *we* pay the cost of repairing or rebuilding under one of the options numbered 1-4 under the heading "How *we* may settle *your* claim" and that cost exceeds the *sum insured*, *we* will pay:

- a. up to a further 10% of the *sum insured* towards the cost of repairing or rebuilding where the *loss* is caused by *natural disaster*; or
- b. the cost of repairing or rebuilding where the *loss* arises from any insured cause other than *natural disaster*;

provided the *sum insured* at the time of *loss* is equal to or greater than a written estimate of costs reasonably necessary to rebuild *your home* to a building standard or specification similar to, but not more extensive or better than, the home's condition when new, using currently equivalent techniques and building materials readily available in New Zealand:

- i. from the online rebuilding cost calculator accessed through *our* website, or from such other online rebuilding cost calculator as *we* accept;
- ii. by a registered valuer, registered quantity surveyor, building practitioner holding an appropriate trade licence, or such other building specialist as *we* accept; or
- iii. by such other method or source as *we* accept;

and provided also:

- iv. that the written estimate of costs provides a complete and correct description of *your home* and is less than 3 years old at the time the *sum insured* was most recently agreed; and
- v. where *you* subsequently increased the size, or improved the quality, of *your home*, that *you* increased the *sum insured* proportionately, otherwise *we* will pay only up to a further 10% of the *sum insured* towards the cost of repairing or rebuilding.

The cover provided by this benefit does not increase the *sum insured*. Any cover that is based on a percentage of the *sum insured* does not increase. In all other respects, the policy remains unaltered.

24. Temporary Removal of Fixtures and Fittings

We will, within the *sum insured*, pay for *loss* occurring during the *period of insurance* to fixtures and fittings that form part of the *home* while these have been temporarily removed, for a period no longer than 60 days, for the purpose of repair or restoration by any professional trades person or organisation.

25. Tree Removal

If *your home* suffers *loss* as a result of a tree or part of a tree falling onto the *home*, and *we* have agreed to pay a claim covered by this policy, *we* will pay to remove any part of the tree from the *home* to enable repairs to be carried out.

We will also pay an additional amount up to a maximum of \$2,000 reasonably incurred to remove from *your* property the rest of the tree, including any parts of that tree that have not fallen.

However *we* will not pay for the cost to remove stumps from the ground or any costs where it was known that the tree was unsound or unstable and needed to be removed.

26. Water or Sewage Pipe Blockage

We will pay the reasonable costs towards clearing an *accidental* blockage in an underground water or sewage pipe occurring during the *period of insurance*, provided that the blocked pipe is within the *residential boundaries* of the *home* and the blockage was not caused by the roots of any tree or plant.

This benefit only covers the costs of clearing the *accidental* blockage and the repair or rebuild of the driveway, patio, path, paving, tennis court, or other permanent structure forming part of the *home*, which has suffered *loss* as a result of the work needed to clear the *accidental* blockage. This benefit does not cover any other maintenance costs.

Our liability under this benefit will be limited to \$1,500 during any one *period of insurance*.

Home (continued)

Optional Additional Benefit

The following Optional Additional Benefit is subject to the policy definitions, clauses, exclusions, conditions and limits.

Landlord Extension

If you have paid an additional *premium* for this Optional Additional Benefit and it is shown on the *schedule* as being included, we will provide the cover set out below for each self-contained dwelling unit that you have told us about, provided that:

- each is occupied by a *tenant*, and is located at the *situation* shown on your *schedule*; and
- you comply with the Landlord Obligations set out in the ‘Policy Conditions’ in this section.

Any payment made by us for any *loss* covered under the Landlord Extension will be reduced by the amount of *rent* received by you in advance and/or any bond held by you or with Tenancy Services.

A. Malicious damage or theft

We will cover you for:

- a. malicious, intentional or deliberate damage to the *home*; or
- b. theft of any part of the *home*;

committed by the *tenant(s)* or persons at the *home* with your *tenants’* permission.

We will pay:

- the reasonable cost incurred in rebuilding, repairing or replacing the damaged portion of the *home* to *replacement condition*; or
- the *indemnity value* should you not rebuild, repair or replace within a reasonable time.

Our liability under this benefit will be limited to \$30,000 for any one event.

We will only provide cover under this benefit for loss or damage caused by one event while the *home* was let to the same *tenants* or under the same *tenancy agreement*.

B. Landlord’s Furnishings

If *landlord’s furnishings* suffer *loss* as a result of an event covered by this policy, (including under the Malicious damage or theft benefit), we will pay the *indemnity value* of these items.

Our liability for *landlord’s furnishings* is limited to \$20,000 per dwelling unit or the amount shown on the *schedule*, whichever is higher, for any one event.

C. Loss of rent due to loss covered by this policy

If your *home* is *uninhabitable* because:

- a. of *loss* covered by this policy, or which would be covered but for the operation of the Earthquake Commission Act 1993; or
- b. a government or local authority prevents access to the *home* due to possible or impending damage to an otherwise safe or sanitary *home* and this is initiated during the *period of insurance*;

we will also pay or reimburse you for loss of *rent* from the date that the *home* becomes *uninhabitable*, provided that:

- i. the *home* was occupied by a *tenant* at the time of *loss* or prevention of access; or
- ii. at the time of *loss* or prevention of access, you had a signed *tenancy agreement* for a new *tenant* to let the *home* for an ongoing period intended to be no less than 90 days.

We will pay an amount equal to the average weekly rental payments you received for renting out the *home* during the weeks it was occupied by *tenants* in the 12 months prior to the *loss*, or where a *tenancy agreement* was signed for a new *tenant* prior to the *loss*, the amount of the weekly rental in the agreement.

Where your claim for *loss* to the *home* is covered entirely by the Earthquake Commission, we will still pay your *loss of rent* under this benefit.

The maximum that we will pay for *loss of rent* is:

- for the period necessary to replace or repair the *home*, up to a maximum period of 12 months; or
- where you don’t want the *home* rebuilt, up to two months.

Our liability for *loss of rent* will be subject to a maximum of \$40,000 per dwelling unit or the amount shown on the *schedule*, whichever is higher, for any one event.

D. Loss or rent due to non payment by tenants

We will pay or reimburse you for *loss of rent* due to non-payment by your *tenants*, in the following circumstances:

1. **Prevention of access:** Where the *tenant* is lawfully entitled to vacate the *home* due to prevention of access to the *home* or failure of public utilities, we will pay up to a maximum of 8 weeks *rent*; or
2. **Vacating without notice:** Where the *tenants* vacate the *home* without giving the required notice, we will pay up to a maximum of 8 weeks *rent*; or
3. **Eviction of tenants:** Where your *tenants* are lawfully evicted from the *home* as a result of non-payment of *rent*, we will pay up to a maximum of 12 weeks *rent*; or

Home (continued)

4. **Tenancy tribunal order:** Where the Tenancy Tribunal makes an order for the *tenants* to leave the *home* and for the tenancy to end, we will pay up to 12 weeks *rent*, provided *you* or *your* property manager enforce the order within 5 working days of the order being issued.

Loss of *rent* under this benefit is calculated from the date when unpaid *rent* first became due until the *home* is re-tenanted or the maximum period in the relevant circumstance above is reached.

Cover Option – Flexi

When shown on the *schedule* that *you* are insured for Home Indemnity Value *you* are insured for Cover Option –Flexi.

We will insure *you* for loss to the *home* during the *period of insurance* at the *situation* shown on the *schedule* arising only from the following events:

1. fire, explosion, or lightning;
2. storm or flood;
3. burglary or theft;
4. riot, civil commotion, strikes, or labour disturbance;
5. malicious damage or vandalism;
6. sudden escape or overflowing of water or oil from any domestic water or heating equipment, sink, bath, toilet, or reticulation installed in the *home*;
7. opossums entering the *home*;
8. collision or impact by vehicle or animal;
9. impact from *aerial devices* or debris and articles dropped there from;
10. burning out by electrical current;
11. the freezing of any plumbing installation in the *home*, except for installations outside or in any outbuilding or detached garage;
12. breakage of any gas pipes, fresh-water pipes, underground water and septic tanks, underground drainage and sewerage pipes, electricity, data, and telephone cables;
13. breakage of fixed glass or porcelain forming part of the *home*;
14. *natural disaster*.

How we may settle your claim

Where *your home* sustains *loss* which we accept under the policy, we will pay for the *indemnity value* of the *home*, limited to the *sum insured*.

Limits on what we will pay

1. The maximum amount we will pay under this policy is:
 - a. the *sum insured*; plus

- b. any GST *you* have paid or that is payable on the *sum insured*; plus
- c. any amounts we may be liable to pay under the following Benefits:
 - i. Benefit 1 – Alternative Accommodation;
 - ii. Benefit 5 – Forest and Rural Fires Act;
 - iii. Benefit 8 – Landscaping;
 - iv. Benefit 10 – Property Owner’s Liability;
 - v. Optional Additional Benefit – Landlord Extension (if shown on the *schedule* as being included).

Payment in respect of all other benefits not listed here will not increase payment to *you* beyond the *sum insured*.

2. The *sum insured* shall be reduced from the sum stated on the *schedule* by the amount required to repair, replace, or rebuild any *loss* which occurred in any previous *period of insurance*, and which has not been repaired, replaced, or rebuilt at the commencement of the current *period of insurance*.
3. The most that we will pay for *loss* to any private road, lane, right-of-way, access way or bridge (including associated guttering, drains, piping, cables, and lighting), including a bridge within the *residential boundaries* of the property on which the *home* is situated, that provides access to the driveway owned by *you* or shared by *you* with other residential property owners and for which *you* are responsible, is \$50,000.

This limit applies to *your* share of the incurred costs during any one *period of insurance*.
4. Where any *similar items* forming part of the *home* suffer *loss* we will not pay more than the value of or cost to replace the particular item which suffers *loss*. We are not obliged to exactly replace, repair, or rebuild any items that have suffered *loss*. We will not replace *similar items* which have not sustained *loss*.
5. We will only replace damaged wallpaper, floor coverings, drapes, curtains and blinds in the *room* where the *loss* occurred.
6. Where the *home* is registered with Heritage New Zealand Pouhere Taonga, we will not pay for any additional costs or fees required to comply with any heritage covenant(s) that apply to the *home*.
7. We will only pay to repair the base and/or top layer of the damaged area of a driveway, not the land beneath.
8. Our liability to *you*, under all liability Benefits (the Forest and Rural Fires Act Benefit and the Property Owner’s Liability Benefit), will be limited to \$2,000,000 in total during the *period of insurance*, plus *your* legal costs and expenses incurred with *our* consent.

Home (continued)

Benefits included in your cover

We will cover or pay for the following Benefits numbered 1 to 13, which are subject to the policy definitions, clauses, exclusions, conditions and limits.

1. Alternative Accommodation

Where *you* own and occupy the *home*, we will reimburse *you* for the reasonable additional cost of temporary accommodation (of a similar standard to the *home*) for *you*, including the boarding of *your domestic pets* and the temporary storage of *your contents* (including the removal and return of the *contents* from storage or temporary accommodation), incurred by *you* while:

- a. the *home* is *uninhabitable* due to *loss* covered by this policy; or
- b. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* covered entirely by the Earthquake Commission; or
- c. there is prevention of access to the *home* by government or local authorities which is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*.

We will pay the Alternative Accommodation benefit for the period the *home* is *uninhabitable* up to a maximum of 12 months.

In the event of a widespread *natural disaster* we may at *our* sole discretion remove the 12 month limit.

We will not reimburse costs for travel, consumables, phone charges, electricity, gas, or water supply services, or other costs that would otherwise be paid by *you* if the *home* was undamaged or still habitable. We will not pay for any increase in these costs associated with the temporary accommodation.

This benefit does not cover the costs of providing alternative accommodation for any home office or health care practice.

This benefit will not apply in any case where:

- the *home* is not *uninhabitable* (other than where provided under c. above); or
- *you* choose to or are encouraged to move out of *your home* while repair or rebuilding is undertaken, unless we agree in writing that vacating the *home* is necessary.

This benefit will not apply where the *loss* covered by the Earthquake Commission is *loss* only to land.

Our liability under this benefit will be limited to 5% of the *sum insured* shown on the *schedule* or \$30,000 whichever is the greater, for any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

2. Authorities Damage

We will, within the *sum insured*, pay for physical damage to the *home* caused by government or local authorities in order to prevent *loss* covered by this policy.

3. Contents

We will pay the *indemnity value* for *your contents* in a *home* occupied by *your employee*.

Our liability under this benefit is limited to \$5,000 for any one event.

4. Fees and Clearance Costs

We will, within the *sum insured*, pay:

- a. the costs incurred in demolishing and clearing the building site of the damaged portion of the *home* and the removal of debris from the *home*, and;
- b. architects, surveyors, consultants, legal and council fees incurred with *our* prior consent, directly required to enable the repair or rebuild of the *home* following any *loss* insured by this policy. This does not include costs which would not usually be required to enable building work of the type required for the repair or rebuild to proceed.

5. Forest and Rural Fires Act

We will cover *you* for *your* liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus *your* legal costs and expenses incurred with *our* consent) for:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and
- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

We will not cover *you* for any punitive or exemplary damages and/or any reparation orders awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

Home (continued)

We will not pay more than \$1,000,000 (plus legal costs and expenses incurred with our consent) in total for any legal liability (whether pursuant to this Act or otherwise) arising out of any one event.

6. Goods and Services Tax - GST

Provided the GST is recoverable by us, the *sum insured* under this section of the policy is exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All limits, amounts or excesses shown are GST inclusive.

7. Home Office or Healthcare Practice

This policy extends to include, within the *sum insured*, any part of the *home* used as a home office or health care practice.

Health care practice, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by you for the carrying on of the business of a health practitioner as defined by the Health Practitioners Competence Assurance Act 2003; or
- b. used by customers for access to that part of the *home*.

Home office, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by you to conduct business of an administrative, clerical, or professional nature; or
- b. used by customers for access to that part of the *home*.

8. Landscaping

We will pay for *loss* to your gardens (including hedges, trees, shrubs, and plants), garden edging, and lawns where:

- a. the *home* was also damaged in the same event and we have agreed to pay a claim for *loss* to the *home*; or
- b. a vehicle not belonging to you and/or not in your control causes *loss* by impact during the *period of insurance*, without causing any *loss* to the *home*.

Our liability under this benefit will be limited to \$2,500 for any one event.

9. Natural Disaster Damage

This policy provides cover for *natural disaster* where:

- a. there is *loss* to the *home*, and
 - i. your *loss* to the *home* is covered under the Earthquake Commission Act 1993 (the EQC Act); and

- ii. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC Act for your claim; and

- iii. all amounts paid to you by the Earthquake Commission have been used by you to carry out repairs, or to rebuild the *home*, and/or to mitigate further *loss*;

- b. there is *loss* to:

- i. permanently installed swimming or spa pools; or

- ii. drains, pipes, and cables; or

- iii. driveways, paths, patios, fences and walls; or

- iv. tennis courts;

that are not subject to insurance under the EQC Act.

Where there is *loss* caused by *natural disaster* for which you are covered under this policy, our liability will be limited to the amount that we would have paid under the policy if the cause of *loss* was other than *natural disaster*, less the amount that you have received from the Earthquake Commission, and less the additional excess of \$5,000 which applies for any payment under paragraph b. above.

However, this policy will never provide cover for *loss* to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate *loss* to the *home*, even if such *loss* or costs are covered by the Earthquake Commission.

10. Property Owner's Liability

A. Liability for damages

We will cover you for your legal liability to pay *damages* for *accidental bodily injury* or *accidental physical damage* to property happening during the *period of insurance* resulting from an event that occurs in New Zealand and which arises out of your ownership of the *home*.

B. Liability for reparation

We will cover you for your legal liability to pay *reparation* for *accidental bodily injury* or *accidental physical damage* to property happening during the *period of insurance* resulting from an event that occurs in New Zealand and which arises out of your ownership of the *home*, provided that:

- a. you tell us immediately if you are charged with any offence in connection with your ownership of the *home* which resulted in *bodily injury* to another person or physical damage to property; and

- b. you obtain our written approval before any offer of *reparation* is made.

We will not pay under any of these benefits for legal liability:

Home (continued)

- a. for damage to property belonging to *you* or under *your* control;
- b. arising out of:
 - i. any business, profession, or employment;
 - ii. the ownership, possession, or use of any mechanically propelled vehicle, trailer, aircraft or *boat*;
- c. assumed by agreement (unless *you* would have been liable anyway), except liability normally agreed to by a landlord under a tenancy or lease agreement;
- d. for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) or the Forest and Rural Fires Act 1977 and any subsequent amendments to those Acts;
- e. to pay any punitive or exemplary *damages* awarded against *you*;
- f. for *accidental bodily injury* or *reparation* arising out of any intentional, knowing, wilful or reckless criminal act or omission;
- g. where any exclusion in Home cover or in the General exclusions applies.

Our liability to during any *period of insurance* will be:

- a. for liability for *damages*, the legal liability limit shown on the *schedule*; and
- b. for liability for *reparation*, the legal liability limit shown on the *schedule* or \$1,000,000, whichever is the lesser.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* defence costs incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses or any legal costs incurred by any other party in relation to an offence or where *your* legal liability is to pay *reparation*.

You are only entitled to payment of this benefit under one policy or section of a policy per event.

11. Reinstatement of Cover

Where the *home* sustains *loss* which is covered by this policy, the amount of cover available for future claims will be reduced from the *sum insured* stated on the *schedule* by the amount of that *loss*.

The amount of cover shall be restored as and to the extent that the *loss* is repaired, rebuilt or reinstated.

However, before any amount of *your* cover is restored following *loss* you must pay any additional *premium* that we may charge.

This reinstatement of cover shall operate only once during the *period of insurance*, unless we agree otherwise in writing. There shall be no reinstatement of cover where there has been a *total loss* under this section of this policy.

12. Sale and purchase

If *you* have contracted to sell *your* interest in the *home*, section 13 of the Insurance Law Reform Act 1985 provides the purchaser with cover under this policy until the purchaser takes possession of the *home* or until settlement, whichever is earlier, provided the purchaser is not otherwise insured. The terms, conditions and exclusions of this policy apply to *you* and the purchaser as if *you* are insured jointly.

13. Statutory Requirements

If we pay to repair or rebuild the *home*, we will, within the *sum insured*, pay the costs required to repair or rebuild the damaged portion of the *home* needed solely to comply with government or local authority statutes, bylaws, or regulations, provided that:

- a. *you* were not aware of, or *you* had not been served with notice of, the failure of the *home* to comply with such statutes, bylaws, or regulations prior to any *loss*;
- b. there has not been an entry made on *your* Certificate of Title as required by section 74 of the Building Act 2004 unless we have agreed in writing to provide the cover relating to such entry, prior to any *loss*;
- c. such costs do not relate to design issues that are otherwise excluded by Exclusion 3. Building or home defects and mould;
- d. the damaged portion of the building complied with relevant statute or local body regulation at the time it was built and at the time of any alteration to it, or if not compliant at those times, had subsequently been certified as being compliant;
- e. we will pay the cost of compliance for only that part of the *home* that has suffered physical damage covered by this policy and which relates solely to the repair of the *home* for that damage. We will not pay for any undamaged part of the *home*, whether or not it complies with any statute or local body regulation;
- f. where the *home* is registered with the Heritage New Zealand Pouhere Taonga, we will not pay for any additional costs or fees required to comply with any heritage order(s) or covenant(s) that apply to the *home*.

We will never pay the costs associated with the repair, preparation, stabilisation or other treatment of the land necessary to comply with regulations to permit repair or rebuilding of the *home*.

Home (continued)

Optional Additional Benefit

The following Optional Additional Benefit is subject to the policy definitions, clauses, exclusions, conditions and limits.

Landlord Extension

If *you* have paid an additional *premium* for this Optional Additional Benefit and it is shown on the *schedule* as being included, *we* will provide benefits A and B for each self-contained dwelling unit that *you* have told *us* about, provided that each is occupied by a *tenant*, and is located at the *situation of risk* shown on the *schedule*:

A. Landlord Furnishings

If *landlord's furnishings* suffer *loss* covered by this policy, *we* will pay the *indemnity value* of these items.

Our liability for *landlord's furnishings* is limited to \$5,000 per dwelling unit, for any one event.

B. Loss of Rent

If the *home* is *uninhabitable* because:

- a. of *loss* covered by this policy (or which would be covered but for the operation of the Earthquake Commission Act 1993); or
- b. a government or local authority prevents access to the *home* and this is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*;

we will also pay or reimburse *you* for *loss of rent* from the date that the *home* becomes *uninhabitable*, provided that:

- i. the *home* was occupied by a *tenant* at the time of *loss* or prevention of access; or
- ii. at the time of *loss* or prevention of access, *you* had a signed *tenancy agreement* for a new *tenant* to let the *home* for an ongoing period intended to be no less than 90 days.

We will pay:

- i. an amount equal to the average weekly rental payments *you* received for renting out the *home* during the weeks it was rented in the 12 months prior to the *loss*, or where a *tenancy agreement* was signed prior to the *loss*, the amount of the weekly rental in the agreement; and
- ii. any other costs incurred with *our* written consent.

Where *your* claim for *loss* to the *home* is covered entirely by the Earthquake Commission, *we* will still pay *your* *loss of rent* under this Optional Additional Benefit.

We will not pay *your* *loss of rent* where the *home* is not *uninhabitable*, or where *tenants* choose to or are encouraged to move out of *your home* while repair or rebuilding is effected.

The maximum that *we* will pay for *loss of rent* is:

- for the period necessary to replace or repair the *home*, up to a maximum period of 12 months; or
- where *you* don't want the *home* rebuilt, up to two months.

Our liability for *loss of rent* will be subject to a maximum of \$20,000 per dwelling unit or the amount shown on the *schedule*, whichever is higher, for any one event.

Exclusions (what you are not insured for)

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

1. Excess

Any *excess*.

2. Electronic Data

This policy does not provide cover for any *loss* to, or arising from, any *loss of electronic data* of any kind, or any *loss of use*, reduction in functionality, or any other associated *loss* or *expense* or *liability* directly or indirectly arising from or in connection with the *loss of electronic data*. This includes any *electronic data* that is purchased in place of an item that could be purchased in a non-electronic format.

3. Hydrostatic Pressure

This policy does not provide cover for any *loss* to swimming and spa pools caused by hydrostatic pressure.

4. Other causes of loss that you are not covered for

This policy does not provide cover for:

- a. *loss* caused:
 - i. by mechanical or electrical breakdown or inability to operate any machine or electrical device covered by this policy, except where *loss* arises from impact, earthquake, fire, flood, lightning, power surge, volcanic eruption, a malicious act, or where actual burning out occurs;
 - ii. to lighting or heating elements, fuses or protective devices, or electrical contacts where arcing occurs in ordinary working;
 - iii. by defect in design or inherent fault;
 - iv. by wear and tear;
 - v. by insects or vermin (except opossums);
 - vi. by poor or defective workmanship; or
 - vii. by the process of cleaning, renovation, repair, or restoration, but only in respect of the article or property that has undergone such process (except where cover is provided by Benefit 17 – New Building Work);

Home (continued)

however, this exclusion only applies to that part of the *home* directly affected by i. to vii. above. This policy will however cover any resultant loss to other parts of the *home* caused by the excluded loss, provided it is not also excluded.

- b. loss caused by:
 - i. corrosion or rust;
 - ii. action of micro-organisms, mould, mildew, rot, fungi, or gradual deterioration (unless covered under Benefit 15 – Gradual Damage);
 - iii. any other gradually operating cause;
 - iv. lifting or moving the *home*;
 - v. structural additions or structural alterations to the *home* (except where cover is provided by Benefit 17 – New Building Work), or the removal of any external wall, roof materials, external cladding, or window or door, unless we have been notified of any such additions, alterations, or removal work and we have agreed in writing to maintain cover;
 - vi. vibration, weakening or removal of support;
 - vii. burglary, theft, malicious, intentional or deliberate damage committed by *you*;
 - viii. burglary, theft, malicious, intentional or deliberate damage committed by anybody, renting, living, or staying in the *home*; (however where the *home* is *tenanted* we will cover any loss to the *home* from fire or explosion resulting from malicious, intentional or deliberate damage by *tenants*). If:
 - the *home* is *tenanted*; and
 - it is shown on the *schedule* that *you* are insured for Sum Insured Replacement and have purchased the Optional Additional Benefit ‘Landlord Extension’;this exclusion doesn’t apply to the extent of the cover provided by the Optional Additional Benefit;
 - ix. scratching, chewing, tearing, or soiling by *domestic pets* where the occupant of the *home* is anyone other than *you*;
 - x. subsidence, settling, ground heave, shrinkage, expansion, or erosion.
- c. any loss, damage, cost or liability arising from:
 - i. any criminal activity carried out at, or involving, any property within the *residential boundaries* of any *situation of risk* unless *you* establish that *you* did not have reason to suspect that criminal activity was taking place;

- ii. any deliberate, intentional, knowing, wilful or reckless act or omission, whether criminal or otherwise, committed by *you* or any other person entitled to cover under this policy.

5. Unoccupied Home

This policy does not provide cover for any loss:

- a. to the *home* if *unoccupied* unless we have been notified and have agreed in writing to maintain cover, and provided that:
 - i. the *home* and its lawns and gardens are kept in a tidy condition; and
 - ii. all external doors and windows are kept locked; and
 - iii. all papers and mail are collected weekly; and
 - iv. the *home* is under regular supervision, and for an *unoccupied home*, is inspected internally and externally on a minimum weekly basis;
- b. to the *home* while unattended, if normally used as a holiday-*home* or weekend *home*, unless requirements a.i. to a.iv. above are complied with.

However, where *you* ordinarily occupy the *home*, but *your* travel or medical commitments mean that the *home* is *unoccupied* for a period exceeding 60 days, we agree to maintain cover under this policy for an additional period of 30 days, provided that the requirements in a.i. to a.iv. above are met.

6. Business Use

This policy does not provide cover for any loss or liability arising from the use of the *home* for business other than that covered under the Additional benefit 7 - Home Office or Healthcare Practice.

7. Costs to Mitigate Loss

This policy does not provide cover for any costs directly or indirectly associated with the:

- a. stabilising of or making improvements to land; or
- b. erecting or upgrading any improvements to land;

which are required to avert or mitigate loss to the *home*.

8. Existing Damage

This policy does not provide cover for any damage which has not been repaired at the time of the commencement of the *period of insurance*.

9. Unrepaired Land

This policy does not provide cover for loss caused or contributed to by land where *you* are aware that the land requires repair or poses a threat to the *home*. This policy will not cover loss caused or contributed to by the condition of the land where *you*, or a previous owner of the *home*,

Home (continued)

has received payment from the Earthquake Commission in order to effect repairs to the land, and those repairs have not been undertaken.

10. Illegal Drug Contamination

This policy does not provide cover for any *loss* or liability arising from the manufacture, supply, storage, possession or use of any illegal drugs or substances including methamphetamine or any pre-cursor chemicals or materials used in any of these activities in or near *your home* (however we will cover any *loss* to the *home* from fire or explosion).

If it is shown on the *schedule* that *you* are insured for Sum Insured Replacement this exclusion doesn't apply:

- a. to the extent of the cover provided for in benefit 16 - Methamphetamine Contamination where *your home* is *tenanted*; or
- b. where *you* normally reside in the *home* as *your* place of residence, including where *you* share the *home* with a *tenant*, and the *loss* is caused by unknown persons breaking into or entering *your home* without *your* permission when *your home* is unattended but is not *unoccupied*. In this case, we will extend benefit 16 - Methamphetamine Contamination to cover the *loss* to the *home* and this exclusion doesn't apply to the extent of the cover provided for in that benefit. The limit of liability otherwise applicable to benefit 16 - Methamphetamine Contamination will not apply in these circumstances and cover under the benefit will instead apply within the *sum insured*.

Policy Conditions

General conditions give you information about your and our obligations arising from this policy. They are listed at the beginning of this policy.

The following conditions apply specifically to this section of the policy:

1. Additional Excesses

The following additional *excesses* will be deducted from the amount of *your* claim:

- a. except where *loss* arises from fire, *flood* or *natural disaster*:
 - i. \$250 for each event if *your home* is let to *tenants* other than *you*, *your* sharemilker or farming *employee*.
 - ii. \$1,000 for each event if *your home* is made available for casual use by anyone in return for any form of payment.

2. Landlord Obligations

The following conditions apply where the *home* is *tenanted*.

- a. *You* or *your* managing agent must:
 - i. exercise reasonable care in the selection of each person who is a *tenant*; and
 - ii. obtain satisfactory references for each adult *tenant* prior to that *tenant* moving into the *home*; and
 - iii. keep records of the checks undertaken and references obtained and provide these to *us* if we ask for them.
- b. At 6 monthly intervals, or whenever there is a change of *tenant*, *you* or *your* managing agent must:
 - i. complete an internal and external inspection of the property; and
 - ii. keep photos and written records of the inspections and provide these to *us* if we ask for them.
- c. If *you* have purchased the Optional Additional Benefit 'Landlord Extension', in addition to complying with the requirements of a. and b. above:
 - i. *you* have an obligation to mitigate any claim *you* make for *your* loss of *rent* under this policy by taking all reasonable steps to find suitable alternative *tenants* and must provide *us* with records of steps taken if we ask for them; and
 - ii. *you* or *your* managing agent must actively monitor *rent* for *your home* and if the *rent* is 10 days in arrears, *you* or *your* managing agent must provide a written notice requiring the *tenant* to remedy the arrears. If the unpaid *rent* is not received within a further 5 days, *you* or *your* managing agent must personally deliver a second notice to the *tenants* requiring the arrears to be remedied. *You* or *your* managing agent must also ascertain at this time whether the *tenants* are still living at the *home*.

Home contents

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

The cover provided to you under this policy is dependent upon the Cover Option shown on the *schedule*.

Cover Option – Maxi

When shown on the *schedule* that you are insured “At and away from the home” you are insured for Cover Option – Maxi. We will insure you for loss to the *contents* while they are at the *home* and while they are temporarily removed from the *home* for use anywhere in New Zealand during the *period of insurance*.

How we may settle your claim

Where your *contents* sustain loss which we accept under this policy, we will pay the *replacement value* for all *contents* except:

- clothing;
- footwear;
- video and/or audio tapes, records, and discs;
- books and magazines;
- sports equipment more than 2 years old;
- camping, fishing, and diving equipment more than 2 years old;
- bicycles more than 3 years old;
- laptop computers, tablets, mobile or smart phones, or any other similar handheld electronic device, that are more than 3 years old and that are capable of:
 - communication with any person or any other electronic device; and/or
 - receiving, running, or displaying and storing executable data programmes, or applications;
- *contents* located at a *home* owned by you, but which is occupied by anyone other than you;

for which we will pay the *indemnity value*.

However,

1. the maximum amount we will pay is the *sum insured* shown on the *schedule*.
2. Subject to paragraph 3. below, if you do not want the items repaired or replaced, we will pay you only the *indemnity value* of the items or the cost of the repairs, whichever is less.
3. If any unspecified item of jewellery or watch is not replaced or repaired, the maximum amount we will pay for each item is either:
 - a. 50% of the *replacement value*; or
 - b. the *market value*;whichever is the lesser, up to the limits for jewellery or watches listed below.

Limits on what we will pay

1. The maximum amount we will pay under this policy is:
 - a. the *sum insured* shown on the *schedule*; plus
 - b. any GST you have paid or that is payable on the *sum insured*; plus
 - c. any amounts we may be liable to pay under the following Benefits:
 - i. Benefit 1 – Alternative Accommodation;
 - ii. Benefit 5 – Fatal Injury;
 - iii. Benefit 7 – Forest and Rural Fires Act;
 - iv. Benefit 11 – Occupier’s and Personal Liabilities;
 - v. Benefit 14 – Removal of Debris.

All other benefits not listed here are paid within the *sum insured* stated on the *schedule*.

2. The maximum we will pay for any of the following items is the amount listed under paragraph 3. below unless we have agreed to specify the item on the *schedule* for another amount, and you have paid the additional *premium* required by us. The amount we will pay is subject to the provisions of the policy under the heading ‘How we may settle your claim’.

However,

- a. we will only replace damaged floor coverings, drapes, curtains, or blinds in the *room* or *rooms* where the *loss* occurred;
- b. we will only pay for the proportion of any consumables that remain at the time of *loss*;
- c. where any *similar items*, other than jewellery, suffer *loss*, we will not pay more than the value of or cost to replace the particular item that suffers *loss*. We are not obliged to exactly replace, repair, or reinstate any items that have suffered *loss*. We will not replace *similar items* that have not suffered *loss*;
- d. where we have agreed to increase one or more of the policy limits that otherwise apply, then where:
 - i. any item of jewellery is specified on the *schedule*, any claim for burglary, theft or unexplained *loss* must be supported by a pre-loss valuation for each item being claimed. Any claim settlement may be affected where there is no supporting pre-loss valuation. Any pre-loss valuation must be issued by an industry recognised jewellery valuer;

Home contents (continued)

ii. any individual specified item of jewellery or watch has a specified value exceeding \$50,000, or where the total value of all specified items of jewellery or watches exceeds \$100,000, all of the specified items must be kept within a locked safe when:

- a. not being worn or carried by *you*; or
- b. *you* are absent from the building where the items are left.

The safe must be:

1. manufactured by a reputable safe manufacturer; and
2. of a standard sufficient to protect the specified items; and
3. securely anchored to the floor or wall in accordance with the manufacturer's installation instructions.

If *you* fail to adhere to these requirements, we will not pay any claim for burglary, theft, or unexplained *loss*.

e. *our* liability to *you* under all liability benefits (the Forest and Rural Fires Act Benefit and the Occupier's and Personal Liabilities Benefit) will be limited to \$2,000,000 in total during the *period of insurance*, plus *your* legal costs and expenses incurred with *our* consent.

3. In each case, all the following limits include accessories and ancillary equipment.

- \$3,000 per item (including any pair or set) of unspecified jewellery or watch, up to a maximum amount for any one claim of 15% of the *sum insured* appearing on the *schedule* (excluding specified items of jewellery and watches) or \$15,000, whichever is the greater;
- \$3,000 per item of photographic, digital, and video camera equipment. The camera body and the lens attached to the camera body is one item, unless separately specified on the *schedule*. Any extra lens which is not permanently attached to a camera body or which is designed to be detachable and interchangeable with any suitable camera body is treated as a separate item;
- \$3,000 for any bicycle, unless separately specified on the *schedule*;
- \$3,000 for any canoe, kayak, surf board, surf ski, kite surfer, paddle board, or windsurfer, unless separately specified on the *schedule*;
- \$3,000 for any *boat* (other than canoe, kayak, surfboard, surf ski, kite surfer, paddle board, or

windsurfer). Any *boat* that has a *market value* of more than \$3,000 is not covered by this policy;

- \$2,000 in total for motor and marine parts and accessories removed from any vehicle or boat, including children's car seats.

If *you* have motor and/or boat and home contents insurance with us, *you* are only entitled to payment under one section of this policy or under one policy with us;

- \$2,000 in total for remote-controlled scale models;
- \$1,000 per coin, card, or stamp, up to a maximum of \$3,000 in total for any collection of coins, cards, or stamps, unless separately specified on the *schedule*;
- \$1,000 in total for unset precious or semi-precious gemstones or minerals, gold or silver bullion or ingots, or precious metals, unless separately specified on the *schedule*;
- \$1,000 in total for all money, negotiable securities, certificates or documents, bonus bonds, travellers' cheques, or travel tickets.

Benefits included in *your* cover

We will cover or pay for the following benefits numbered 1 to 14 and 16 to 27, which are subject to the policy definitions, clauses, exclusions, conditions and limits.

1. Alternative Accommodation

Where *you* are the owner-occupier of the *home*, or where *you* or *your* permanent farming *employee* or *your* sharemilker occupy the *home* as a *tenant*, we will reimburse *you* for the reasonable additional costs of temporary accommodation (of a similar standard to the *home*) for *you*, *your* permanent farming *employee* or *your* sharemilker, including the boarding of *your* domestic *pets* and the temporary storage of *contents* (including the removal and return of the *contents* from storage or temporary accommodation), incurred by *you* while:

- a. the *home* is *uninhabitable* due to *loss* covered by this policy; or
- b. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* to the *home* within which the *contents* covered by this policy are located; or
- c. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* covered entirely by the Earthquake Commission; or
- d. there is prevention of access to the *home* by government or local authorities which is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*.

Home contents (continued)

We will pay the Alternative Accommodation benefit for the period that the *home* is *uninhabitable*, but we will not pay more than:

- a. a period of 12 months or \$30,000, whichever is the lesser, if *you* are the owner-occupier of the *home* or where *your home* is occupied by a sharemilker or farming *employee*; or
- b. a period of 1 month or \$5,000, whichever is the lesser, if *you* occupy the *home* as a *tenant* and are not a sharemilker or farming *employee* of the owner of the *home*.

In the event of a widespread *natural disaster* we may at our sole discretion remove the 12 month limit.

We will not reimburse costs for travel, consumables, phone charges, electricity, gas, or water supply services, or other costs that would otherwise be paid by *you* if the *home* was undamaged or still habitable. We will not pay for any increase in these costs associated with the temporary accommodation.

This benefit does not cover the costs of providing alternative accommodation for any home office or health care practice.

This benefit will not apply in any case where;

- the *home* is not *uninhabitable* (other than where provided under d. above); or
- *you* choose to or are encouraged to move out of *your home* while repair or rebuilding is undertaken, unless we agree in writing that vacating the *home* is necessary.

This benefit will not apply where the *loss* covered by the Earthquake Commission is *loss* only to land.

If *you*, or a member of *your* household, have an Alternative Accommodation Benefit with us under any other policy or section of policy, *you* can only claim this benefit under one policy or section of a policy per event.

2. Authorities Damage

We will pay for physical damage to *contents* caused by government or local authorities in order to prevent *loss* covered by this policy. Any payment will be within the *contents sum insured* shown on the *schedule* and subject to maximum item limits as shown in this policy.

3. Change of Situation and Transit Cover

If *you* move out of *your* permanent *home*, to an address other than the *situation of risk* shown on the *schedule*, we will extend cover to include *contents* at *your* new *home*, provided *you* notify us in writing within 30 days of the date the *contents* are first removed.

Cover on the *contents* at the previous *situation of risk* will cease 30 days after the *contents* are first removed, unless

we have otherwise agreed in writing, prior to any *loss*, to continue providing cover.

We will also cover the *contents* for *loss* arising from fire, theft from a securely locked vehicle, and collision and overturning of the conveying vehicle, while *you* are moving the *contents* between *your* old *home* and *your* new *home*.

Our liability under this benefit will be limited to \$10,000 for any one event, and will be subject to the maximum item limits as shown in this policy.

4. Credit and Debit Cards

If there is any unauthorised use (by someone other than *you*) of *your* credit or debit cards we will reimburse *you* for *your* financial *loss*, provided that:

- a. *you* have observed the conditions under which the card was issued; and
- b. *you* have notified the Police and issuing authorities within 24 hours of discovery; and
- c. the *loss* cannot be recovered from any other source.

Our liability under this benefit will be limited to \$1,000 in total as a result of *loss* or theft of *your* cards in any one event.

5. Fatal Injury

If *you* are injured at the *home* as a result of fire or burglary and *you* die of the injury within 3 months, we will pay *your* legal representative \$10,000.

6. Food Spoilage

If *your* refrigerator or freezer in *your* *home* is *accidentally* damaged or breaks down, or the power supply is *accidentally* turned off, then we will:

- a. pay to replace any spoiled food;
- b. repair any *loss* caused by the spoiled food.

7. Forest and Rural Fires Act

We will cover *you* for *your* liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus *your* legal costs and expenses incurred with our consent) for:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and
- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally

Home contents (continued)

that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

We will not cover *you* for any punitive or exemplary damages and/or any reparation orders, awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

We will not pay more than \$1,000,000 (plus legal costs and expenses incurred with our consent) in total for any legal liability (whether pursuant to this Act or otherwise) arising out of any one event.

8. Fusion of Electric Motors

If an electric motor burns out or fuses, we will pay for its replacement. We will also pay for an exchange sealed compressor for motors within a sealed refrigeration or air-conditioning compression unit, and for re-gassing the unit.

9. Goods and Services Tax – GST

Provided the GST is recoverable by us, the *sum insured* under this section of the policy is exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All limits, amounts or excesses shown are GST inclusive.

10. Natural Disaster Damage

This policy provides cover for *natural disaster* where:

- a. there is *loss to contents*, and
 - i. the *loss to contents* is covered under the Earthquake Commission Act 1993 or its successor (the EQC Act); and
 - ii. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC Act for *your* claim.
- b. there is *loss to contents* that are not subject to insurance under the EQC Act.

Where there is *loss* caused by *natural disaster* for which *you* are covered under this policy, *our* liability will be limited to the amount that we would have paid under the policy if the cause of *loss* was other than *natural disaster*, less the amount that *you* have received from the Earthquake Commission.

However, this policy will never provide cover for *loss* to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate *loss* to the *contents*, even if such *loss* or costs are covered by the Earthquake Commission.

11. Occupier's and Personal Liabilities

A. Liability for damages

We will cover *you* for *your* legal liability to pay *damages* for *accidental bodily injury* or *accidental* physical damage to property happening during the *period of insurance* resulting from an event that occurs in New Zealand.

B. Liability for reparation

We will cover *you* for *your* legal liability to pay *reparation* for *accidental bodily injury* or *accidental* physical damage to property happening during the *period of insurance* resulting from an event that occurs in New Zealand, provided that:

- a. *you* tell us immediately if *you* are charged with any offence which resulted in *bodily injury* to another person or physical damage to property; and
- b. *you* obtain *our* written approval before any offer of *reparation* is made.

C. Extended Liability

Provided all the requirements for cover are met, we will extend the "Liability for damages" and "Liability for reparation" benefits:

- a. to *your* children who are covered by Benefit 17 – Boarding School and Benefit 26 – Tertiary Accommodation;
- b. to *your* involvement in paid part-time baby-sitting;
- c. the use of ride-on mowers and other domestic garden appliances, electric wheelchairs and electric mobility aids for the aged or impaired;
- d. the use of any canoe, kayak, surf board, surf ski, kite surfer, paddle board, windsurfer, or *watercraft* covered by this section of the policy. Any *watercraft* that has a *market value* of more than \$3,000 is not covered by this section of the policy;
- e. the non-competitive use of any scale-model, radio-controlled:
 - i. aircraft (but not drones);
 - ii. *watercraft*;
 - iii. motor vehicle.

We will not pay under any of these benefits for legal liability:

- i. arising from the ownership of the *home*, its land, or any other buildings or land;
- ii. for damage to property belonging to *you* or under *your* control, except for the *home* when occupied by *you* as a tenant;
- iii. arising out of *farming operations* and any business, profession or employment;

Home contents (continued)

- iv. arising out of the ownership, possession, or use of any mechanically propelled vehicle, trailer, *aerial devices* or *boat*;
- v. for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) or the Forest and Rural Fires Act 1977 and any subsequent amendments to those Acts;
- vi. to pay any exemplary or punitive *damages* awarded against *you*;
- vii. for *accidental bodily injury* or *reparation* arising out of any intentional, knowing, wilful or reckless criminal act or omission; or
- viii. where any exclusion in the Home contents section or in the General exclusions applies.

Our liability to during any *period of insurance* will be:

- a. for liability for *damages*, the legal liability limit shown on the *schedule*; and
- b. for liability for *reparation*, the legal liability limit shown on the *schedule* or \$1,000,000, whichever is the lesser.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* defence costs incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses or any legal costs incurred by any other party in relation to an offence or where *your* legal liability is to pay *reparation*.

You are only entitled to payment of this benefit under one policy or section of a policy per event.

12. Property used for Trade, Professional, or Business Use

We will insure *your* tools and other articles (except for products, or stock of raw or finished goods or materials) used by *you* for trade, professional, or business purposes.

Our liability under this benefit will be limited to \$2,000 in total for any one event.

13. Reinstatement of Cover

Where the *contents* sustains *loss* which is covered by this policy, the amount of cover available for future claims will be reduced from the *sum insured* stated on the *schedule* by the amount of that *loss*.

The amount of cover shall be restored as and to the extent that the *loss* is repaired, rebuilt or reinstated.

However, before any amount of *your* cover is restored following *loss* you must pay any additional *premium* that we may charge.

This reinstatement of cover shall operate only once during the *period of insurance*, unless we agree otherwise in writing. There shall be no reinstatement of cover where there has been a *total loss* under this section of this policy.

14. Removal of Debris

With *our* prior consent, we will pay the costs incurred for removing the *contents* debris from the *home*.

15. Specified Items

This benefit is only available if Cover Option – Flexi applies.

16. Stolen Keys

If any key giving access to the *home* is stolen or believed on reasonable grounds to have been duplicated without proper authority following its disappearance, we will pay the cost reasonably incurred in altering or replacing locks and their keys and changing the combination number of any electronic keypad. We will also pay the reasonable cost of opening any safe following theft or disappearance of its key or combination.

Our liability under this benefit will be limited to \$2,000 for any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

The following Additional Benefits numbered 17 to 27 are only available under Cover Option – Maxi and are subject to the policy definitions, clauses, exclusions, conditions, and limits:

17. Boarding School

We will insure the *contents* belonging to *your* children temporarily living away from the *home* at a boarding school, subject to maximum item limits as shown in this policy.

18. Sharemilker's permanently wired appliances and carpets

We will insure:

- a. floor coverings that have been attached by glueing, tacking, or smooth-edging; or
- b. permanently wired appliances;

that have been installed by *your* sharemilker who is a *tenant* of *your* home, provided they are not otherwise insured.

Our liability under this benefit will be the *indemnity value*.

19. Gifts

We will insure wedding, Christmas or other special occasion gifts temporarily in the *home* that belong to someone other than *you*.

Home contents (continued)

20. Gradual Damage

We will pay for gradual physical damage to *contents* resulting from water leaking or overflowing from any internal water system, if the *loss* first occurs during the time that *you* occupy the *home* and the water leak or overflow causing the *loss* was not visible, noticeable, or obvious.

An internal water system, for the purposes of this benefit, is any water pipe, waste disposal pipe or water storage tank which is hidden from view within the dwelling structure and is permanently connected and/or contained within its walls, cupboards, floors, ceiling, or roof, or connected to any water cylinder, refrigerator, water purifier, washing machine, dishwasher, or similar household items.

Our liability under this benefit will be limited to \$3,000 for any one event.

21. Home Office or Healthcare Practice

Where home office or healthcare equipment owned by *you*, used by *you* for business purposes, and is located at the *home*, we will provide cover for this equipment. For the purposes of this benefit:

- Home office equipment includes office furniture, computer and peripheral equipment, facsimile machine, photocopier, and stationery.
- Health care equipment includes all of the above plus equipment appropriate to the practice of a legally qualified health practitioner. A health practitioner is as defined by the Health Practitioners Competence Assurance Act 2003.

Our liability under this benefit will be limited to \$15,000 for any one event.

22. Misuse of Mobile/Smart Phones

If *your* mobile/cellular phone is lost or stolen, we will pay the amount attributed to its unauthorised use (other than use by *you*) as billed to *you* by *your* network service provider for the 24-hour period immediately following its *loss* or theft, provided *you* inform *your* network service provider immediately upon discovery of the *loss* or theft.

Our liability under this benefit will be limited to \$500 for any one event.

23. Overseas Travel

We will extend cover to *your* clothing, personal effects, suitcases, bags, jewellery, watches and cameras, while *you* are in transit to and from, and travelling within, Australia or the Pacific Islands on personal or business travel during the *period of insurance*, provided that:

- a. *your* entire trip does not exceed 30 days in total; and

- b. *your contents* are not covered by a travel insurance policy.

In the case of *loss* by theft or burglary, *you* must report the incident to local Police within 24 hours of the *loss* being discovered.

Our liability under this benefit will be limited to \$5,000 in total during any one *period of insurance*, and is subject to maximum item limits as shown in this policy.

24. Storage of Contents

Where, for reasons other than a valid claim under this policy, *you* choose to move any of the *contents* from the *home* to store them at another location, we will continue to provide cover for the *contents* for a maximum period of 90 days from the date the *contents* were removed from the *home*.

However, if the *contents* are stored anywhere other than within a secured unit, at a commercial storage facility under a contract in *your* name, we will not accept any claims for *loss* arising from theft (unless there is forcible and violent entry to the building or *room* in which the *contents* are kept), unexplained *loss* or water damage.

Our liability under this benefit will be for the *indemnity value* of the item(s), which are the subject of a claim, and we will not pay more than \$20,000 in total for any one event in the 90-day period, subject to the maximum item limits as shown in this policy.

25. Tenant's Improvements

This policy is extended to provide cover for any items *you* own that are permanently installed and attached to the *home* *you* live in as a *tenant*, up to a maximum of \$15,000, or 20% of the *sum insured*, whichever is the lesser, for any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

26. Tertiary Accommodation

We will insure the *contents* belonging to *your* children who are temporarily residing away from *home* in accommodation provided by a tertiary educational institution. However, we will not pay for theft of *your* children's *contents* from such accommodation, unless there is forcible and violent entry to the building or *room* in which the *contents* are kept, or the theft is as a result of actual or threatened physical violence to *your* children.

Our liability under this benefit will be limited to \$5,000 per child, for any one event, subject to the maximum item limits as shown in this policy.

Home contents (continued)

27. Vehicle Accessories within an Employer's Motor Vehicle

We will insure *your* portable entertainment and navigational accessories, contained within a motor vehicle owned by *your* employer and provided to *you* for *your* use, against *loss* by theft, provided that there is no other cover available for these systems under *your* employer's motor vehicle insurance policy.

If you have motor and home contents insurance with us, you are only entitled to payment under one section of this policy or under one policy with us.

Any payment under this benefit will be for the *indemnity value* of the item(s) the subject of a claim, and we will not pay more than \$1,500 in total for any one event. The additional *excess* applying to portable electronic equipment will also apply to this benefit.

Cover Option – Flexi

When shown on the *schedule* that *you* are insured "At the Home only" *you* are insured for Cover Option – Flexi. We will insure *you* for *loss* to the *contents* while they are at the *home* during the *period of insurance* arising only from the following events:

1. fire, explosion, or lightning;
2. storm or *flood*;
3. burglary or theft;
4. riot, civil commotion, strikes, or labour disturbance;
5. malicious damage or vandalism;
6. sudden escape or overflowing of water or oil from any domestic water or heating equipment, sink, bath, toilet, or reticulation installed in the *home*;
7. opossums entering the *home*;
8. collision or impact by *vehicle* or animal;
9. impact from *aerial devices* and articles dropped there from;
10. burning out by electrical current;
11. breakage resulting in the fracture through the entire thickness of mirrors, plate-glass tops on furniture, or fixed glass in furniture;
12. *natural disaster*.

How we may settle *your* claim

Where *your contents* sustain *loss* which we accept under this policy, we will pay the *indemnity value* of the *contents*, but limited to the *sum insured* shown on the *schedule*. However, if any unspecified item of jewellery or watch is not replaced or repaired, the maximum amount we will pay is 50% of the *indemnity value*, up to the limits for jewellery or watches listed below.

Limits on what we will pay

1. The maximum amount we will pay under this policy is:
 - a. the *sum insured* shown on the *schedule*; plus
 - b. any GST *you* have paid or that is payable on the *sum insured*; plus
 - c. any amounts we may be liable to pay under the following Benefits:
 - i. Benefit 1 – Alternative Accommodation;
 - ii. Benefit 5 – Fatal Injury;
 - iii. Benefit 7 – Forest and Rural Fires Act;
 - iv. Benefit 11 – Occupier's and Personal Liabilities;
 - v. Benefit 14 – Removal of Debris.

All other benefits not listed here are paid within the *sum insured* stated on the *schedule*.

2. The maximum we will pay for any of the following items is the amount listed under paragraph 3. below unless we have agreed to specify the item on the *schedule* for another amount, and *you* have paid the additional *premium* required by *us*. Then, the specified amount on the *schedule* will be the maximum we will pay, however,
 - a. we will only replace damaged floor coverings, drapes, curtains, or blinds in the *room* or *rooms* where the *loss* occurred;
 - b. we will only pay for the proportion of any consumables that remain at the time of *loss*;
 - c. where any *similar items*, other than jewellery, suffer *loss*, we will not pay more than the value of or cost to replace the particular item that suffers *loss*. We are not obliged to exactly replace, repair, or reinstate any items that have suffered *loss*. We will not replace *similar items* that have not suffered *loss*;
 - d. where we have agreed to increase one or more of the policy limits that otherwise apply within this section of the policy under the heading 'Limits on what we will pay', and *you* have paid the additional *premium* required by *us*, we will insure the items up to the values as specified on the *schedule*. However, where:
 - i. any item of jewellery is specified on the *schedule*, any claim for burglary, theft or unexplained *loss* must be supported by a pre-loss valuation for each item being claimed. Any claim settlement may be affected where there is no supporting pre-loss valuation. Any pre-loss valuation must be issued by an industry recognised jewellery valuer;

Home contents (continued)

- ii. any individual specified item of jewellery or watch has a specified value exceeding \$50,000, or where the total value of all specified items of jewellery or watches exceeds \$100,000, all of the specified items must be kept within a locked safe when:
 - a. not being worn or carried by *you*; or
 - b. *you* are absent from the building where the items are left.

The safe must be:

1. manufactured by a reputable safe manufacturer; and
2. of a standard sufficient to protect the specified items; and
3. securely anchored to the floor or wall in accordance with the manufacturer's installation instructions.

If *you* fail to adhere to these requirements, we will not pay any claim for burglary, theft, or unexplained *loss*.

- e. *our* liability to *you* under all liability benefits (the Forest and Rural Fires Act Benefit and the Occupier's and Personal Liabilities Benefit) will be limited to \$2,000,000 in total during the *period of insurance*, plus *your* legal costs and expenses incurred with *our* consent.
3. In each case, all the following limits include accessories and ancillary equipment;
 - \$3,000 per item (including any pair or set) of unspecified jewellery or watch, up to a maximum amount for any one claim of 15% of the *sum insured* appearing on the *schedule* (excluding specified items of jewellery and watches) or \$15,000, whichever is the greater;
 - \$3,000 per item of photographic, digital, and video camera equipment. The camera body and the lens attached to the camera body is one item, unless separately specified on the *schedule*. Any extra lens which is not permanently attached to a camera body or which is designed to be detachable and interchangeable with any suitable camera body is treated as a separate item;
 - \$3,000 for any bicycle, unless separately specified on the *schedule*;
 - \$3,000 for any canoe, kayak, surf board, surf ski, kite surfer, paddle board, or windsurfer, unless separately specified on the *schedule*;

- \$3,000 for any *boat* (other than canoe, kayak, surfboard, surf ski, kite surfer, paddle board, or windsurfer). Any *boat* that has a *market value* of more than \$3,000 is not covered by this policy;
- \$2,000 in total for motor and marine parts and accessories removed from any vehicle or boat, including children's car seats.

If *you* have motor and/or boat and home contents insurance with us, *you* are only entitled to payment under one section of this policy or under one policy with us;

- \$2,000 in total for remote-controlled scale models;
- \$1,000 per coin, card, or stamp, up to a maximum of \$3,000 in total for any collection of coins, cards, or stamps, unless separately specified on the *schedule*;
- \$1,000 in total for unset precious or semi-precious gemstones or minerals, gold or silver bullion or ingots, or precious metals, unless separately specified on the *schedule*;
- \$1,000 in total for all money, negotiable securities, certificates or documents, bonus bonds, travellers' cheques, or travel tickets.

Benefits included in *your* cover

We will cover or pay for the following benefits numbered 1 to 16, which are subject to the policy definitions, clauses, exclusions, conditions and limits.

1. Alternative Accommodation

Where *you* are the owner-occupier of the *home*, or where *you* or *your* permanent farming *employee* or *your* sharemilker occupy the *home* as a *tenant*, we will reimburse *you* for the reasonable additional costs of temporary accommodation (of a similar standard to the *home*) for *you*, *your* permanent farming *employee* or *your* sharemilker, including the boarding of *your domestic pets* and the temporary storage of *contents* (including the removal and return of the *contents* from storage or temporary accommodation), incurred by *you* while:

- a. the *home* is *uninhabitable* due to *loss* covered by this policy; or
- b. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* to the *home* within which the *contents* covered by this policy are located; or
- c. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* covered entirely by the Earthquake Commission; or

Home contents (continued)

- d. there is prevention of access to the *home* by government or local authorities which is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*.

We will pay the Alternative Accommodation benefit for the period that the *home* is *uninhabitable*, but we will not pay more than:

- a. a period of 12 months or \$30,000, whichever is the lesser, if *you* are the owner-occupier of the *home* or where *your home* is occupied by *your* sharemilker or farming *employee*; or
- b. a period of 1 month or \$5,000, whichever is the lesser, if *you* occupy the *home* as a *tenant* and are not a sharemilker or farming *employee* of the owner of the *home*.

In the event of a widespread *natural disaster* we may at *our* sole discretion remove the 12 month limit.

We will not reimburse costs for travel, consumables, phone charges, electricity, gas, or water supply services, or other costs that would otherwise be paid by *you* if the *home* was undamaged or still habitable. We will not pay for any increase in these costs associated with the temporary accommodation.

This benefit does not cover the costs of providing alternative accommodation for any home office or health care practice.

This benefit will not apply in any case where;

- the *home* is not *uninhabitable* (other than where provided under d. above); or
- *you* choose to or are encouraged to move out of *your home* while repair or rebuilding is undertaken, unless we agree in writing that vacating the *home* is necessary.

This benefit will not apply where the *loss* covered by the Earthquake Commission is *loss* only to land.

If *you*, or a member of *your* household, have an Alternative Accommodation Benefit with us under any other policy or section of policy, *you* can only claim this benefit under one policy or section of a policy per event.

2. Authorities Damage

We will pay for physical damage to *contents* caused by government or local authorities in order to prevent *loss* covered by this policy. Any payment will be within the *contents sum insured* shown on the *schedule* and subject to maximum item limits as shown in this policy.

3. Change of Situation and Transit Cover

If *you* move out of *your* permanent *home*, to an address other than the *situation of risk* shown on the *schedule*, we will extend cover to include *contents* at *your* new *home*, provided *you* notify us in writing within 30 days of the date the *contents* are first removed.

Cover on the *contents* at the previous *situation of risk* will cease 30 days after the *contents* are first removed, unless we have otherwise agreed in writing, prior to any *loss*, to continue providing cover.

We will also cover the *contents* for *loss* arising from fire, theft from a securely locked vehicle, and collision and overturning of the conveying vehicle, while *you* are moving the *contents* between *your* old *home* and *your* new *home*.

Our liability under this benefit will be limited to \$10,000 for any one event, and will be subject to the maximum item limits as shown in this policy.

4. Credit and Debit Cards

If there is any unauthorised use (by someone other than *you*) of *your* credit or debit cards we will reimburse *you* for *your* financial *loss*, provided that:

- a. *you* have observed the conditions under which the card was issued; and
- b. *you* have notified the Police and issuing authorities within 24 hours of discovery; and
- c. the *loss* cannot be recovered from any other source.

Our liability under this benefit will be limited to \$1,000 in total as a result of *loss* or theft of *your* cards in any one event.

5. Fatal Injury

If *you* are injured at the *home* as a result of fire or burglary and *you* die of the injury within 3 months, we will pay *your* legal representative \$10,000.

6. Food Spoilage

If *your* refrigerator or freezer in *your* *home* is *accidentally* damaged or breaks down or the power supply is *accidentally* turned off then we will:

- a. pay to replace any spoiled food;
- b. repair any *loss* caused by the spoiled food.

7. Forest and Rural Fires Act

We will cover *you* for *your* liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus *your* legal costs and expenses incurred with *our* consent) for:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and

Home contents (continued)

- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

We will not cover *you* for any punitive or exemplary damages and/or any reparation orders, awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

We will not pay more than \$1,000,000 (plus legal costs and expenses incurred with our consent) in total for any legal liability (whether pursuant to this Act or otherwise) arising out of any one event.

8. Fusion of Electric Motors

If an electric motor burns out or fuses, we will pay for its replacement. We will also pay for an exchange sealed compressor for motors within a sealed refrigeration or air-conditioning compression unit, and for re-gassing the unit.

9. Goods and Services Tax – GST

Provided the GST is recoverable by us, the *sum insured* under this section of the policy is exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All limits, amounts or excesses shown are GST inclusive.

10. Natural Disaster Damage

This policy provides cover for *natural disaster* where:

- a. there is *loss* to *contents*, and
 - i. the *loss* to *contents* is covered under the Earthquake Commission Act 1993 or its successor (the EQC Act); and
 - ii. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC Act for *your* claim.
- b. there is *loss* to *contents* that are not subject to insurance under the EQC Act.

Where there is *loss* caused by *natural disaster* for which *you* are covered under this policy, *our* liability will be limited to the amount that we would have paid under the policy

if the cause of *loss* was other than *natural disaster*, less the amount that *you* have received from the Earthquake Commission.

However, this policy will never provide cover for *loss* to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate *loss* to the *contents*, even if such *loss* or costs are covered by the Earthquake Commission.

11. Occupier's and Personal Liabilities

A. Liability for damages

We will cover *you* for your legal liability to pay *damages* for *accidental bodily injury* or *accidental* physical damage to property happening during the *period of insurance* resulting from an event that occurs in New Zealand.

B. Liability for reparation

We will cover *you* for your legal liability to pay *reparation* for *accidental bodily injury* or *accidental* physical damage to property happening during the *period of insurance* resulting from an event that occurs in New Zealand, provided that:

- a. *you* tell us immediately if *you* are charged with any offence which resulted in *bodily injury* to another person or physical damage to property; and
- b. *you* obtain our written approval before any offer of *reparation* is made.

C. Extended Liability

Provided all the requirements for cover are met, we will extend the "Liability for damages" and "Liability for reparation" benefits:

- a. to *your* involvement in paid part-time baby-sitting;
- b. the use of ride-on mowers and other domestic garden appliances, electric wheelchairs and electric mobility aids for the aged or impaired;
- c. the use of any canoe, kayak, surf board, surf ski, kite surfer, paddle board, windsurfer, or *watercraft* covered by this section of the policy. Any *watercraft* that has a *market value* of more than \$3,000 is not covered by this section of the policy;
- d. the non-competitive use of any scale-model, radio-controlled:
 - i. aircraft (but not drones);
 - ii. *watercraft*;
 - iii. motor vehicle.

We will not pay under any of these benefits for legal liability:

- i. arising from the ownership of the *home*, its land, or any other buildings or land;

Home contents (continued)

- ii. for damage to property belonging to *you* or under *your* control, except for the *home* when occupied by *you* as a tenant;
- iii. arising out of *farming operations* and any business, profession or employment;
- iv. arising out of the ownership, possession, or use of any mechanically propelled vehicle, trailer, *aerial devices* or *boat*;
- v. for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) or the Forest and Rural Fires Act 1977 and any subsequent amendments to those Acts;
- vi. to pay any exemplary or punitive *damages*, awarded against *you*;
- vii. for *accidental bodily injury* or *reparation* arising out of any intentional, knowing, wilful or reckless criminal act or omission; or
- viii. where any exclusion in the Home contents section or in the General exclusions applies.

Our liability to during any *period of insurance* will be:

- a. for liability for *damages*, the legal liability limit shown on the *schedule*; and
- b. for liability for *reparation*, the legal liability limit shown on the *schedule* or \$1,000,000, whichever is the lesser.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* defence costs incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses or any legal costs incurred by any other party in relation to an offence or where *your* legal liability is to pay *reparation*.

You are only entitled to payment of this benefit under one policy or section of a policy per event.

12. Property used for Trade, Professional, or Business Use

We will insure *your* tools and other articles (except for products, or stock of raw or finished goods or materials) used by *you* for trade, professional, or business purposes.

Our liability under this benefit will be limited to \$2,000 in total for any one event.

13. Reinstatement of Cover

Where the *contents* sustains *loss* which is covered by this policy, the amount of cover available for future claims will be reduced from the *sum insured* stated on the *schedule* by the amount of that *loss*.

The amount of cover shall be restored as and to the extent that the *loss* is repaired, rebuilt or reinstated.

However, before any amount of *your* cover is restored following *loss* you must pay any additional *premium* that we may charge.

This reinstatement of cover shall operate only once during the *period of insurance*, unless we agree otherwise in writing. There shall be no reinstatement of cover where there has been a *total loss* under this section of this policy.

14. Removal of Debris

With *our* prior consent, we will pay the costs incurred for removing the *contents* debris from the *home*.

15. Specified Items

When shown on the *schedule* that an individual item of *contents* has been specified for an amount higher than the standard policy limit shown under 'Limits on what we will pay', we will automatically extend cover under this policy for this individual item for as long as it remains specified at this higher amount in the following ways:

- a. the item will be covered for any peril which would be covered under Cover Option – Maxi;
- b. the item will be covered while it is temporarily removed from the *home* for use anywhere in New Zealand during the *period of insurance*; and
- c. the item will be covered for its *replacement value* up to the amount specified on the *schedule*.

16. Stolen Keys

If any key giving access to the *home* is stolen or believed on reasonable grounds to have been duplicated without proper authority following its disappearance, we will pay the cost reasonably incurred in altering or replacing locks and their keys and changing the combination number of any electronic keypad. We will also pay the reasonable cost of opening any safe following theft or disappearance of its key or combination.

Our liability under this benefit will be limited to \$2,000 for any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

Exclusions (what you are not insured for)

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

1. Excess

Any *excess*.

2. Electronic Data

This policy does not provide cover for any loss to, or arising from, any loss of *electronic data* of any kind, or any loss of use, reduction in functionality, or any other associated loss or expense or liability directly or indirectly arising from or in connection with the loss of *electronic data*. This includes

Home contents (*continued*)

any *electronic data* that is purchased in place of an item that could be purchased in a non-electronic format.

3. Hydrostatic Pressure

This policy does not provide cover for *loss* to swimming and spa pools caused by hydrostatic pressure.

4. Uninsured Property

This policy does not provide cover for *loss* arising from theft of outboard motors that are not securely locked to a boat or stored in a securely locked part of a boat, or placed in a securely locked building.

5. Other causes of loss that you are not covered for

- a. loss caused:
 - i. by mechanical or electrical breakdown or inability to operate any mechanical or electrical device covered by this policy, except where loss arises from impact, earthquake, fire, flood, lightning, power surge, volcanic eruption, a malicious act, or where actual burning out occurs;
 - ii. to lighting or heating elements, fuses or protective devices, or electrical contacts where arcing occurs in ordinary working;
 - iii. to tyres of bicycles, and other mechanically propelled vehicles covered by this policy, by application of brakes or by punctures, cuts, or bursts or bursting, unless the bicycle or vehicle suffers other *loss* in an *accident*, or the *loss* is deliberate and is caused by a person not insured by this policy;
 - iv. by defect in design or inherent fault;
 - v. by wear and tear;
 - vi. by insects or vermin (except opossums);
 - vii. by poor or defective workmanship; or
 - viii. by the process of cleaning, renovation, repair, or restoration, but only in respect of the article or property that has undergone such process;

however, this exclusion only applies to that item of *contents* directly affected by i. to viii. above. This policy will however cover any resultant loss to other items of *contents* caused by the excluded loss, provided it is not also excluded.

- b. loss caused by:
 - i. corrosion or rust;
 - ii. action of micro-organisms, mould, mildew, rot, fungi, or gradual deterioration (unless covered under Benefit 20 – Gradual Damage);

- iii. any other gradually operating cause;
- iv. lifting or moving the *home*;
- v. structural additions or structural alterations to the *home*, or the removal of any external wall, roof materials, external cladding, or window or door, unless we have been notified of such additions, alterations, or removal work, and we have agreed in writing to maintain cover;
- vi. vibration, weakening, or removal of support;
- vii. burglary or theft committed by anybody renting, living, or staying in the *home*;
- viii. malicious, intentional, or deliberate damage committed by *you* or anybody renting, living, or staying in the *home* (however, where the *home* is leased or rented, we will cover any *loss* from fire or explosion resulting from malicious, intentional, or deliberate damage by *tenants*);
- ix. scratching, chewing, tearing, or soiling by *domestic pets* where the occupant of the *home* is anyone other than *you*; or
- x. subsidence, settling, ground heave, shrinkage, expansion, or erosion.

6. Removed Property

This policy does not provide cover for *loss* to *contents*:

- a. permanently removed from the *home* or during the course of household removal including loading onto and unloading from the conveyance (except where cover is provided by Benefit 3 – Change of Situation and Transit Cover);
- b. that are housed at any other address or loaned to any person, except where cover is provided by Benefits:
 - i. Benefit 1 – Alternative Accommodation; or
 - ii. Benefit 3 – Change of Situation and Transit Cover; or
 - iii. Benefit 24 – Storage of Contents;
- c. removed to any place for sale, exchange for monetary benefit, or exhibition;
- d. removed to any place for storage, except where cover is provided by Benefits:
 - i. Benefit 1 – Alternative Accommodation; or
 - ii. Benefit 3 – Change of Situation and Transit Cover; or
 - iii. Benefit 23 – Storage of Contents.

Home contents (*continued*)

7. Unoccupied Home

This policy does not provide cover for any loss:

- a. to the *contents* if the *home* is *unoccupied* (meaning no authorised person has slept there overnight within the last 60 days), unless *we* have been notified and have agreed in writing to maintain cover, and provided that:
 - i. the *home* and its lawns and gardens are kept in a tidy condition; and
 - ii. all external doors and windows are kept locked; and
 - iii. all papers and mail are collected regularly; and
 - iv. the *home* is under regular supervision, and for an *unoccupied home*, is inspected internally and externally on a minimum weekly basis.
- b. to the *contents* while the *home* is unattended if normally used as a holiday-*home* or weekend *home* unless requirements in a.i. to a.iv. above are complied with.
 - i. \$250 for each event if *your home* is let to *tenant's* other than *you*, *your* sharemilker or farming *employee*.
 - ii. \$1,000 for each event if *your home* is made available for casual use by anyone in return for any form of payment.
 - b. \$150 for each event if portable electronic equipment is stolen or lost from *your* motor vehicle.
 - c. \$250 for each event if *you* have received an alarm discount from *us* and any *contents* are stolen during a burglary at the *home* and the security alarm system is not turned on and/or activated while *you* are absent from the *home*.

However, where *you* ordinarily occupy the *home*, but *your* travel or medical commitments mean that the *home* is *unoccupied* for a period exceeding 60 days, *we* agree to maintain cover under this policy for an additional period of 30 days provided that the requirements in a.i. to a.iv. above are met.

8. Business Use

This policy does not provide cover for any loss of or liability arising from *contents* used for professional or business use, except for the limited cover provided by the following Benefits:

- a. Benefit 12 - Property used for Trade, Professional, or Business use; or
- b. Benefit 21 - Home Office or Healthcare Practice.

Policy Conditions

General conditions give *you* information about *your* and *our* obligations arising from this policy. They are listed at the beginning of this policy.

The following condition applies specifically to this section of the policy:

1. Additional Excesses

The following additional *excesses* will be deducted from the amount of *your* claim:

- a. except where *loss* arises from fire, *flood* or *natural disaster*:

Motor

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

Comprehensive cover

When the *schedule* shows in respect of a particular *vehicle* that “comprehensive” cover applies, we will indemnify you for *loss* to your *vehicle* anywhere in New Zealand during the *period of insurance* while the *vehicle* is being used for private purposes or your *farming operations*.

Third Party cover

When the *schedule* shows in respect of a particular *vehicle* that “third party” cover applies, we will indemnify you for your legal liability arising from an *accident* anywhere in New Zealand during the *period of insurance* as per additional benefits 3 and 4 while the *vehicle* is being used for private purposes or your *farming operations*. Additional benefits 1, 2, 5, 6 and 7 also apply.

We will also provide cover on your *vehicle* for *loss* as a result of an *accident* caused by an uninsured other party. Cover will only apply if we are satisfied that:

1. the driver of your *vehicle* was completely free of blame; and
2. the identity of the other party who caused the damage is established; and
3. the other party did not have valid insurance.

The maximum amount payable for any claim will be the lesser of the *market value* of your *vehicle* or \$3,000, unless your *vehicle* is a motorcycle where the maximum amount payable will be \$1,000.

Third Party Fire and Theft cover

When the *schedule* shows in respect of a particular *vehicle* that “third party fire and theft” cover applies, we will indemnify you for your legal liability arising from an *accident* anywhere in New Zealand during the *period of insurance* as per additional benefits 3 and 4 while the *vehicle* is being used for private purposes or your *farming operations*. Additional benefits 1, 2, 5, 6 and 7 also apply.

We will also cover *loss* to your *vehicle*:

1. by accidental fire, theft or illegal conversion where the maximum amount payable will be the *market value* of your *vehicle*; or
2. as a result of an *accident* caused by an uninsured other party where the maximum amount payable for any claim will be the *market value* of your *vehicle* or \$3,000 whichever is less, unless your *vehicle* is a motorcycle where the maximum payable will be \$1,000.

Cover will only apply if we are satisfied that:

- a. the driver of your *vehicle* was completely free of blame; and
- b. the identity of the other party who caused the damage is established; and
- c. the other party did not have valid insurance.

What we will pay

For Private Use Vehicles – as shown on the *schedule*:

At our option we will pay the cost to repair or replace your *vehicle* or make a payment up to the *market value*.

For Farm Vehicles – as shown on the *schedule*:

At our option we will pay the cost to repair or replace your *vehicle* or make a payment of the lesser of the *market value* or the *sum insured* shown on the *schedule*.

Limits on what we will pay

Parts

The most we will pay for any part or *accessory* not available in New Zealand is the lesser of:

1. the manufacturer’s last known list price in New Zealand;
2. the price of the part’s closest New Zealand equivalent; or
3. the cost of having a new part made in New Zealand.

We will not pay for the cost of freighting parts or *accessories* from overseas or for the replacement of any part that has not been damaged.

Accessories

We will not pay more than \$1,000 in total for *loss* to *accessories*, unless such equipment is the manufacturer’s standard fitting for the *vehicle* model, or a higher amount as shown on the *schedule*.

Paint

We will only pay for the re-painting of those areas that have been *accidentally* damaged. We will not pay additional costs due to the inability to match new paint to existing paint.

Repairs

If we elect to repair your *vehicle*, you may use the repairer of your choice. If you choose one of our “Guaranteed Repairers” we will pay the cost of repairs and guarantee the work while you own the *vehicle*, otherwise we will not pay more than our assessor’s estimate of the cost of repairs.

If the repair makes a major improvement to the condition or value of the *vehicle* prior to the *loss* then you may be required to make a contribution towards the cost of repairs.

Motor (continued)

Additional benefits

Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

1. Defence costs – for farm use vehicles only

We will pay *your* reasonable costs of legal representation if *you* are charged with careless driving causing death while *you* were driving a *vehicle* used for *your farming operations* or *you* are legally represented at any inquiry or coroner's inquest in connection with such death.

We will pay up to \$10,000 for any one event.

2. Goods and Services Tax – GST

For Private vehicles – as shown on the *schedule*

Provided the GST is recoverable by *us* the *sums insured* under this section are exclusive of GST. This means that *we* will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All sub limits, maximum amounts and *excesses* shown are GST inclusive.

For Farm vehicles – as shown on the *schedule*

Provided the GST is recoverable by *us*, the *sums insured*, sub limits and maximum amounts payable under this section are exclusive of GST. This means that *we* will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All *excesses* shown are GST inclusive.

3. Legal liability

A. Liability for damages

We will cover *you* for *your* legal liability to pay *damages* for negligence causing *accidental bodily injury* or *accidental loss* to property during the *period of insurance* arising from an *accident* in New Zealand involving *your vehicle*.

B. Liability for reparation

We will cover *you* for *your* legal liability to pay *reparation* for negligence causing *accidental bodily injury* or *accidental loss* to property during the *period of insurance* arising from an *accident* in New Zealand involving *your vehicle*, provided that:

- a. *you* tell *us* immediately if *you* or any other person entitled to cover under the policy is charged with any offence in connection with the use of the *vehicle* which resulted in *bodily injury* to another person or *loss* to property; and
- b. *you* obtain *our* written approval before any offer of *reparation* is made.

C. Extended liability

Provided all the requirements for cover are met, *we* will extend the "Liability for damages" and "Liability for reparation" benefits:

- a. to any person who is driving *your vehicle* with *your* consent and who is not otherwise excluded from the policy cover;
- b. for *accidents* caused by *you* while *you* are driving any other *vehicle*, provided it does not belong to *you* and is not hired to *you* under a hire purchase or lease arrangement. No cover is provided for damage to the *vehicle* being driven;
- c. to *your* employer while *your vehicle* is being driven with *your* permission on *your* employer's business;
- d. for liability for *loss* caused by any trailer, caravan or implement while attached to *your vehicle*;
- e. for liability arising from movement by *you* or any of *your employees* of any *vehicle* which:
 - i. is parked in a position which prevents or impedes the loading or unloading of *your vehicle*; or
 - ii. prevents or impedes the legitimate passage of *your vehicle*.
- f. liability for *loss* caused by the weight of *your vehicle* and its load, but subject to a limit of \$500,000 and an *excess* of \$5,000.

For the purpose of this extension the exclusion relating to *loss* to property in the care or control of any person claiming cover will not apply to the vehicle being moved. The other exceptions in this policy and section will apply to the vehicle being moved as if it was a *vehicle*; and

For the purpose of this benefit exclusion 5 of this additional benefit relating to *loss* to property or road surfaces will not apply.

We will not pay for legal liability under any of these benefits:

1. for *loss* to property (including motor vehicles) in *your* or the driver's custody or control. However, damage to a disabled vehicle being towed (other than for reward) is covered. *Loss* to the property of passengers is also covered;
2. where *you* or any person or organisation to whom this benefit applies is entitled to indemnity under any other policy;

Motor (continued)

3. for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) or the Forest and Rural Fires Act 1977 and any subsequent amendments to those Acts;
4. in respect of any exemplary or punitive *damages* awarded against *you*;
5. for *loss* to property or road surfaces arising from vibration caused by *your vehicle* including the weight of the load carried by it;
6. for *loss* to property caused directly or indirectly by any equipment on *your vehicle* while it is being operated for the purpose for which it has been designed and not as a vehicle as defined in the Land Transport Act 1998;
7. arising from use of any *irrigator*;
8. for *accidental bodily injury* or *reparation* arising out of any intentional, knowing, wilful or reckless criminal act or omission;
9. where any exclusion in the motor section or in the general exclusions applies.

Our liability to during any *period of insurance* will be:

- a. for liability for *damages*, the legal liability limit shown on the *schedule*;
- b. for liability for *reparation* for private use *vehicles* as shown on the *schedule*, the legal liability limit shown on the *schedule* or \$1,000,000, whichever is the lesser;
- c. for liability for *reparation* for farm use (commercial) *vehicles* as shown on the *schedule*, the legal liability limit shown on the *schedule* or \$10,000,000, whichever is the lesser.

In addition, where *your* legal liability is to pay *damages*, we will pay *your defence costs* incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses or any legal costs incurred by any other party in relation to an offence or where *your* legal liability is to pay *reparation*.

No *excess* will apply for *your* claim under benefits A, B or C where *your vehicle* is fully insured (not for Third Party or Third Party Fire and Theft) and *you* are not claiming for damage to *your vehicle* arising from the same event.

You are only entitled to payment of this benefit under one policy or section of a policy per event.

4. Forest and Rural Fires Act

We will cover *you* for *your* liability under the Forest and Rural Fires Act 1977 arising from any one event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus *defence costs*) for:

- a. costs under section 43 of the Forest and Rural Fires Act 1977 incurred and apportioned by any Fire Authority; and
- b. cost and levies under sections 46 and 46A of the Forest and Rural Fires Act 1977; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover:

- i. where *your* liability arises directly or indirectly from any fire started intentionally that did not comply with the Forest and Rural Fires Act 1977 or any other statutory or local body requirement governing the lighting of fires;
- ii. for any fines or any exemplary or punitive damages and/or any reparation orders awarded against *you*;
- iii. for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

Any payment made under this additional benefit will be cumulative on any payment made under the Additional Benefit 3 - Legal Liability up to a maximum of the legal liability limit shown on the *schedule* (plus *defence costs*), in relation to any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

5. Vehicle change or addition

If *you* replace a *vehicle* or buy an additional *vehicle* for *your* sole use then we will insure the replacement or additional *vehicle* for its *market value* but otherwise on the same terms that apply to the *vehicle* shown on the *schedule*, but only if:

- a. *you* tell *us* within 30 days of buying the replacement or additional *vehicle* and provide full details; and
- b. *you* pay any extra *premium* which we require; and
- c. the *vehicle* purchased is valued at no more than \$100,000.

6. Vehicle servicing and emergency

If there are any driver restrictions on this policy we will not apply them when *your vehicle* is being driven:

- a. by a member of the motor trade who is professionally engaged in the overhaul, upkeep or repair of the *vehicle*;
- b. to a medical facility in the event of a medical emergency;

Motor (continued)

- c. by a valet parking attendant while parking or retrieving *your vehicle*; or
- d. by a professional dial-a-driver in the course of delivering *your vehicle* to *your* home or workplace.

(The following additional benefits do not apply when *your vehicle* is insured for Third Party cover or Third Party Fire and Theft cover.)

7. Borrowed vehicles – for Farm Use vehicles only

We will cover any vehicle, other than a private use vehicle, borrowed by *you* provided it is not otherwise insured. We will pay no more than the *market value* to a maximum of \$20,000.

An *excess* of \$1,000 will apply unless a higher one is shown on the *schedule*.

8. Broken glass

We will pay for *accidental* breakage of windscreens, sun roofs, windows, headlights, headlight protectors or tail lights plus scratching or *accidental* damage to bodywork resulting solely and directly from such breakage and sustained without other damage to *your vehicles* without application of any *excess* and without affecting *your* no claim discount.

9. Cleaning – Valet costs – for Private Use vehicles only

Where *your* private use *vehicle* is broken into and *loss* occurs to the inside of *your vehicle* and *you* have not made a claim under any other part of this section, except the additional benefit 8 – Broken glass, we will pay the cost of cleaning and valeting *your vehicle* to a maximum cost of \$250 without applying an *excess* and without reducing *your* no claim discount.

10. Emergency costs

If *you* have an *accident* for which there is a valid claim under this policy, we will pay the reasonable cost of:

- a. having *your vehicle* removed to the nearest repairer or place of safety;
- b. essential repairs so *you* can get *your vehicle* to *your* destination or a repairer;
- c. returning *your vehicle* to *your* home following its repair or if it was stolen, following its recovery.

We will also pay the reasonable cost of accommodating and transporting *you* and *your* passengers to *your* home if *your vehicle* cannot be driven, to a maximum of \$5,000.

11. Employee's vehicles and personal effects

We will cover *your employee's* vehicles as if they were a *vehicle* while being used for *your farming operations* when such use invalidates the *employee's* own *vehicle* insurance

or where such vehicle is uninsured. At *our* option we will pay the cost to repair, replace or the *market value* up to \$50,000 for any one vehicle.

We will also pay for the loss of *your employee's* personal effects, motor vehicle accessories and spare parts normally carried on or used in connection with any vehicles. At *our* option we will pay the cost to repair, replace or the *market value* up to \$2,000 for any one event.

However, we will not pay unless any other indemnity or insurance available to *you* or *your employee* or to any other person has been exhausted.

The standard *excess* will be deducted from any payment.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

12. Entanglement

We will cover the cost of repair to *your vehicle*, if it is an agricultural implement or machine, caused by the ingestion or entry of any solid foreign body or object into that *vehicle*.

13. Funeral costs

We will cover *you* and any driver authorised to drive by *you* for funeral costs incurred as a direct result of an *accident* in *your vehicle* for which there is a valid claim under this section.

We will only pay in excess of any costs recoverable under the Accident Compensation Act 2001 or from any other insurance.

We will pay no more than \$5,000 in total in respect of any one *accident*.

14. Hire vehicle following a claim – for Farm Use vehicles only

If a farm *vehicle* suffers *loss* (not including windscreen damage) that is a valid claim under this section and where the hire is necessary to enable *you* to satisfactorily carry out *your farming operations* we will cover *your* reasonable costs to hire a *vehicle* similar to the *vehicle* lost or damaged. The period of cover will only be:

- a. while *your vehicle* is being repaired; or
- b. if *your vehicle* is a *total loss*, until *you* receive payment or 3 days after we send payment, whichever is earlier; or
- c. if *your vehicle* is lost or stolen until it is recovered in a roadworthy condition or has been dealt with as in a. or b. above.

We will pay up to \$250 per day up to a maximum of 20 days. However, we will not pay the first 5 days of rental.

Motor (continued)

15. Hoists

If *you* have a hoist fitted to the *vehicle* we will cover it for mechanical breakdown or failure which is not due to wear and tear.

Any payment will be limited to \$5,000 for any one event with an *excess* of \$500 in lieu of any other *excess*.

16. Invalidation – for Farm Use vehicles only

We will cover *you* but not the driver for *loss* to *vehicles* used for *your farming operations* if the *loss* arises as a result of the *vehicle* being used in a manner such that we could otherwise decline *your* claim, provided:

- a. *your vehicle* was being used in such a manner without *your* knowledge or consent; and
- b. we have the right to recover from the driver all costs and expenses incurred in providing cover to *you* under this additional benefit; and
- c. *you* have not compromised or waived any right of recovery against the driver; and
- d. *you* co-operate fully in any recovery action.

The maximum amount payable under this additional benefit will not exceed \$100,000.

17. Keys and locks

Where any key giving access to *your vehicle* is stolen or believed on reasonable grounds to have been duplicated without proper authority, this policy extends to pay the costs reasonably incurred in altering or replacing locks or replacing the keys.

Any payment will be limited to \$1,000 for any one event.

18. Modification of vehicle

Where the regular driver has been permanently disabled as a direct result of injuries sustained in an *accident* for which there is a valid claim under this section of the policy we will pay the reasonable cost necessary to modify the *vehicle* to allow for the regular driver's permanent disablement to the extent that these costs are not recoverable under the provisions of the Accident Compensation Act 2001 or from any other insurance or from any other source.

We will pay no more than \$5,000 for any one event.

19. New vehicle option

If the cost of repairing *your vehicle* is greater than 60% of its *market value* or it is stolen and not recovered and it is less than one year old and it has travelled less than 15,000 kilometres, we will, at *your* option, replace it with a new vehicle of the same make, model and specification if it is available in New Zealand.

20. Personal injury

If *you* or any immediate family members suffer *injury* in direct connection with *your vehicle*, while restrained (as and when legally required) we will pay:

- a. the following amounts (up to a maximum of \$5,000 per person and \$15,000 any one event) arising out of any event, provided such *injury* is the sole cause of any of the following within three calendar months of injury:
 - i. death \$5,000;
 - ii. total and irrecoverable *loss* of the sight of an eye \$2,500;
 - iii. total and irrecoverable *loss* of the sight of both eyes \$5,000;
 - iv. total and permanent *loss* of the use of one hand or one foot \$2,500; and
 - v. total and permanent *loss* of the use of both hands or both feet or of one hand together with one foot \$5,000; and
- b. medical and dental expenses incurred in connection with such injury up to the sum of \$1,000 per person per event.

However, we will not pay:

- i. where death or injury was caused by suicide or attempted suicide;
- ii. if the insureds named on the *schedule* are not individuals;
- iii. under more than one motor vehicle insurance policy held with *us*; or
- iv. where *your vehicle* is a motorcycle, quad bike, caravan or trailer.

21. Premium credit

Where *your vehicle* is treated as a *total loss* and we insure *your* replacement vehicle, we will credit the unused *premium* towards insurance on the replacement. This is provided that:

- a. the person in control of *your vehicle* was completely free of blame; and
- b. the identity of the other party who caused the damage is established.

22. Rental vehicles rented by you – for Farm Use vehicles only

If *you* rent or hire a vehicle to temporarily replace *your* farm use *vehicle* and *you* do not accept the vehicle owner's offer of insurance we will cover the rental vehicle as if it were an insured farm use *vehicle* for *your* liability to the owner of the vehicle against:

Motor (continued)

- a. *loss* to the vehicle, subject to a limit any one vehicle of \$50,000;
- b. consequential losses caused by *loss* for which a claim is payable under a. above, subject to a limit any one claim of \$25,000.

23. Road clearing and load recovery costs

We will cover the reasonable cost incurred, where it becomes necessary as a result of an *accident* for which we have accepted a claim, to:

- a. clean up and clear away any debris and spillage;
- b. recover and reload any load lost or fallen from *your vehicle*; or
- c. transfer the load carried on or lost or fallen from *your vehicle* to another vehicle and removing it to the nearest place of safety.

This benefit does not cover any fine or penalty.

We will pay up to \$5,000 for any one event.

24. Tractor or implement tyres

We will cover any *loss* to any tractor or implement tyres, fitted to an insured *vehicle* while the *vehicle* is in actual use and arising out of such use.

We will pay the *market value*.

Where any tyre is on a vehicle with an Imposed *excess* imposed due to the high value of the vehicle, the *excess* for the tractor or implement tyre will be \$500.

25. Trailers

We will cover any trailer owned, hired or leased by *you* but excluding:

- a. caravans or boat, horse or camper trailers;
- b. the contents of any trailer;
- c. trailers which are insured by another policy; or
- d. trailers which cannot be drawn by *your vehicle*.

We will pay up to \$1,000 for any one event. An *excess* of \$250 applies to each and every claim.

26. Vehicle parts and accessories

If *you* have motor *vehicle accessories* or spare parts that are not fitted to the *vehicle* and they are stored at *your situation*, we will pay up to \$1,000 for any one event after deducting the standard *excess*, for loss by accidental fire or theft.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

The following additional benefits apply only where *your vehicle* is a caravan:

27. New caravan option

If the cost of repairing *your* caravan is greater than 60% of its *market value* and it is less than three years old, we will at *your* option, replace it with a new caravan of the same make, model and specification if it is available in New Zealand.

28. Personal effects, clothing and domestic utensils

We will also pay for *loss* to personal effects, clothing and domestic utensils in the caravan, that belong to *you* or a member of *your* family that lives with *you*. The maximum amount payable will be \$1,000.

Optional additional benefits

Only available where *your vehicle* is insured comprehensively.

These options will apply where *you* have paid additional *premium* and the benefit and limit of cover chosen is shown on the *schedule*:

29. Farm contracting

We will provide cover for *loss* to *your vehicle* while being used for occasional farm contracting where it comprises no more than 20% of *your* annual farming income.

30. Hire vehicle extension – for private use vehicles only

If *you* have paid for this optional additional benefit and it is shown on the *schedule* and *your* private use *vehicle* suffers *loss* (not including windscreen damage) that is a valid claim under this section, we will arrange access to and pay the cost of a hire *vehicle* for *you*:

- a. while *your vehicle* is being repaired;
- b. if *your vehicle* is a *total loss*, until *you* receive payment or 3 days after we send payment, whichever is earlier;
- c. if *your vehicle* is lost or stolen until it is recovered in a roadworthy condition or has been dealt with as in a. or b. above.

We will pay up to \$100 per day for a maximum of 30 days to hire a passenger vehicle up to 1600cc.

31. Minor farm vehicles

If *you* have paid for this optional additional benefit and it is shown on the *schedule* we will cover unspecified farm bikes, farm tractors, and other farm vehicles (except for cars, trucks or utilities) owned by *you* as though they are vehicles described on the *schedule*. The most we will pay for any one vehicle is the *market value* up to a maximum of \$3,000, and up to the amount shown on the *schedule* in total for any one event.

A \$500 *excess* applies to this benefit.

Motor (continued)

32. No claim discount preservation – for private use vehicles only

If *you* have paid for this optional additional benefit and it is shown on *your schedule* you will not be penalised with a reduction of *your* no claim discount for one at fault claim during the *period of insurance*.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excesses

Any excess

You must contribute the amount(s) shown on the *schedule* under the heading “Excesses” as the first amount of any claim. Various *excesses* may show on the *schedule*. All *excesses* are cumulative. These are:

Standard excess

This *excess* applies to each and every claim.

Imposed excess

Any *vehicle* noted on the *schedule* under “Imposed excess” is subject to the additional *excess* shown on the *schedule*.

International excess

Any drivers of *your vehicle* who do not hold a New Zealand licence but do hold an International licence at the time of the *accident* are subject to the additional *excess* shown on the *schedule*.

Unnamed Driver excess

Where *you* have received a *premium* discount for restricting drivers to those named on the *schedule* any unnamed drivers of *your vehicle* are subject to the additional *excess* shown on the *schedule*.

Voluntary excess

Where *you* have received a *premium* discount for voluntarily increasing *your* standard *excess*, the voluntary *excess* shown on the *schedule* is additional to the standard *excess*.

New driver excess

Any drivers of *your vehicle* over the age of 25 who have not held a New Zealand drivers licence for more than 12 months at the time of the *accident* are subject to the additional *excess* shown on the *schedule*.

Age excess

Any drivers of *your vehicle* who are under the age of 25 at the time of the *accident* are subject to the additional *excess* shown on the *schedule*. However, this will not apply to tractors, hay balers, header harvesters, 2, 3 and 4 wheeled

motorcycles or farm implements while being used in connection with *your farming operations* on *your* property. This *excess* will not apply if the *vehicle* is stolen.

Special excess

Any drivers of *your vehicle* who are noted on the *schedule* under “Special excess” are subject to the additional *excess* shown on the *schedule*.

2. Uninsured causes

- a. depreciation, *loss* arising from wear and tear, corrosion, the costs to rectify existing defects or damage;
- b. damage to, or failure of, any mechanical, electrical or electronic parts of the vehicle or any damage resulting directly or indirectly from a mechanical, electrical or electronic failure or breakdown. However, this exclusion does not apply where the mechanical, electrical or electronic damage results from a sudden, unforeseen and accidental external cause.
- c. damage to tyres including inner tubes of the tyres by application of brakes or by punctures, cuts or bursts or bursting unless the *vehicle* suffers other *loss* in an *accident* or the damage is deliberate and is caused by a person not insured by this policy or the damage is covered by the additional benefit 24 - Tractor or implement tyres;
- d. *loss* to any *vehicle* arising from ingestion or entry of any foreign body or object into that *vehicle* unless the additional benefit 12 - Entanglement applies;
- e. *loss* to any caravan which has been unoccupied (meaning no authorised person has slept there overnight in the last 30 days) unless it is in a supervised caravan park.

3. Design and specification faults

loss or liability arising from failure of, or defect or fault in, the design, specifications or materials incorporated into the *vehicle*.

4. Uninsured use

loss or liability when *your vehicle* is being:

- a. used other than in accordance with the description of use;
- b. used:
 - i. for hire or carrying of fare paying passengers;
 - ii. as a courtesy or loan *vehicle*;
- c. used anywhere for (or being tested in preparation for) racing of any kind, pace-making, trials, tests, performance demonstrations, race track driver

Motor (continued)

training or race track vehicle handling lessons (or similar events) whether organised or not;

- d. driven on a racetrack whether sealed or not and whether in the presence of other vehicles or not.

This exclusion will not apply when the insured *vehicle* has been stolen or illegally converted.

5. Uninsured drivers

loss or liability when *your vehicle* is being used or driven by *you* or any person who:

- a. does not have a licence which is in full force and effect to drive *your vehicle* at the time and place of the *accident*;
- b. is not complying with the conditions of his/her licence;
- c. is excluded from the policy cover.

This exclusion will not apply when the insured *vehicle* has been stolen or illegally converted.

6. Intoxicating liquor or a drug

loss or liability when *your vehicle* is being used or driven by *you* or any person who:

- a. at the time of the *accident* giving rise to a claim under this policy is under the influence of intoxicating liquor and/or a drug (or a combination of drugs) or who has a proportion of alcohol in their blood or breath higher than that allowed under New Zealand road traffic law.

If *your vehicle* is being used or driven by a person who at the time of the *accident* giving rise to a claim under this policy is under the influence of intoxicating liquor cover will still apply if *you* can establish that the proportion of alcohol in the breath of the person is lower than that allowed under New Zealand road traffic law.

It will be assumed that the proportion of alcohol in the blood or breath at the time of the *accident* was no less than the proportion of alcohol in any subsequent blood sample or breath test carried out following the *accident*.

- b. following an *accident* giving rise to a claim under this policy refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so or fails to stop or leaves the scene of the *accident* when it is an offence to do so.

This exclusion will not apply when the insured *vehicle* has been stolen or illegally converted.

7. Unsafe or damaged condition

loss or liability that arise from *your vehicle* being in an unsafe or damaged condition unless *you* can prove that such condition did not cause or contribute to the *loss*. However, cover will still apply if *you* can prove that *you* and the driver were unaware of such condition and had taken all reasonable steps to maintain *your vehicle* in a safe condition.

8. Irrigators

losses to any *irrigator*.

Conditions

General conditions give *you* information about *your* and *our* obligations arising from this policy. They are listed at the beginning of this policy.

Variations to the cover

This policy sets out the standard cover for *your vehicle*.

One or more of the following clauses being applied may vary the cover. The *schedule* will indicate which clauses, if any apply, and will note any other variations to the cover.

Sum insured limit

When noted on the *schedule* against a particular *vehicle*, the maximum amount payable will be the lesser of the *market value* or the *sum insured* shown on the *schedule*.

Named driver warranty

When noted on the *schedule* against a particular *vehicle*, the amount shown as the unnamed driver *excess* on the *schedule* will apply as an *excess* if *your vehicle* is being driven by any person other than those listed on the *schedule*.

Excluded driver warranty

When noted on the *schedule* against a particular *vehicle*, no cover will apply while the *vehicle* is being driven by those excluded drivers.

Compulsory named driver warranty

When noted on the *schedule* against a particular *vehicle*, no cover will apply while the *vehicle* is being driven by any person other than those listed on the *schedule*.

Excluding under 25 year old drivers

When noted on the *schedule* against a particular *vehicle*, no cover will apply while the *vehicle* is being used or driven by any person aged under 25.

Boat

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

We will indemnify *you* for *loss* to *your boat* and *other property* anywhere in New Zealand during the *period of insurance*.

What we will pay - at our option

At *our* option we will pay the cost to repair or replace *your boat* and *other property* or make a payment up to the *market value* but no more than the *sums insured* shown on the *schedule*.

If any repair makes a major improvement to the condition or value of *your boat* and *other property* prior to the *loss* then *you* may be required to make a contribution towards the cost of repairs. Such contribution will not be required if the property is less than one year old at the date of such *loss*.

Additional benefits

We will also cover or pay for:

1. Boat change

If *you* replace a *boat* or buy an additional *boat* then we will cover the replacement or additional *boat* for its *market value* but otherwise on the same terms that apply to the *boat* shown on the *schedule*, but only if:

- a. *you* tell *us* within 30 days after buying the additional or replacement *boat* and provide full details; and
- b. *you* pay any extra *premium* which *we* require; and
- c. the *boat* purchased is valued at no more than \$50,000.

2. Boat parts and accessories at home

If *you* have *boat* accessories or spare parts that are not fitted to the *boat* and they are stored at *your situation*, we will pay up to \$500 for any one event after deducting *your excess*, for loss by fire or theft.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

3. Emergency costs

If *you* have an *accident* for which there is a valid claim under this policy, we will pay the reasonable incurred cost of:

- a. rescuing *you*, *your* passengers or *your* crew, to a maximum of \$1,000;
- b. having *your boat* removed to the nearest repairer or place of safety;
- c. essential repairs to *your boat* so *you* can get to *your* destination or a repairer;

- d. returning *your boat* to *your* home following its repair or if it was stolen, following its recovery.

We will also pay the reasonable cost of accommodating and transporting *you* and *your* passengers to *your* home if *your boat* cannot be used, to a maximum of \$500.

4. Forest and Rural Fires Act

We will cover *you* for *your* liability under the Forest and Rural Fires Act 1977 arising from any one event occurring during the *period of insurance*.

We will pay up to \$5,000,000 (plus *defence costs*) for:

- a. costs under section 43 of the Forest and Rural Fires Act 1977 incurred and apportioned by any Fire Authority; and
- b. cost and levies under sections 46 and 46A of the Forest and Rural Fires Act 1977; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover:

- i. where *your* liability arises directly or indirectly from any fire started intentionally that did not comply with the Forest and Rural Fires Act 1977 or any other statutory or local body requirement governing the lighting of fires;
- ii. for any fines or any exemplary or punitive damages and/or any reparation orders awarded against *you*;
- iii. for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

Any payment made under this additional benefit will be cumulative on any payment made under the Legal Liability benefit (Additional Benefit 6) up to a maximum of the legal liability limit shown on the *schedule* (plus *defence costs*), in relation to any one event.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us per event.

5. Goods and Services Tax – GST

Provided the GST is recoverable by *us* the *sum insured* under this section is exclusive of GST. This means that *we* will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All limits, amounts or excesses shown are GST inclusive.

6. Legal liability

A. Liability for damages

We will cover *you* for *your* legal liability to pay *damages* for negligence causing *accidental bodily injury* or *accidental loss* to property during the *period of insurance* arising out of the use of *your boat* anywhere in New Zealand.

Boat (continued)

B. Liability for reparation

We will cover *you* for *your* legal liability to pay *reparation* for negligence causing *accidental bodily injury* or *accidental loss* to property during the *period of insurance* arising out of the use of *your boat* anywhere in *New Zealand*, provided that:

- a. *you* tell *us* immediately if *you* or any other person entitled to cover under the policy is charged with any offence in connection with the use of the *boat* which resulted in *bodily injury* to another person or *loss* to property; and
- b. *you* obtain *our* written approval before any offer of *reparation* is made.

C. Extended liability

Provided all the requirements for cover are met, we will extend *your* cover for "Liability for damages" and "Liability for reparation":

- a. where someone else is using *your boat* with *your* consent and who is not otherwise excluded from the cover;
- b. to any person engaging in water skiing or similar sport while being towed by *your boat*;
- c. for accidents caused by any other *boat* while *you* are using any other *boat*, provided it does not belong to *you* and is not hired to *you* under a hire purchase or lease arrangement. No cover is provided for damage to the *boat* being used; or
- d. for costs resulting from the raising, removal or destruction of the wreck of *your boat* or an attempt at any of these, where *you* are instructed to do so by a legally authorised statutory authority. We will also cover any *loss* to property that arises because *you* fail to raise, remove or destroy the wreck of *your boat*.

We will not pay under any of these benefits for legal liability:

- i. for *loss* to property belonging to *you* or in *your* custody or control;
- ii. where *you* or any person or organisation to whom this section applies is entitled to indemnity under any other policy or fails to comply with the terms and conditions of this policy;
- iii. for any *accident* arising directly or indirectly from or in connection with the ownership, possession or control by or on behalf of *you* of any mechanically propelled vehicle registered under the Land Transport Act 1998 by which any property insured is drawn or conveyed.

- iv. for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) or the Forest and Rural Fires Act 1977 and any subsequent amendments to those Acts;
- v. for any fines or punitive or exemplary damages awarded against *you*;
- vi. arising out of any intentional, knowing, wilful or reckless criminal act or omission; or
- vii. where any exclusion in the Boat section or in the General exclusions applies.

Our liability to during any *period of insurance* will be:

- a. for liability for *damages*, the legal liability limit shown on the *schedule*; and
- b. for liability for *reparation*, the legal liability limit shown on the *schedule* or \$1,000,000, whichever is the lesser.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* *defence costs* incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses or any legal costs incurred by any other party in relation to an offence or where *your* legal liability is to pay *reparation*.

You are only entitled to payment of this benefit under one policy or section of a policy per event.

7. Medical payments

If there is an *accident* that causes *injury* to any person while on, boarding or leaving *your boat* we will pay:

- a. reasonable medical and ambulance expenses; and
- b. in the event of death, funeral costs.

We will pay up to \$1,500 for these medical and other expenses providing the expense is incurred within one year of the *accident*.

8. Premium credit

Where *your boat* is treated as a *total loss* and we cover *your* replacement *boat*, we will credit the unused *premium* towards insurance on the replacement. Provided that:

- a. the person in control of *your boat* was completely free of blame; and
- b. the identity of the other party who caused the damage is established.

9. Recharge of extinguishers and replacement of flares

In the event of a claim we will pay up to \$1,500 for the recharge of extinguishers and replacement of flares used in minimising *loss*.

Boat (continued)

10. Salvage and associated costs

If, following an *accident* for which there is a valid claim under the policy you have abandoned *your boat*, we will pay:

- a. reasonable salvage costs;
- b. wreck removal costs which you or any person covered by this policy become legally liable to pay;
- c. reasonable expenses incurred in minimising further loss from the same *accident*.

11. Storage or repair

We will cover insured *boat* equipment and *other property* temporarily removed from *your boat*:

- a. for the purpose of repair;
- b. for storage in securely locked premises;
- c. while in transit to repair or storage.

Optional additional benefit

If you have paid an additional *premium* for this benefit and it is shown on the *schedule*, the following cover applies:

12. Racing risk extension

If you are racing *your sail boat* and it suffers *loss* then we will pay the cost of repair or replacement of *your* masts, spars, booms, spinnaker poles, sails, rigging and anchors.

We will not pay for any proportion of the cost of repair or replacement that will put the equipment in better condition than it was prior to the *accident*.

This benefit will be subject to the racing risk *excess* shown on the *schedule*.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

2. Uninsured causes, results and use

- a. loss, damage or liability caused by or resulting from depreciation, deterioration, wear and tear, delamination, corrosion, rust, rot, mould, or damage caused by marine organisms or by vermin (except opossums) or by electrolysis;
- b. breakdown, failure or breakage of:
 - i. any component or accessory;
 - ii. the engine, transmission, mechanical, electrical or electronic systems; or

iii. any *loss* which their failure causes to the rest of these systems;

- c. loss or damage by theft of outboard motors that are not:
 - i. securely locked to the *boat*; or
 - ii. stored in a securely locked part of the *boat*; or
 - iii. stored in a securely locked building;
- d. loss or damage by wind to sails or protective covers when racing, except where the Racing risk extension optional additional benefit applies;
- e. loss or damage to masts, spars, booms, spinnaker poles, rigging and anchors when racing, except where the Racing risk extension optional additional benefit applies;
- f. any loss or expenditure incurred solely in remedying a fault in design, or in the event of loss or damage resulting from faulty design and giving rise to a claim under the conditions of this insurance, for any additional expenditure incurred by reason of betterment or alteration in design or for the cost and expense of replacing or repairing any part condemned solely in consequence of a latent defect or fault or error in design or construction;
- g. any loss, damage or liability while *your boat* is let out on hire or charter or is used for any purpose other than private pleasure purposes;
- h. loss, damage or liability to *boats* primarily powered by motor while participating in or while being prepared for a race, speed competition, speed testing, reliability or time trial or any similar activities;
- i. loss or damage deliberately caused by the wrongful or reckless acts or wilful misconduct of any *insured person*.

3. Intoxicating liquor or a drug

any loss, damage or liability when *your boat* is under the control of any person who is affected by alcohol and/or a drug (or a combination of drugs).

4. Intoxicating liquor or a drug on the road, uninsured drivers

any loss, damage or liability when any person is driving a vehicle towing the *boat* and:

- a. at the time of the *accident* giving rise to a claim under this policy is under the influence of intoxicating liquor and/or a drug (or a combination of drugs) or who has a proportion of alcohol in their blood or breath higher than that allowed under

Boat (continued)

New Zealand road traffic law;

If the towing vehicle is being used or driven by a person who at the time of the *accident* giving rise to a claim under this policy is under the influence of intoxicating liquor cover will still apply if *you* can establish that the proportion of alcohol in the breath of the person is lower than that allowed under New Zealand road traffic law.

It will be assumed that the proportion of alcohol in the blood or breath at the time of the *accident* was no less than the proportion of alcohol in any subsequent blood sample or breath test carried out, following the *accident*.

- b. following an *accident* giving rise to a claim under this policy refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so or fails to stop or leaves the scene of the *accident* when it is an offence to do so;
- c. does not have a licence which is in full force and effect to drive the vehicle at the time and place of the *accident*;
- d. is not complying with the conditions of his/her licence.

5. Unsatisfactory moorings

loss, damage or liability directly or indirectly resulting from, caused by or arising, or in connection with:

- a. the *boat* being left unattended at anchor or on swing moorings other than its usual mooring or berth or moorings to Port or Local Authority standards for more than twenty-four consecutive hours;
- b. permanent moorings not meeting the minimum specifications recommended by Port or Local Authorities;
- c. permanent moorings that are not in good order; or
- d. failure of swing moorings that have not been inspected and maintained within the last three years.

Conditions

General conditions give *you* information about *your* and *our* obligations arising from this policy. They are listed at the beginning of this policy.

Personal income

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

We will pay the benefit you are covered for in respect of *injury* to or *illness* suffered during the *period of insurance* by the *insured person* occurring anywhere in New Zealand.

What we will pay

What results we will pay:

Result	Benefit
A. Death and Schedule benefits	
1. Death caused by an <i>injury</i>	The <i>sum insured</i> shown on the <i>schedule</i> .
Permanent disability (as listed below) caused by <i>injury</i> and occurring within 24 months of that <i>injury</i>	The percentage for each listed disability of the <i>sum insured</i> shown on the <i>schedule</i> .
2. <i>Loss of</i> all sight of both eyes	100%
3. <i>Loss of</i> use of both hands	100%
4. <i>Loss of</i> use of both feet	100%
5. <i>Loss of</i> one hand and one foot	100%
6. Permanent and incurable <i>disablement</i> for all further work	100%
7. Permanent and incurable paralysis of two or more limbs	100%
8. <i>Loss of</i> use of one arm or of the greater part of one arm	90%
9. <i>Loss of</i> use of one leg above the knee	90%
10. <i>Loss of</i> all sight of one eye together with the serious diminution of the sight of the other eye	90%
11. <i>Loss of</i> use of one hand or 5 fingers of one hand or the lower part of one arm	80%
12. <i>Loss of</i> use of one foot or one leg below the knee	80%
13. <i>Loss of</i> hearing	75%
14. <i>Loss of</i> speech	75%
15. <i>Loss of</i> all sight of one eye	60%
16. <i>Loss of</i> the lens of one eye	50%
17. <i>Loss of</i> use of one thumb	30%
18. <i>Loss of</i> use of one forefinger	20%
19. <i>Loss of</i> hearing in one ear	15%
20. <i>Loss of</i> use of one joint of a thumb	15%
21. <i>Loss of</i> use of two joints of one forefinger	12.5%
22. <i>Loss of</i> use of one little finger	12.5%
23. <i>Loss of</i> use of one big toe	10%
24. <i>Loss of</i> use of two joints of one little finger	10%
25. <i>Loss of</i> use of one middle or of one ring finger	9%
26. <i>Loss of</i> use of two joints of one middle or one ring finger	6.5%
27. <i>Loss of</i> use of one toe other than a big toe or of one joint of a finger	5%

Personal income (continued)

What results we will pay: (continued)

Result	Benefit
B. <i>Disablement caused by injury</i>	At the rate of the <i>sum insured</i> shown on the <i>schedule</i> for each full week of <i>disablement</i> .
C. <i>Partial disablement caused by injury</i>	At the rate of 25% of the <i>sum insured</i> shown on the <i>schedule</i> for each full week of <i>disablement</i> .
D. <i>Disablement caused by illness</i>	At the rate of the <i>sum insured</i> shown on the <i>schedule</i> for each full week of <i>disablement</i> .
E. Medical expenses	The actual medical expenses incurred up to the amount shown on the <i>schedule</i> over any consecutive 24-month period. Medical expenses means any medical, surgical, hospital or nursing home expenses for in-patient or out-patient treatment incurred as a result of the <i>injury</i> or <i>illness</i> for which we have accepted a claim under results A, B, C or D.

Limits on what we will pay:

- If the *insured person* suffers more than one result that arises from the same *injury*, the most that we will pay is the result with the highest percentage.
- If the *insured person* becomes entitled to a benefit under results A. (1) to result A.(7) then this section will be cancelled in respect of that *insured person*.
- We will not pay for more than one of results B, C or D at the same time.
- If the *insured person* has a recurrence of results B, C or D within 6 months of the end of the previous period of *disablement*, arising from the same *injury* or *illness* for which we have already paid a benefit, we will treat it as the same claim.
- We will not pay for result E. Medical Expenses:
 - where cover is provided to *you* or the *insured person* under the Accident Compensation Act 2001 or any other policy of insurance or from any other source; or
 - to support a claim under any other insurance.
- In respect of result B and C, if the *insured persons* period of disability exceeds 8 weeks and *you* are entitled to receive Accident Compensation or any insurance benefit we may at *our* discretion and after considering the circumstances of the *disablement* and any additional expenses *you* may have to incur reduce the amount we pay under these results by an amount up to the amount of Accident Compensation or insurance benefit *you* receive.
- Time limitations

We will not pay more than 104 weeks *disablement* in total under results B, C or D for any one *injury* or *illness*. The 104 weeks will be reduced by the amount of the *excess*.

Additional benefits

Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

1. Goods and Services Tax – GST

Benefits under this section are GST inclusive.

All Limits and *excesses* shown are GST inclusive.

2. Overseas travel

We will cover the *insured person* while anywhere in the world but *you* must advise *us* of any intention of the *insured person* to travel away from New Zealand for any one period longer than 3 months and we will be entitled to make any variation to the terms and conditions of cover that we feel necessary. We may also require that an additional *premium* be paid.

3. Regular payments

We will pay the benefit under results B, C or D on a regular basis if *you* provide *us* with medical proof of continuing *disablement* for the period involved.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

the first 7 days of *disablement* under results B, C or D. If *you* select a voluntary *excess* or if any additional *excess* applies, this will be in addition to the 7 days.

2. Waiting period

in respect of result D for any *illness* that the *insured person* suffers within 14 days of the beginning of the first *period of insurance*.

Personal income (continued)

3. Uninsured causes and conditions

any *injury* to or *illness* suffered by the *insured person* resulting directly or indirectly from:

- a. suicide or any attempted suicide of the *insured person* or intentional self injury to the *insured person*;
- b. psychiatric or psychological conditions (including mental stress);
- c. any sexually transmitted disease;
- d. human immuno deficiency virus (HIV);
- e. any HIV related *illness* including Acquired Immune Deficiency Syndrome (AIDS) and/or any other variations of this *illness* however arising;
- f. the normal effects of pregnancy or childbirth;
- g. being under the influence of intoxicating liquor or a drug, other than a drug taken or administered by and in accordance with the advice of a qualified medical practitioner.

4. Uninsured activities

any *injury* or *illness* in connection with the *insured persons* engaging in the following uninsured activities:

- a. any aerial activity except as a passenger in any properly licensed aircraft;
- b. any professional sport or professional racing of any kind whether training, coaching or participating; or
- c. a criminal or illegal act.

5. Injury or illness in prison

any *injury* sustained or any *illness* arising while the *insured person* is imprisoned.

6. Payment while in prison

any *injury* or *illness* for any period during which the *insured person* is imprisoned.

7. Pre Existing conditions

any result arising from any *injury* or *illness* which the *insured person* was aware of, or should reasonably have been aware of, prior to the commencement date of this cover.

Conditions

General conditions give you information about your and our obligations arising from this policy. They are listed at the beginning of this policy.

The conditions below give you information about your and our obligations arising from this section.

1. Changes in occupation or pursuits

You must tell us and obtain our written consent for cover to continue if the *occupation* or any pursuit of the *insured person* changes.

We may wish to restrict this cover or ask you to pay a different *premium* or decline to renew this policy section.

2. Health

Before each renewal of this policy you must tell us of all material information, including any physical defect, infirmity, medical condition, *injury*, *illness* or change in health, which the *insured person* has become aware of during the past *period of insurance* and obtain our written acknowledgment of that material information.

We may wish to restrict this cover or ask you to pay a different *premium* or decline to renew this policy section.

3. Medical certificates

You must supply, at your own expense, medical certificates and any other information or evidence that we reasonably ask for to support your claim.

4. Medical examination

The *insured person* must have a medical examination, at our expense, at any time we ask. If the *insured person* refuses to do so we will not pay any benefit from the date of our request until the *insured person* undertakes the medical examination.

If the *insured person* dies we may have a post-mortem examination carried out at our expense.

5. Medical treatment

The *insured person* must obtain independent medical treatment from a registered medical practitioner or hospital as soon as possible after an *injury* or *illness* occurs and continue to seek and follow any medical advice or treatment given.

If the *insured person* refuses to seek and follow any medical advice or treatment then we may, at our discretion, decline to pay you any benefit.

6. Other insurance

You must tell us and obtain our written consent if you or the *insured person* take out any other policy covering the *insured person* for *injury* or *illness*. You do not need to tell us about any policy covering death only, medical expenses or travel.

7. Presumed death

Death will not be presumed by the disappearance of the *insured person* unless the *insured person* has disappeared for more than one year in circumstances where it can be reasonably assumed that the disappearance is due to the *insured person's* death by *injury*. In the event of the *insured person's* subsequent re-appearance, you are obliged to return any payments made to us.

Farm assets

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

We will indemnify you for loss to items specified on the schedule arising during the period of insurance out of your farming operations. Farm buildings and irrigators are covered at a situation shown on the schedule. Other assets are covered anywhere in New Zealand.

What we will pay

For buildings

1. Where the farm buildings are shown on the schedule insured for Replacement Value the cost incurred in rebuilding or repairing the damaged portion of the farm building/s using currently equivalent building materials and techniques to a standard or specification no more extensive, or better than its condition when new; or the indemnity value, should you not rebuild or repair within 12 months, unless we agree to extend the time period.
2. Where the farm buildings are insured for Indemnity Value, the indemnity value.

Limits on what we will pay for buildings:

1. Where the schedule shows Replacement Value cover for buildings, and the square metre area is not shown, the most that we will pay for buildings under this section of the policy is:
 - a. the sum insured specified on the schedule for the building; plus
 - b. GST.
2. Where the schedule shows only an Indemnity Value for buildings the most that we will pay under this section of the policy is:
 - a. the indemnity value of your buildings, limited to the sum insured on the schedule for buildings; plus
 - b. GST.
3. Where the schedule shows a square metre area for buildings the most we will pay under this section of the policy is:
 - a. the cost to repair or rebuild that square metre area; plus
 - b. the cost of replacing fences, sheep and cattle yards forming part of the building;except where any benefit specifies a different limit.
4. Where the schedule shows a number of bails for dairy sheds, we will pay the cost to repair or rebuild up to that number of bails but limited to the square metre area of the dairy shed.

5. For greenhouses we will pay for repair or replacement of their structure in accordance with the cover chosen.

However, in respect of the cladding material (including the costs of fitting and installation);

- a. we will apply depreciation at 20% per annum from when the item was new for each year or part thereof;
- b. we will not pay for damage caused by snow, frost or ice (except for ice in the form of hail).

For other assets and irrigators

1. Where the schedule shows cover for other assets or irrigators the cost of repairing or replacing the item to a standard or specification no better, or more extensive, than its condition when new; or
2. the indemnity value should you choose not to replace or repair the item within 12 months, unless we agree to extend the time period.

Limits on what we will pay for other assets and irrigators

1. The maximum we will pay is the sum insured for the item shown on the schedule.
2. In respect of animal feed:
 - a. if harvested and in the open we will only cover you for damage caused by fire, lightning, explosion, hail, flood or the impact of any vehicle;
 - b. we will not pay for loss to growing crops;
 - c. we will pay the replacement value.

Additional benefits

There are additional benefits for Dairy Farms on Page 64

Unless the schedule shows that an additional benefit does not apply we will also cover or pay for:

1. Authorities damage

We will pay for damage to your farm buildings, other assets and irrigators caused by government or local authorities in order to prevent loss covered by this policy. Any payment under this benefit will be within the sum insured for the damaged building, irrigator or other assets as shown on the schedule.

2. Automatic reinstatement of cover

We will not reduce cover by the amount of cover available for future claims by the amount of any claims under this section of the policy, provided you pay any additional premium required.

There shall be no automatic reinstatement of cover following a claim under additional benefit 35 - Natural disaster.

Farm assets (*continued*)

3. Capital additions

If any new buildings or alterations, additions or improvements to the farm *buildings* sustain *loss* during construction, after completion or after they become *your* responsibility then we will at *our* option:

- a. replace or repair the farm building under construction up to the amount of the contract value expended at the time of *loss*; or
- b. replace the farm building with a farm building equal to or of a similar standard and specification as the farm building when it was new; or
- c. repair the farm building to a similar standard and specification as the farm building when it was new.

The maximum we will pay for all claims made in respect of Capital additions during the *period of insurance* is the Capital additions limit shown on the *schedule*.

The most we will pay for *buildings* including any amount payable under the additional benefit 3 - Capital additions for any one event is the combined total of the *sums insured* of all *buildings* shown on the *schedule*.

If we are not advised by next renewal of this insurance contract that the new buildings or alterations, additions or improvements to farm *buildings* have been completed they will not be covered in the next *period of insurance* after that completion.

4. Farm contracting

We will provide cover for *your* farm *buildings* and *your* other *assets* used occasionally for farm contracting where their use comprises no more than 20% of *your* annual farming income.

5. Fees and clearance Costs

We will pay:

1. costs of clearing the *building* site or demolition of the damaged portion of the farm *building* and the removal of contents debris from the farm *building*; and
2. architects, surveyors, consultants, legal and council fees which are incurred:
 - i. because they are necessary solely for the reinstatement or repair of the farm *building*, following any *loss* insured by this section; and
 - ii. with *our* prior consent.

Any payment will be within the *sum insured* for the damaged building.

6. Fences, sheep and cattle yards not forming part of a building

We will pay for *loss* to *your* fences, gates, artificial wind breaks, sheep or cattle yards that are not part of a *building* at the *situation* shown on the *schedule*, caused by fire, lightning, explosion, *flood* or impact by any vehicle.

We will pay up to the amount shown on the *schedule* for any one *loss* arising out of a single event. However where the *loss* is caused by *flood* the limit shown for *flood* damage will apply.

Included in the limit is the cost of clearing debris.

7. Flood recovery

If insured *flood* damage in total on farm *buildings*, *other assets* and *irrigators* (but not fences and other items covered by additional benefit 6 - Fences, sheep and cattle yards) exceeds the amount shown on the *schedule* we will pay the amount shown on the *schedule* to assist in farm recovery. This benefit will be paid once per event and in addition to the *sum insured*.

8. Frozen semen, embryos, animal health products and dog food

We will pay for *loss* to:

- a. frozen semen straws or embryos caused by a rise or fall in temperature due to failure of the freezing system;
- b. frozen or perishable dog food, animal vaccines or animal health products caused by a rise or fall in temperature due to *accidental* stoppage, damage to or malfunction of the refrigerator or freezer within which they are contained.

However, we will not pay for *loss* due to:

- a. contamination by any substance or living organism;
- b. gradual deterioration; or
- c. the semen or embryos failing to meet quality standards, unless caused by a failure of the freezing system.

We will pay the *market value*, up to the amount shown on the *schedule* for any one *loss*.

9. Fusion

We will pay if *loss* is directly caused by failure of electrical insulation or abnormal electric current or electrically induced self-heating to:

- a. Electric motors and starters that do not individually exceed 7.46kw (10hp) and
- b. Distribution switchboards and permanently installed electrical reticulation in farm *buildings*.

Farm assets (*continued*)

At *our* option we will pay:

- a. for repairing the damaged item to the condition it was in immediately before the damage occurred;
- b. to replace the item if it is less than 5 years old and is uneconomic to repair; or
- c. the *indemnity value* of the item if it is more than 5 years old and is uneconomic to repair.

We will also pay:

- d. to dismantle and re-erect the motor; and
- e. for the hire of a replacement motor during the time taken to repair the damaged motor.

However, we will not pay for damage to any machine in which the electric motor is not a separate entity in itself.

We will pay up to the amount shown on the *schedule* in total for any one motor including costs under d. and e. above.

10. Goods and Services Tax – GST

Provided the GST is recoverable by us, the *sums insured*, sub limits and maximum amounts payable under this section are exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*. However, amounts payable for square metre area replacement cover on *buildings* are GST inclusive.

All excesses are GST inclusive.

11. Gradual damage

We will pay for *loss* to *your* farm *buildings* or *other assets* resulting from the action of micro-organisms, mould, mildew, rot, fungi or gradual deterioration, caused by water leaking or overflowing from any internal water system if the *loss* first occurs during the time that *you* own the property.

The limit includes the cost of searching for the source of the problem if it is reasonably incurred and we have accepted a claim for the *loss*.

Any payment will be limited to the amount shown on the *schedule* for any one event and must be applied towards searching for or repair of the damage.

An internal water system is any water pipe, waste disposal pipe, water cylinder or water storage tank which is permanently connected and contained within the walls, floor or roof of the farm *building* structure and any pipe that is connected to an appliance, such as a washing machine or dishwasher, and is hidden from view.

12. Hazardous substance emergency

We will pay any charge the New Zealand Fire Service is authorised to make against *you* in respect of any hazardous substance emergency at the *situation* shown on the *schedule*, whether or not there is any damage or threat of damage to the insured property.

Hazardous substance emergency has the same meaning as defined in the Fire Service Act 1975.

We will pay up to the amount shown on the *schedule* for any one emergency.

13. Livestock death

We will pay for *loss* as a result of death of *your* livestock caused by fire, lightning strike, electrocution and smothering resulting from fire, lightning, explosion, electrocution and panic caused by low flying aircraft.

However we will not pay for any unborn issue or dogs or *domestic pets*.

We will pay the *market value* up to the amount shown on the *schedule* for any one animal, and up to the amount shown on the *schedule* in total for any one event.

14. Livestock worry

We will pay for the *accidental* death of livestock (including humane slaughter verified by an appropriate veterinary certificate) caused by injury inflicted by dogs not owned by *you* or by *your* family or by any of *your employees*.

We will pay the *market value* up to the amount shown on the *schedule* for any one animal, and up to the amount shown on the *schedule* in total for any one event.

We will also pay up to \$250 for any one event for veterinary fees incurred to save or attempt to save the life of animals covered by this benefit.

15. Money

We will pay for *loss* to money, being coin, bank notes, current postal stamps, negotiable vouchers and the like, relating to *your farming operations* that occurs:

- a. in transit to or from *your* farm;
- b. at *your* farm during daylight hours;
- c. in *your* or *your employees* residence during night hours;

We will not *pay* for any *loss*:

- a. due to errors in receiving or paying out;
- b. while the money is under the care or control of any person other than *you* or an *employee*;
- c. caused by fraud, dishonesty or theft by an *employee* unless *you* discover the *loss* within 72 hours of its *occurrence*;
- d. arising from cheques or credit cards which have been dishonoured;
- e. from an unattended roadside stall; or
- f. from an unlocked or unattended vehicle.

We will pay up to the amount shown on the *schedule* for any one *loss*.

Farm assets (*continued*)

16. Protection costs

We will pay for any costs *you* reasonably incur for the purpose of controlling any cause of *loss* that involves or threatens to involve insured property that is covered under this section.

We will also pay for *accidental* damage directly resulting from controlling any cause of *loss* that involves or threatens to involve insured property that is covered under this section.

We will pay up to the amount shown on the *schedule* for any one cause of *loss*.

17. Rebuilding elsewhere

If we have agreed to pay a claim for *loss* to *your* farm *building* and *you* have *sum insured* replacement or square metre area replacement cover for *your* farm *building* and *you* want to rebuild elsewhere, then *you* can do so if *you* have *our* agreement in writing, provided:

- a. *you* will have to pay for any extra cost associated with rebuilding elsewhere; and
- b. rebuilding must be completed within 12 months of the date of the *loss*, unless otherwise agreed by *us*.

18. Rewards

We will pay the cost of any reward paid by *you* for the purpose of protecting or recovering any of the insured property, provided:

- a. the reward contributes to the protection or recovery of the property; and
- b. it is agreed to by *us* before it is offered, *our* agreement will not be refused unreasonably and will be paid from within the *sum insured* of the property concerned.

19. Statutory requirements

If we pay to rebuild or repair *your* farm *building*, we will pay the extra cost to rebuild or repair the damaged portion of the farm *building/s* needed solely to comply with any statute or local body regulation. Provided that:

- a. notice of any non-compliance with the statute or local body regulation had not been served on *you* before the damage occurred; or
- b. there has not been an entry made on *your* Certificate of Title as required by section 74 of the Building Act 2004;

unless we have agreed to provide cover.

However we will not pay for any additional cost necessary only to comply with any Act of Parliament or regulations made under or framed in accordance with any Act of Parliament, or regulation or bylaw of any local authority,

applicable to the repair, replacement or reinstatement of *your* farm *building* (or any portion of it) in connection with:

- a. the *building* being an earthquake-prone building as described in the Building Act 2004 (and any substitution of, amendment to, replacement of or statutory regulation made under the Act); or
- b. the seismic capacity of the *building*; or
- c. the performance of the *building* in an earthquake.

Any payment will be within the *sum insured* for the damaged *building*.

20. Stolen keys

If any key giving access to a farm *building* is stolen or believed on reasonable grounds to have been duplicated without proper authority we will pay the cost reasonably incurred in altering or replacing locks and their keys or changing the combination number of any electronic keypad. We will also pay the reasonable cost of opening any safe following theft or loss of its key or combination.

21. Submersible pumps

We will pay if a submersible pump at the *situation of risk* shown on the *schedule* breaks down.

At *our* option we will pay:

- a. for repairing the damaged pump to the condition it was in immediately before the damage occurred;
- b. to replace the item if it is less than 5 years old and cannot be repaired; or
- c. the *indemnity value* of the item if it is more than 5 years old and cannot be repaired.

We will also pay:

- i. to dismantle and re-erect the item;
- ii. for the hire of a replacement during the time taken to repair the damaged item; and
- iii. the cost incurred for lifting or lowering of submersible pump unit up to a limit of \$2,500, provided that the unit is recovered to the surface.

We will pay up to the amount shown on the *schedule* in total for any one item.

However, we will not pay for:

1. any damage:
 - a. that arises due to inadequate maintenance or failure to maintain regular servicing;
 - b. caused by faults or defects that *you* or *your* *employee* knew about at the commencement of each *period of insurance* and did not disclose to *us*;

Farm assets (*continued*)

- c. to the machinery or part immediately affected caused by:
 - i. wasting or wearing away or wearing out of any part caused by or naturally resulting from ordinary use or working; or
 - ii. direct consequence of progressive or continuing influences of atmospheric or chemical action; or
 - d. resulting from the direct application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
2. submersible pumps not recovered to the surface.

The most we will pay under this benefit for any one event is the amount shown on the *schedule*.

22. Transit of livestock and refrigerated goods

We will pay for *loss* to *your* livestock (but not including *domestic pets*) and refrigerated goods, in transit in New Zealand, (including between the North and South Islands) as a direct result of fire, *flood*, collision, impact and overturning of the conveying vehicle and theft from the conveying vehicle.

We will also pay for any *loss* to refrigerated goods that arises from failure of refrigerated plant on any vehicle as a direct result of collision or overturning of the vehicle.

Where goods and livestock are in the custody or control of another person or carrier, *our* payment will only be for the amount in excess of any amount that is recoverable from them under common law or under the Carriage of Goods Act.

We will also pay the reasonable cost for the disposal of livestock and refrigerated goods following a valid claim.

We will not pay for:

- a. any *loss* resulting from the improper storage or inadequate packaging of *your* goods;
- b. any *loss* resulting from the vehicle being operated in an unroadworthy condition;
- c. any consequential loss.

We will pay the *market value* up to the *sum insured* for this item shown on the *schedule*.

However the maximum we will pay for any one animal is \$2,500.

23. Transit of other assets

We will pay for repair or replacement of *other assets* lost or damaged anywhere in New Zealand including while in transit except for livestock and refrigerated goods that are covered under the Transit of livestock and refrigerated goods additional benefit.

24. Unharmed property

We will pay the cost to demolish, damage or remove any property or part unharmed where these costs are incurred for the sole purpose of reinstating damaged insured property.

We will also pay to reinstate such property to a condition the same as, but not better or more extensive than its condition immediately before the demolition, damage or removal.

The most we will pay is the *sum insured* under this section.

25. Utilities

We will pay for the cost of replacement or repair if *your* utilities suffer *loss*.

'Utilities' means:

- a. power and telephone poles plus their overhead lines and associated equipment;
- b. underground utility services such as power and water supply, that are on *your* farm and are owned by *you* or for which *you* are legally responsible but does not include culverts and drains.

We will pay up to the amount shown on the *schedule* for any one *loss* arising out of a single event.

Optional additional benefits

There are Dairy Farm optional additional benefits on Page 67 and Lifestyle Farm optional additional benefits on Page 68.

These options will apply where *you* have paid additional *premium* and the benefit and limit of cover chosen is shown on the *schedule*:

26. Bulk fertilisers in the open

We will pay for *loss* to bulk fertiliser and lime in the open caused by fire, lightning, explosion, *flood*, hail, snow or the impact of any vehicle.

We will pay the replacement value.

27. Culverts

We will pay for *loss* to the culvert(s) caused by:

- a. fire, lightning or explosion;
- b. flood, where the water has overflowed its normal river, normal lake, normal sea, or natural watercourse boundaries. Flood as a result of seepage of artesian water or from drains or irrigation races is excluded;
- c. windstorm, hail or snow;
- d. *aerial devices* or articles dropped from them;
- e. impact by any vehicle that is not caused by its weight or that of any load or item being towed;

Farm assets (*continued*)

- f. impact by any animal, power pole, tree, mast or aerials;
- g. riot, labour disturbance, burglary, theft or malicious acts of persons other than *you*, a member of *your* family or any *employee* of *yours*.

We will pay *you* the lesser of the cost to repair, rebuild or replace the actual culvert pipe itself, up to the amount shown on the *schedule*.

Where we are paying to replace the culvert pipe this will be the lesser of the cost of a new replacement culvert pipe from a factory or a retailer.

We will not pay any other costs.

An *excess* of 5% of the *sum insured* applies with a minimum of \$1000 for all claims.

28. Deterioration of refrigerated goods other than milk

We will pay for *loss* to *your* refrigerated goods other than milk, at the *situation*, caused by their deterioration following a rise or fall in temperature of a refrigeration chamber as a direct result of *accidental* stoppage, damage or malfunction of the refrigeration machinery.

We will not pay for any *loss* in any way connected with:

- a. improper storage or the failure of packing materials;
- b. shrinkage, inherent defect or contamination of the stock;
- c. damage arising from the disconnection of the public electrical supply by the supply authority where prior notice of the disconnection has been given;
- d. gradual deterioration of the refrigeration machinery arising from a lack of maintenance;
- e. any *loss* that would be insured elsewhere under this policy;
- f. any consequential loss.

We will pay:

- a. the *indemnity value* of any obsolete stock;
- b. for replacing other stock;
- c. up to the limit shown on the *schedule* for any one *loss*.

29. Farm bridges – not including culverts

We will pay for *loss* to farm bridges, excluding culverts, caused by:

- a. fire, lightning, explosion;
- b. impact by any vehicle (but not caused by its weight or that of any load or item being towed);

- c. impact by any animal, power pole, tree, mast or aerial, *aerial devices* or articles dropped from them;
- d. riot or labour disturbance, theft, or malicious acts;
- e. storm including windstorm, hail, snow or *flood*.

We will pay *you* the lesser of the cost to repair or rebuild the bridge structure, up to the amount shown on the *schedule*.

We will not pay for:

- a. any fees or consent costs of any nature;
- b. any costs of any headworks, earthworks, land, rocks, fill, utility services, approaches or roads;
- c. the costs of delivery, installation or debris removal.

30. Farm forestry lot

We will pay for:

- a. *loss* to *your* growing timber caused by fire, lightning or explosion;
- b. fire fighting costs.

We will pay *you* the *market value* of the damaged timber, less any savings in felling or transport costs and the value of any salvage.

If the fire was started by *you*, an *employee* or a family member this cover will only apply if *you* have complied with the Forest and Rural Fires Act 1977 or any other statutory or local body requirement governing the lighting of fires and have taken all reasonable care in the lighting of fires.

The maximum we will pay under this benefit is the amount shown on the *schedule*.

An *excess* of 20 percent of the *loss* after deduction of any savings or salvage applies to all claims.

31. Liquidation or receivership protection

Where farm produce has been supplied to a recognised processor and has passed out of *your* ownership and the processor goes into liquidation or receivership and *you* have not been paid, we will pay *your* net resultant loss. We will pay up to the amount shown on the *schedule* for any one liquidation or receivership.

32. Live hedges and live shelter belts

We will pay for *loss* to live hedges and live shelter belts caused by fire, lightning, explosion or the impact of any vehicle.

We will pay *you* the cost of clearing and replanting with new seedlings.

33. Live plants in any building

We will pay for *loss* to live plants in any fully enclosed building caused by:

- a. fire, explosion or lightning;

Farm assets (*continued*)

- b. *aerial devices* or articles dropped from them;
- c. impact by vehicles or animals;
- d. riot and labour disturbance;
- e. malicious acts or vandalism but not by *you* or any member of *your* family or any *employee*;
- f. smoke from the sudden and faulty operation of the furnace or boiler used at *your* premises;
- g. *flood*;
- h. water which leaks or overflows from any water system including heating installations at *your* premises;
- i. windstorm but only if the building itself is damaged from the same incident;
- j. burglary.

However, we will not pay for loss directly or indirectly the result of any fluctuation in temperature regardless of any other contributing cause or event.

We will pay *you* for the actual direct costs incurred by *you* to date in growing the plants that have been damaged.

We will not pay any costs in respect of plants that have not been physically damaged.

34. Minor farm buildings

We will pay to rebuild or repair damaged minor farm buildings, silos, tanks, concrete paving and cattle stops that have not been specified on the *schedule*.

This benefit will not apply to buildings described on the *schedule* or buildings over 30 square metres in area.

The most we will pay for any one minor building, silos, tanks, concrete paving and cattle stops is \$5,000.

We will pay up to the amount shown on the *schedule* for any one event.

35. Natural disaster

We will pay for loss caused by *natural disaster*.

This benefit is subject to the natural disaster optional additional benefit *excess* shown on the *schedule* and for the purpose of applying this a series of events from any one cause during any period of 72 consecutive hours will be treated as one event.

For those items showing this cover on the *schedule* we will pay either:

- a. the *indemnity value* where Indemnity Value is shown on the *schedule*; or
- b. the cost incurred in rebuilding or repairing where Replacement Value is shown on the *schedule*; however the most we will pay is the *sum insured*.

Where there is square metre area shown on the *schedule* it will not apply to this benefit and we will only pay up to the *sum insured*.

However, where *your loss* relates to any property which meets the definition of property that is insured under the Earthquake Commission Act 1993 (the EQC Act);

- a. this benefit does not provide cover for *natural disaster* for any loss except when:
 - i. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC Act for *your* claim; and
 - ii. all amounts paid to *you* by the Earthquake Commission have been used by *you* to carry out repairs, or to rebuild the property and/or to mitigate further loss;
- b. *our* liability will be limited to the amount that we would have paid under the policy if the cause of loss was other than *natural disaster*, less the amount that *you* have received from the Earthquake Commission.

However, this policy will never provide cover for loss to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate loss to the *farm assets*, even if such loss or costs are covered by the Earthquake Commission.

The Earthquake Commission Act 1993 includes the Earthquake Commission Act 1993 and any replacement Act or other statutory scheme providing insurance against natural disaster.

36. Stock Underpass

We will pay for loss to the stock underpass(es) caused by:

- a. fire, lightning or explosion;
- b. earthquake or *natural landslip*;
- c. windstorm, hail or snow;
- d. *aerial devices* or articles dropped from them;
- e. impact by any vehicle or animal, power poles, trees, masts or aerials;
- f. riot, labour disturbance, burglary, theft or malicious acts of persons other than *you*, a member of *your* family or any *employee* of *yours*.

We will pay the lesser of the cost to repair, rebuild or replace the actual underpass structure, up to the amount shown on the *schedule*.

We will also pay within the amount shown on the *schedule* up to \$5,000 for costs (including fees or consent costs) which have been incurred for earthworks, land, rocks, fill,

Farm assets (*continued*)

utility services, approaches or roads or the costs of delivery, installation or debris removal.

However in respect of *loss* caused by *natural landslip* the most we will pay is 20% of the amount shown on the *schedule* or \$10,000, whichever is the lesser.

An *excess* of 5% of the amount shown on the *schedule* applies with a minimum of \$1,000 for all *losses* except *natural landslip* where the minimum *excess* is \$5,000.

Dairy Farm additional benefits

Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

37. Failure of dairy company to collect milk

If *your* dairy company cannot collect *your* milk following *loss* to property used by the dairy company or due to a transport route blockage between the dairy company and *your* milk storage facility then we will pay:

- a. the amount that would have been paid to *you* for *your* milk had it been able to be collected;
- b. the reasonable cost incurred in disposing of the milk.

We will pay up to the amount shown on the *schedule* for any *occurrence*.

Additional Costs following farming interruption - Where, as a result of *loss* to farm buildings, other assets and /or irrigators your normal farming operations are interrupted and additional costs incurred, you are entitled to the cover provided under the Farming Operations Interruption section (a) Additional Costs.

Dairy Farm optional additional benefits

These options will apply where *you* have paid additional premium and the benefit and limit of cover chosen is shown on the *schedule*:

38. Milk Package Cover

A. Milk contamination

If *your* milk is *accidentally* contaminated and the contamination is established by testing or results in receipt of demerit points or deduction from payment then we will pay:

- a. the amount that would have been paid to *you* for *your* milk had it not been contaminated; and
- b. the reasonable cost incurred in disposing of the milk.

We will pay up to the amount shown on the *schedule* for any one event but only up to the amount shown on the *schedule* for all *losses* in any one *period of insurance*. However we will not make any payment to *you* exceeding the amount that

you would have been paid for *your* milk had it not been contaminated.

If *your* milk is disposed of on *your* property or on any other property other than that of the dairy company we will not make any payment unless a sample of *your* milk is tested and the results establish contamination.

The applicable *excess* shown on the *schedule* will be deducted from the claim.

B. Deterioration of milk

We will pay for *loss* to *your* bulk milk, at the *situation*, caused by its deterioration following a rise or fall in temperature of a refrigeration chamber:

- a. as a direct result of *accidental* stoppage, damage or malfunction of the refrigeration machinery.

However we will not pay for any *loss* in any way connected with:

- i. improper storage or the failure of packing materials;
 - ii. shrinkage, inherent defect or contamination of the milk;
 - iii. damage arising from the disconnection of the public electrical supply by the supply authority where prior notice of the disconnection has been given;
 - iv. gradual deterioration of the refrigeration machinery arising from a lack of maintenance.
- b. arising from *accidental* failure to turn the power supply to the vat on. However we will only pay this benefit once in any *period of insurance* and an *excess* of \$500 or 25% of the value of the milk, whichever is the greater, will apply.

We will pay the *indemnity value* of the milk up to the amount shown on the *schedule* less the applicable *excess*. We will not pay for any *loss* that would be insured elsewhere under this policy or any consequential loss.

C. Accidental Damage to Milk

We will pay *you* for *loss* to milk owned by *you* and including milk held in trust or on commission that is not otherwise insured and for which *you* are legally responsible anywhere in New Zealand.

We will pay the *indemnity value* of the milk up to the amount shown on the *schedule* less the applicable *excess*.

39. Additional milk penalties

Where *you* have had a claim accepted by *us* under Dairy Farm optional additional benefit 38A – Milk contamination or 38B Deterioration of milk we will also pay, that portion of any penalty amounts imposed or deductions made by *your*

Farm assets (*continued*)

dairy company for contaminated or deteriorated milk that exceeds the amount paid by *us* under Dairy Farm optional additional benefit 38A or 38B.

We will pay a maximum of \$25,000 in any one *period of insurance* unless a different limit is shown on the *schedule*.

We will not pay for:

- i. the uninsured percentage *excess per loss* or percentage *excess per period of insurance* that applies under Dairy Farm optional additional benefit 38A – Milk contamination or 38B Deterioration of milk:
- ii. any costs of audit or testing of *your* milk required by *your* dairy company:
- iii. any milk that does not belong to *you*.

Lifestyle Farm optional additional benefits

The Lifestyle benefits will apply where *you* have paid additional premium and the Lifestyle benefits and limits of cover are shown on the *schedule*.

The cover provided for each of the selected Lifestyle benefits is on the terms of either the Farm Assets, Motor or Farmers Liability section of the policy which relates to the Lifestyle benefit selected.

However only the items shown in each of the Lifestyle Farm benefits below are insured and only up to the limits shown in the Lifestyle Farm benefit.

40. Lifestyle Farm Assets

The cover provided is on the terms of the Farm Assets section of the policy. However only the items shown below are insured and only up to the limits shown in the Lifestyle benefit. If there is any conflict or inconsistency between the terms of the Farm Assets section of the policy and the Lifestyle Farm Assets benefit the Lifestyle Farm Assets benefit will apply.

We will pay for *loss* to:

- a. farm *buildings*, silos, tanks, concrete paving and cattle stops at the *situation* shown on the *schedule*;
- b. *other assets* consisting of machinery, plant and tools, animal feed, harvested produce and general stores;
- c. fences, gates artificial wind breaks, sheep or cattle yards at the *situation* shown on the *schedule* that are not part of a *building* are only covered for *loss* caused by fire, lightning, explosion, *flood* or impact by any vehicle.

However the most we will pay for *flood* including the clearing of debris is \$5,000.

- d. livestock excluding any unborn animal, dogs or *domestic pets* at the *situation* shown on the *schedule* as a result of *death by accident* directly caused by:

- i. fire, lightning strike, electrocution and smothering resulting from fire, lightning, explosion, electrocution and panic caused by low flying aircraft.
- ii. injury inflicted by dogs not owned by *you* or by *your* family or by any of *your employees* including any resultant humane slaughter that is verified by an appropriate veterinary certificate.

We will pay up to \$250 veterinary fees incurred to save or attempt to save the life of livestock excluding dogs or *domestic pets*.

We will pay the *market value* of the animal up to a maximum value of \$2,000.

- e. submersible pumps and surface pumps on the terms set out under additional Benefit 21 – Submersible pumps of the Farm Assets section.

We will pay up to \$7,500 for all *losses* arising in any one *period of insurance*.

- f. the **following additional benefits** from the Farm Assets section:

1	Authorities damage
2	Automatic reinstatement of cover
5	Fees and clearance costs
9	Fusion
10	Goods and Services Tax - GST
11	Gradual damage
16	Protection costs
17	Rebuilding elsewhere
19	Statutory requirements
22	Transit of livestock and refrigerated goods
24	Unharmful property

The maximum we will pay under the Lifestyle Farm Assets benefit for all *losses* arising from any one event is the amount shown on the *schedule*.

A \$500 *excess* applies to this benefit.

41. Lifestyle Farm Motor

The cover provided is on the terms of the Motor section of the policy. However only the items shown below are insured and only up to the limits shown in the Lifestyle benefit. If there is any conflict or inconsistency between the terms of the Motor section of the policy and the Lifestyle Farm Motor benefit the Lifestyle Farm Motor benefit will apply.

Farm assets (*continued*)

We will pay for:

- a. *loss* to farm bikes, farm tractors, and other farm *vehicles* (but not cars, trucks or utilities) owned by *you*. We will pay the *market value* of any one *vehicle* up to a maximum value of \$5,000. The maximum we will pay for all *losses* arising from any one event is the amount shown on the *schedule*.
- b. *your* legal liability for negligence causing *loss* to property arising out of the use of an unspecified *vehicle* insured under 41(a) above as provided under additional benefits 3 - Legal Liability and 4 - Forest and Rural Fires Act of the Motor section.
- c. the **following additional benefits** from the Motor section:

1	Defence costs – for farm use <i>vehicles</i> only
2	Goods and Services Tax – GST For Farm <i>vehicles</i> - as shown on the <i>schedule</i>
8	Broken glass
12	Entanglement
24	Tractor or implement tyres

A \$500 excess applies to this benefit.

42 Lifestyle Farmers Liability

The cover provided is on the terms of the Farmers Liability and Statutory Liability sections of the policy. However only the benefits shown below are insured and only up to the limits shown below. If there is any conflict or inconsistency between the terms of the Farmers Liability and Statutory Liability sections of the policy and the Lifestyle Farmers Liability benefit the Lifestyle Farmers Liability benefit will apply.

The following limits and benefits are available under the Lifestyle Farmers Liability benefit:

	Limit of Indemnity
a Farmers legal liability	\$1,000,000
b Product liability	\$1,000,000
c Forest and Rural Fires Act	\$500,000
d Property in your custody or control	\$20,000
e Poisoning of animals	\$250,000
f Statutory liability	\$500,000

Provided the GST is recoverable to *us* all limits payable under the Lifestyle Farmers Liability section are exclusive of GST. This means we will pay up to a maximum of the limit of indemnity plus GST. All excesses are GST inclusive

A \$500 excess applies to this benefit.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

2. Disappearances or shortages

any unexplained disappearances or shortages.

3. Breakdown and defects

- a. damage to, or failure of:
 - i. any mechanical, electrical (except as covered under the additional benefit 9 - Fusion of electric motors) or electronic part or component; or
 - ii. fuses, protective devices, lighting or heating elements;

or any damage resulting directly or indirectly from a mechanical, electrical or electronic failure or breakdown. However, this exclusion does not apply where the mechanical, electrical or electronic damage results from a sudden, unforeseen and *accidental* external cause not otherwise excluded.

- b. loss or damage caused by defect in design or inherent fault.

4. Uninsured causes

- a. loss or damage caused by:
 - i. shrinkage; evaporation;
 - ii. leakage;
 - iii. contamination;
 - iv. discolouration;
 - v. humidity;
 - vi. the inherent nature of the property;
 - vii. the action of light; or
 - viii. change or fluctuation of artificially controlled temperature or atmosphere (except as covered under the additional benefit 8 - Frozen semen, embryos, animal health products and dog food, or Dairy Farm optional additional benefit 38B - Deterioration of milk or optional additional benefit 28 - Deterioration of refrigerated goods other than milk).
- b. loss directly or indirectly caused by or as a result of the following:
 - i. wear and tear;

Farm assets (*continued*)

- ii. corrosion or rust;
- iii. action of micro-organisms, mould, mildew, rot, fungi or gradual deterioration (unless covered under the additional benefit 11 - Gradual damage);
- iv. any other gradually operating cause;
- v. insects or vermin (except opossums);
- vi. defect in workmanship or any process of manufacturing, testing, cleaning, renovation, repair, restoration or servicing but only in respect of the article or property that has undergone such process;
- vii. lifting or moving any farm *building*;
- viii. structural additions or structural alterations to any farm *buildings*, including the removal of any wall or roof cladding, unless *we* have been notified and have agreed in writing to provide cover or unless covered under the additional benefit 3 - Capital additions;
- ix. vibration, weakening or removal of support;
- x. burglary, theft, malicious or deliberate damage (unless the *loss* results from fire or explosion) by *you*, any member of *your* family, any *employee*, anybody renting, living or staying on *your* farm.

5. Building defects

any loss to *your buildings* where that *loss* arises from, is consequent upon or in connection with the failure of *your buildings* to contain or incorporate materials, a design, a system or a standard of workmanship which effectively prevents or manages the presence or penetration of moisture or water to which *your buildings* might reasonably be subjected.

6. Uninsured Property

any loss to the following property:

- a. bulk fertilisers and lime while in the open, except as covered by the optional additional benefit 26 - Bulk fertiliser in the open;
- b. property and *other assets* in transit;
- c. submersible pumps except to the extent of cover provided in the additional benefit 21 – Submersible pumps or optional additional benefit 40e Lifestyle Farm Assets;
- d. land, earth, fill, bores including the blasting, excavation, forming or any other works of or to these items.

Conditions

General conditions give *you* information about *your* and *our* obligations arising from this policy. They are listed at the beginning of this policy.

Farming operations interruption

Remember, words appearing in italics are defined at the beginning of this policy.

You are insured for either:

- a. (Additional costs); or
- b. (Gross profit);

whichever is shown on the *schedule*.

a. Additional costs

We will indemnify *you* for reasonable additional costs incurred as a result of interruption or interference to *your farming operations* from *loss* during the *period of insurance* to *your farm buildings* and/or *other assets* and/or *irrigators* at the *situation* that we have agreed to pay for.

If *you* are a sharemilker we will indemnify *you* for reasonable additional costs incurred as a result of interruption or interference arising from *loss* during the *period of insurance* to the milking platform or milking plant normally used for sharemilking where a claim for that *loss* has been made and accepted by *us* or the property owner's insurer.

What we will pay

We will pay for additional expenditure necessarily and reasonably incurred by *you* for the purpose of avoiding or diminishing a reduction in *turnover* or resuming or maintaining normal operations during the six months following *loss* arising out of any one single event or series of events having the same cause.

We will not pay for any physical loss or damage.

We will pay up to \$25,000 unless a different *sum insured* for this item is shown on the *schedule*.

Claims preparation costs

We will, within the *sum insured* for additional costs cover *you* for reasonable fees and reasonable costs for quantification but not negotiation of claims under this section and the Farm Assets section of this policy as may be payable by *you* to a chartered accountant, solicitor or other professional consultant or incurred by *your employees*.

Goods and Services Tax – GST

Provided the GST is recoverable by *us*, the *sum insured*, sub limits and maximum amounts payable under this section are exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All excesses are GST inclusive.

or

b. Gross profit

We will indemnify *you* for the amount of *gross profit* lost as a result of interruption or interference to *your farming operations* from *loss* during the *period of insurance* to *your farm buildings* and/or *other assets* and/or *irrigators* at the *situation* that we have agreed to pay for.

What we will pay

Your lost *gross profit*.

This will be calculated as follows:

- a. the amount produced by applying *your rate of gross profit* to the *turnover* lost during the *indemnity period* in consequence of the insured *loss*. Lost *turnover* will be assessed as the difference between the *turnover* expected and the actual *turnover* *you* achieve during the loss period. The level of expected *turnover* will be based on *your turnover* in the equivalent period of the previous year, adjusted for trends, variations and special circumstances that would have affected *your farming operations* had the *loss* not occurred; and
- b. any costs necessarily and reasonably incurred during the *indemnity period* to minimise the reduction in *turnover* but no more than the amount of the *rate of gross profit* times the reduction in *turnover* thereby avoided; and
- c. an equitable allowance will be made if *you* use accumulated stock to temporarily maintain *your turnover*; but
- d. the amount we pay will be reduced by any savings in costs of *your farming operations* that *you* make during the *indemnity period* as a consequence of the *loss*; and
- e. *you* must do everything reasonably practicable to avoid or minimise *your lost gross profit*.

Limits on what we will pay:

The maximum we will pay is the *sum insured* shown on the *schedule*.

If there is more than one item shown we will pay no more than the amount shown for each item.

Farming operations interruption (*continued*)

Additional benefits

Apply only to Gross profit cover. Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

1. Damage to a public utility

If you lose *gross profit* because *loss* occurs anywhere in New Zealand to any:

- a. public supply utility (but excluding the Kapuni, Maui and all other off-shore installations) from which you obtain electricity, gas, natural gas or water for your *farming operations*;
- b. telecommunication systems (excluding any satellite based systems); or
- c. waste, sewerage or stormwater system;

and we would have paid a *loss* under this benefit if the damage had been to your own property then we will pay for your lost *gross profit* up to a maximum of the percentage shown on the *schedule* of the *sum insured* for this section.

2. Deferral of Indemnity Period

1. You may defer the date on which the *indemnity period* begins provided that:
 - a. you notify us in writing within three months of the date of the *loss* that you have elected to defer the commencement of the *indemnity period*; and
 - b. we have not already paid or agreed to pay a claim for any insured item or interest under this Farming Operations Interruption section in consequence of that *loss* (other than for reinstatement of records, or claim preparation costs for quantification of your *farm assets* claim).
2. The deferred *indemnity period* must begin within:
 - a. the number of months shown on the *schedule* as the *indemnity period*; or
 - b. 12 months;from the date of the *loss* whichever is the earlier, otherwise this option to defer expires.
3. If you defer the commencement of the *indemnity period* as described above, then:
 - a. you must notify us in writing of the date on which you elect that the *indemnity period* will commence as soon as possible, and no later than one month after the date on which the deferred *indemnity period* commences;
 - b. the amount payable under this Farming Operations Interruption section for all insured items or interests in consequence of that *loss* will be

calculated on the basis that references in the policy to the date of the *loss* are deemed to be references to the date of the commencement of the *indemnity period*. The standard adjustments for trends, variations and special circumstances will apply such that the final adjusted figures will represent as nearly as may be reasonably practicable the results that would have been obtained during the deferred *indemnity period* but for the *loss*, subject to c. and d. below;

- c. if prior to or during the *indemnity period* goods are sold or services are rendered elsewhere than at the premises for the benefit of your *farming operation* either by you or by others on your behalf the money paid or payable in respect of such sales of services will be brought into account in arriving at the *turnover* during the *indemnity period*;
- d. if in consequence of the *loss* there is an increase in *turnover* prior to the commencement of the *indemnity period*, the amount of the increase will be subtracted from the reduction in *turnover* during the *indemnity period*.

4. Once the deferred *indemnity period* commences, there will be no further right of deferral of the *indemnity period* applicable to a claim for any insured item or interest in consequence of that *loss*.
5. The *indemnity period* means the continuous period beginning with:
 - a. the date of occurrence of the *loss*; or
 - b. the date to which you have deferred the commencement of the *indemnity period* in accordance with this Deferral of Indemnity Period benefit;

and ending not later than the expiry of the number of months shown on the *schedule* during which the results of the *farming operation* are affected in consequence of the *loss*.

3. Farm contracting

We will provide cover for interruption or interference to your *farming operations* if they include occasional farm contracting where it comprises no more than 20% of your annual farming income.

4. Goods and Services Tax – GST

Provided the GST is recoverable by us, the *sum insured*, sub limits and maximum amounts payable under this section are exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All excesses are GST inclusive.

Farming operations interruption (*continued*)

5. Payment on account

Provided liability has been admitted, progress payments on account of any claims may be made to *you* at such intervals and for such amounts as are agreed upon production of a report by any loss adjuster appointed by *us* or as agreed by *us*, provided such payments will be deducted from the amount finally determined upon adjustment of the claim.

6. Prevention of access

If *you* lose *gross profit* because property immediately adjoining *your* farm is *accidentally* lost or damaged resulting in a restriction of access to *your* farm or the use of *your* property, whether or not *your* own property is damaged and *we* would have paid for the *loss* under the Farm Assets section of this policy if that damaged property had been insured with *us* *we* will pay up to the amount shown on the *schedule* in lost *gross profit*.

7. Property damage to your supplier or customer

If *you* lose *gross profit* because:

- a. the property of *your* supplier or customer is *accidentally* lost or damaged at their premises; and
- b. *we* would have made payment for this *loss* under this section if the damage had been to *your* own property;

we will pay *your* lost *gross profit* up to a maximum of the percentage shown on the *schedule* of the *sum insured* for this section.

Optional additional benefits

Apply only to Gross profit cover.

These options will apply where *you* have paid additional *premium* and the benefit and limit of cover chosen is shown on the *schedule*:

8. Additional increased cost of working

If *we* agree to pay *your* lost *gross profit* *we* will also pay for necessarily and reasonably incurred additional expenditure beyond that recoverable under any other item of this section, incurred by *you* during the *indemnity period* and in consequence of the *loss* for the purpose of avoiding or diminishing a reduction in *turnover* or for the purpose of resuming or maintaining normal operations. *We* will pay up to the amount shown on the *schedule*.

However, *we* will not pay for:

- a. any portion of the above expenditure which would have been recoverable under any other item of this policy section but for the inadequacy of the *sum insured* under that item; or
- b. any cost of reinstating physical *loss* or damage.

9. Claims preparation costs

If *we* agree to pay *your* lost *gross profit* *we* will cover *you* for reasonable fees and reasonable costs for quantification but not negotiation of claims under this section and the Farm Assets section of this policy as may be payable by *you* to a chartered accountant, solicitor or other professional consultant or incurred by *your employees*.

10. Loss of gross rental

If the gross rental *you* receive is less than *you* are entitled to under *your* lease agreement because of *loss* that is covered under the Farm Assets section of this policy;

then *we* will pay:

- a. *your* lost gross rental suffered during the *indemnity period*; and
- b. any costs necessarily and reasonably incurred during the *indemnity period* in minimising loss of gross rental up to but no more than the reduction of gross rental avoided;

however:

- c. the amount *we* pay will be reduced by any savings *you* make during the *indemnity period* as a consequence of the *loss*.

11. Reinstatement of records

We will pay the clerical, legal and other charges reasonably incurred by *you* during the *indemnity period* and in consequence of the *loss* in the replacement or restoration of deeds and other documents (including stamps thereon), manuscripts, plans, specifications and writings of every description and books (written and printed), books of account, card indexes, computer systems records, electronic records and other business records.

The insurance under this benefit extends to include the cover as above described while anywhere in New Zealand to an amount not exceeding 10 per cent of the *sum insured* on this benefit.

However, *we* will not pay for:

- a. costs and expenses incurred as a result of corruption, distortion or erasure of software or business records on electronic storage devices unless directly resulting from *loss* that would be covered under the Farm Assets section of this policy provided such corruption or erasure is due to an identifiable event.
- b. any costs unless a back-up record of *your* current computer records is created at least every seven working days from the inception of this policy for the protection of such records.

Farming operations interruption (*continued*)

The exclusions and conditions that follow apply to both a. additional costs or b. gross profit.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

2. Uninsured property causing loss

any *gross profit* lost or costs incurred as a result of *loss* to property other than *loss* to *buildings, other assets* or *irrigators*.

Conditions

General conditions give you information about your and our obligations arising from this policy. They are listed at the beginning of this policy.

The condition below gives you information about your obligations arising from this section.

1. Certificate of loss

Any details in your books of account or other business books or documents required by us when investigating or verifying any claim, must be produced and certified by your accountants or auditors and their certificate will be prima facie evidence of the details to which such certificate relates.

Livestock, dogs and horses

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

For unspecified animals

We will indemnify you for your farm livestock, farm dogs or farm horses in New Zealand for death by accident, as a result of your farming operations, during the period of insurance.

What we will pay

For unspecified livestock the market value before death to the maximum selected for any one animal and in total no more than the sum insured for this item.

For unspecified dogs or horses the market value before death to a maximum of \$1,000 for any one animal.

For specified animals

As shown on the schedule

We will indemnify you for your specified farm livestock, farm dogs and farm horses in New Zealand for either death by accident or death by accident, disease or illness as a result of your farming operations, during the period of insurance.

What we will pay

The market value before death to a maximum of the sum insured for that animal.

Age limits for unspecified and specified animals:

We will not cover any dog aged less than 4 months or that has reached 9 years of age at the beginning of each period of insurance unless a different age for this animal is shown on the schedule.

We will not cover any horse aged less than 4 months or that has reached 16 years of age at the beginning of each period of insurance unless a different age for this animal is shown on the schedule.

We will not cover any other animal aged less than 6 months or that has reached 5 years of age at the beginning of each period of insurance unless a different age for other animals is shown on the schedule.

Additional benefits

Unless the schedule shows that an additional benefit does not apply we will also cover or pay for:

1. Castration (not available for dogs and horses covered only for death by accident)

We will pay for death as a result of castration provided the operation is performed by a veterinary surgeon.

2. Goods and Services Tax – GST

Provided the GST is recoverable by us, the sums insured, sub limits and maximum amounts payable under this section are exclusive of GST. This means that we will pay up to a maximum of the sum insured plus GST to a maximum of the current rate of GST applied to that sum insured.

All excesses are GST inclusive.

3. Intentional slaughter (Additional Benefit 3b is not available for dogs and horses covered only for death by accident)

We will pay for loss as a result of intentional slaughter:

- a. if it is carried out on humane grounds and certified by a qualified veterinary surgeon that it was necessary to terminate incurable suffering and where a claim would have been accepted, had death occurred without any intervention.
- b. in compliance with the legal requirements of any Public or Territorial Authority. However, when an animal is destroyed under the provision of any Act or under Order of the Executive Council or by the instructions of any Government or Local Inspector acting under the authority of such Acts or Order we will not be liable to pay more than the difference between the amount payable to you under such Acts or Order or at law and the amount that would otherwise be payable under this section.

4. Replacement, or additional, dogs or horses

Any replacement, or additional, horse or dog will be covered until the next policy renewal for the same cover as shown on the schedule for unspecified horses or dogs.

5. Veterinary fees

We will also pay up to the amount shown on the schedule for veterinary fees associated with any claim that we accept.

Optional additional benefits

These options will apply where you have paid additional premium and the benefit and limit of cover chosen is shown on the schedule:

6. Limited theft and escape (not available for dogs and horses covered only for death by accident)

We will pay for loss arising from:

- a. theft and/or escape from the farm on which the animals are held as a result of violent and forcible entry or exit by thieves or malicious persons, not being you or your employees; or
- b. escape following loss to gates and fences caused by weather conditions or impact by any cause.

Livestock, dogs and horses (*continued*)

Provided that:

- i. wherever reasonably possible the farm is occupied during the hours of darkness;
- ii. perimeter fences are properly maintained;
- iii. external gates and loading pen gates are securely locked during the hours of darkness;
- iv. the loss is not the result of mysterious or unexplained disappearance, escape or voluntary parting of possession or title as a result of being induced by a fraudulent scheme, trickery or similar false pretence.

7. Loss of use (not available for dogs and horses covered only for death by accident)

If during the *period of insurance* the animal as a result of an *accident*, disease or illness has become permanently:

- a. impotent or infertile; or
- b. incapable of natural service,

as certified by a veterinary surgeon, we will, no earlier than 90 days after the first diagnosis of impotency, infertility or incapability and following production of further satisfactory veterinary evidence that the animal is permanently impotent, infertile or incapable of natural service, pay the difference between the sum realised by the disposal of the animal to best advantage and its *market value*, but no more than its *sum insured*.

8. Maternity risk (not available for dogs and horses covered only for death by accident)

We will pay for *loss* resulting from death arising from pregnancy or parturition, except during or as a result of transit.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

2. Intentional slaughter

loss as a result of intentional slaughter unless it is covered by the additional benefit 3 - Intentional slaughter.

3. Uninsured causes

loss as a result of death:

- a. from any disease or illness that develops within twenty-one days of the commencement of cover;

- b. from or accelerated by anthrax, brucellosis, bovine spongiform encephalopathy (BSE), swinefever, tuberculosis, foot and mouth disease, footrot or facial eczema;
- c. due to surgery not authorised by *us* in writing except as covered by the additional benefit 1 - Castration; or
- d. from any cause directly or indirectly due to pregnancy or parturition except as covered by the optional additional benefit 8 - Maternity risk.

4. Improper use or treatment

loss arising from death or reduction in value resulting from improper use, overloading, unskilful treatment or neglect.

5. Inability to fulfil functions

loss arising from inability or reduced ability to fulfil the functions or duties for which the animal was acquired except as covered by the optional additional benefit 7 - Loss of use.

Conditions

General conditions give you information about your and our obligations arising from this policy. They are listed at the beginning of this policy.

The conditions below give you information about your obligations arising from this section.

1. Health

For there to be cover all animals must be in sound health and free from injury and physical disability at the time this section was taken out or renewed. If they are not in sound health and free from injury and physical disability all cover in respect of that animal or animals is suspended until it is or they are.

2. Manifesting of disease or illness

Any disease or illness must manifest itself during the *period of insurance* and death occur during that period or within thirty days after cover ceased.

3. Proof of death and disposal of remains

In the event of death:

- a. you must supply us with a veterinary certificate confirming the animal's cause of death and any proof of identity we require; and
- b. you must not dispose of the dead animal until you have given us the opportunity and free access to examine it should we wish to do so.

Machinery breakdown

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

We will indemnify you for damage to machinery during the period of insurance arising out of your farming operations.

What we will pay at our option

1. In the event of repairable damage

- a. We will pay the cost necessarily incurred in the restoration of the *machinery* to normal working order.
- b. If you carry out the repairs yourself we will also pay you for the cost of materials and wages you incur to effect the repairs plus a reasonable amount to cover your overhead charges.
- c. We will pay for the reasonable cost of hiring a replacement machine during the time taken to repair the *damage to machinery*.
- d. Where any damaged parts that have been replaced retain a value, then that value may be deducted from the claim.

2. In the event of total loss

- a. An item will be a total loss if it is uneconomic to repair.
- b. We will pay you the replacement cost of the insured item if not more than 5 years old. For all insured items in excess of 5 years old we will apply depreciation at 8% per annum from when the item was new, for each year (or part thereof) up to a maximum of 72%.

We will also pay:

- a. the cost of dismantling the damaged *machinery* and installing a replacement item; and
- b. the cost of ordinary freight, although we will also pay up to \$2,500 for the extra costs involved:
 - i. to express freight or airfreight (including overseas airfreight) any part or replacement machine; and
 - ii. in labour overtime cost to expedite repairs;

that are necessarily incurred to maintain your normal farming operations following *damage to machinery*.

Limits on what we will pay for:

1. The most that we will pay will be the *sum insured* shown on the *schedule* or the *indemnity value* of the *machinery*, whichever is the less, except for replacement as above, when the most we will pay is the *sum insured* shown on the *schedule*.
2. If it is not possible to obtain a part needed for repairs to the *machinery* we will not pay more than the manufacturer's or supplier's latest list price for that part.

Additional benefits

Where a benefit has a specific limit on the *schedule* this is a sublimit and will be paid within the *sum insured* for the item to which the additional benefit applies.

Unless the schedule shows that an additional benefit does not apply:

We will also cover or pay for:

1. Goods and Services Tax – GST

Provided the GST is recoverable by us, the *sums insured*, sub limits and maximum amounts payable under this section are exclusive of GST. This means that we will pay up to a maximum of the *sum insured* plus GST to a maximum of the current rate of GST applied to that *sum insured*.

All excesses are GST inclusive.

2. Removal of debris

We will pay for removing any debris. Any payment under this benefit will be within the *sum insured* shown on the *schedule*.

3. Replacement of refrigerant

We will pay up to the amount shown on the *schedule* for the replacement of refrigerant that is lost as a direct result of *damage to machinery*, subject always to exclusion 7 and all other exclusions of this Machinery Breakdown section.

4. Submersible pumps – lifting and lowering

We will pay up to the amount shown on the *schedule* for the cost incurred in the lifting or lowering of submersible pump units, as a result of *damage to machinery* provided that the unit is recovered to the surface.

Optional additional benefits

This option will apply where you have paid additional *premium* and the benefit and limit of cover chosen is shown on the *schedule*:

5. Unspecified pumps

We will pay for *damage to machinery* following breakdown of a submersible or surface pump that is:

1. not listed on the *schedule*, and;
2. located at the *situation* shown on the *schedule*.

At our option we will pay:

- a. for repairing the damaged pump to the condition it was in immediately before the damage occurred;
- b. to replace the item if it is less than 5 years old and cannot be repaired; or
- c. the *indemnity value* of the item if it is more than 5 years old and cannot be repaired.

Machinery breakdown (*continued*)

We will also pay:

- i. to dismantle and re-erect the item; and
- ii. for the hire of a replacement during the time taken to repair the damaged item.

However, we will not pay for:

1. any damage:
 - a. that arises due to inadequate maintenance or failure to maintain regular servicing;
 - b. is caused by faults or defects that *you or your employee* knew about at the commencement of each *period of insurance* and did not disclose to us;
 - c. to the *machinery* or part immediately affected caused by:
 - i. wasting or wearing away or wearing out of any part caused by or naturally resulting from ordinary use or working; or
 - ii. direct consequence of progressive or continuing influences of atmospheric or chemical action; or
 - d. resulting from the direct application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
2. submersible pumps not recovered to the surface.
3. cost of lifting or lowering of any submersible pump under this optional benefit unless a *sum insured* for this costs is shown on the *schedule*.

The maximum we will pay under this benefit is the *sum insured* shown on the *schedule*.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

2. Parts

parts which:

- a. by their use or nature suffer a high rate of wear or depreciation;
- b. are exchangeable and replaceable including but not limited to shear pins, bits, drills, knives or other cutting edges; or
- c. are made of glass, ceramic, rubber, textiles or synthetic materials.

3. Operating media

operating media such as fuels, cleansing agents and lubricants.

4. Before commissioning

machinery prior to successful commissioning.

5. Uninsured costs

the cost of rectifying damage:

- a. directly or indirectly caused by or resulting from causes covered under the Farm Assets section of the policy;
- b. resulting from experiments or overload or similar tests requiring the imposition of abnormal conditions;
- c. that arises from inadequate maintenance or failure to maintain regular servicing;
- d. caused by faults or defects that *you or your employee* knew about at the commencement of each *period of insurance* and did not disclose to us;
- e. that is covered under any maintenance contract, warranty or guarantee;
- f. to the *machinery* or part immediately affected caused by:
 - i. scratching of painted or polished surfaces;
 - ii. wasting or wearing away or wearing out of any part caused by or naturally resulting from ordinary use or working;
 - iii. gradual deterioration; or
 - iv. as a direct consequence of progressive or continuing influences of atmospheric or chemical action,

but we will be liable for other *damage to machinery* covered under this section resulting from such causes; or

- g. resulting from the direct application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.

6. Improvements

alterations, additions, improvements, overhauls or maintenance.

7. Ozone friendly refrigerant

the additional cost incurred to enable *machinery* to operate with a more ozone friendly refrigerant.

8. Pumps

submersible pumps not recovered to the surface.

Conditions

General conditions give you information about your and our obligations arising from this policy. They are listed at the beginning of this policy.

Farmers liability

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

We will indemnify *you* for *your* legal liability to pay direct compensation for *damage to property* or *personal injury* happening during the *period of insurance* resulting from an *occurrence* in New Zealand arising from *your farming operations*.

What we will pay

The total amount we will pay, including in respect of additional benefits, relating to one *occurrence* or series of *occurrences* consequent on or attributable to one source or original cause will not exceed the limit of indemnity for this section shown on the *schedule*, irrespective of the number of parties entitled to indemnity under this section.

In addition, if we have accepted a claim under this section of the policy we will pay any associated *defence costs* unless stated otherwise.

Additional benefits

Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

1. Compensation for court appearance

We will pay at the rate of the amount shown on the *schedule* per day for each day on which *you* attend as a witness in connection with a claim under this section.

The maximum we will pay are the amounts shown in the *schedule* for any *occurrence*.

2. Damage from the use of motor vehicles and watercraft

We will cover *you* for *your* legal liability arising in connection with:

- a. the loading or unloading of a *vehicle* or the bringing to or taking away of a load from a *vehicle*;
- b. the use of the *vehicle* as a tool of trade and not operated solely as a *vehicle*; or
- c. the use of *watercraft* not exceeding 8 metres in length.

3. Damage to employees' belongings

We will cover *you* for *your* legal liability for damage to the personal belongings of directors of any company insured by this policy or *your employees*.

4. Defamation

We will cover *you* for *your* legal liability for defamation or invasion of privacy, excluding claims arising out of defamation:

- a. when the first publication was made before the commencement of the *period of insurance*; or
- b. made at *your* direction with knowledge of its falsity; or
- c. made in the course of or relating to:
 - i. advertising, broadcasting or telecasting activities;
 - ii. activities using the internet, intranet or the world wide web;
 - iii. publication of newspapers, journals, books or periodicals;conducted by *you* or on *your* behalf.

5. Exemplary damages

We will cover *you* for *your* legal liability for exemplary damages awarded by any New Zealand court in respect of *personal injury* happening in New Zealand, provided that:

- a. there is no cover in respect of exemplary damages arising out of any dishonest or malicious act or omission by *you*; and
- b. *you* have not revealed the existence or terms of this cover without *our* written consent unless legally obliged to do so; and
- c. *our* liability will not exceed the limit of indemnity or the amount shown on the *schedule*, whichever is the lesser, in any one *period of insurance* inclusive of any *defence costs*.

6. Farm contracting

We will provide cover for liability arising from occasional farm contracting where it comprises no more than 20% of *your* annual farming income. However, we will not provide cover for any liability in any way associated with the application of insecticides, pesticides, hormone sprays or any other chemical or product.

7. Farm stay

We will cover *you* for *your* liability as an innkeeper as regulated by the *Innkeepers Act 1962* arising from any farm stay provided that *your* operation as a farm stay forms part of *your farming operations*.

8. Forest and Rural Fires Act

We will cover *you* for *your* liability under the *Forest and Rural Fires Act 1977* arising from any one event occurring during the *period of insurance* for:

- a. costs and levies under sections 43, 46 and 46A incurred and apportioned by any Fire Authority; and

Farmers liability (*continued*)

- b. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover:

- i. where *your* liability arises directly or indirectly from any fire started intentionally that did not comply with the Forest and Rural Fires Act 1977 or any other statutory or local body requirement governing the lighting of fires.
- ii. for any fines or any exemplary or punitive damages awarded against *you*.

Exclusion 2 (Aerial devices, vehicles and watercraft) does not apply to this benefit.

The maximum we will pay is the amount shown in the *schedule*. This amount includes *defence costs*.

You are only entitled to payment of this benefit under one section of this policy or under one policy with us.

We will not pay more than the amount shown on the *schedule* plus *defence costs* in total for any legal liability (whether pursuant to this Act or otherwise) arising out of any one event.

9. Goods and Services Tax – GST

We will pay up to the limit of indemnity plus any GST (to a maximum of the current rate of GST) that is paid or payable on the limit of indemnity.

However, all item limits, benefit limits, and *excesses* shown within the policy or on the *schedule* are GST inclusive.

10. Indemnity to landlord

We will cover *you* for *your* legal liability under a lease agreement to indemnify *your* lessor against third party actions, suits or demands to pay direct compensation as a result of *damage to property or personal injury*.

11. Landlord's liability

We will cover *you* for *your* legal liability to pay direct compensation as a result of *damage to property or personal injury* arising in connection with *your* legal ownership, but not physical occupation, of any premises.

12. Overseas visits cover

We will cover *you* for *your* legal liability for *occurrences* while outside New Zealand but only in respect of *damage to property or personal injury* that arises out of the incidental performance of clerical, managerial, marketing or sales responsibilities relating to *your* normal *farming operations* while *your* normal place of residence is in New Zealand and *you* are away for a short time. There is no cover in relation to the performance of any physical work of a manual nature.

13. Poisoning of animals

We will cover *you* for all sums which *you* become legally liable to pay as a result of *accidental* death of or injury to any animal which is in *your* custody or control, caused by poisoning or any harmful matter in food or drink.

However we will not provide cover for the death of or injury:

- i. to birds; or
- ii. to any animal belonging, leased or hired to *you*.

The maximum we will pay for any one animal is the amount shown on the *schedule* and up to the amount shown on the *schedule* in total for any one occurrence.

14. Pollutants

We will cover *you* for *your* legal liability for direct compensation for *damage to property or personal injury* caused by or resulting from an identifiable and *accidental*:

- a. unexpected release (including discharge, dispersal, seepage, migration and escape) of *pollutants* that takes place in its entirety at a specific time and place; or
- b. over spray of agrichemical *pollutants*;

that occurs during the *period of insurance* and is:

- i. detected within 14 days of its commencement; and
- ii. reported to *us* within 7 days of its being detected.

Releases of *pollutants* consequent upon or attributable to one source or original cause (irrespective as to whether the release is continuous or intermittent) will be treated as one release.

For the purposes of this section the commencement of any intermittent release will be deemed to be at the start of the first release of the series.

We will not pay for any cost to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants* on structures, premises, sites, land, plant, vehicles and produce or any other property currently or previously owned, occupied, used by or under the control of *you* where the obligation arises out of such ownership, occupancy, use or control by *you*.

We will also pay in respect of a valid claim under this benefit any *defence costs*.

The maximum amount we will pay in respect of any one *period of insurance* for all claims in respect of;

- a. releases (including discharge, dispersal, seepage, migration and escape); and

Farmers liability (*continued*)

- b. accidental overspray of *pollutants* and;
- c. *defence costs*;

will not exceed the limit of indemnity for this section shown on the *schedule*, irrespective of the number of parties entitled to indemnity under this section.

15. Product liability

We will cover *you* for *your* legal liability to pay direct compensation for *damage to property or personal injury* happening during the *period of insurance*, including for *products* supplied from New Zealand other than supplied to the United States of America or its territories or possessions and/or Canada if to *your* knowledge such *products* have been or will be supplied to a person, company or organisation within those areas whether or not in their original form, resulting from an *occurrence* arising from *your farming operations* and which is caused by the nature, condition or quality of any *products* sold or supplied by *you*.

The amount payable in total for claims in any one *period of insurance* for both *products* and *product recall* as detailed in additional benefit 16 - Product recall, will not exceed the product liability limit of indemnity shown on the *schedule*. If we accept a claim *you* make for product liability then we will also pay associated *defence costs*.

However, we will not pay for:

- a. the cost of inspecting, repairing or replacing the *products* sold or supplied by *you* or for making any refund on the price paid however this exclusion does not apply to liability for *loss to products* caused by other *products* if they were physically independent at the time of such *loss*;
- b. any compensation or costs which are, or should have been, covered by insurance which *you* were required by law to take out in another country;
- c. *your* liability for *damage to property or personal injury* directly or indirectly caused by or arising in connection with any:
 - i. *product* sold or supplied by *you* which is for use in any aircraft, *aerial device* or thing made or intended to float on or in or travel through air or space;
 - ii. advice, directions, instructions, markings or warnings given or omitted to be given;
 - iii. error, failure or omission in design, formula, plan or specification;
 - iv. deficiency or defect in any instruction, directions, markings or warnings prepared by *you* and relating to the use or storage of *your product*.

16. Product recall

We will contribute to those costs *you* are legally liable to pay for physically recalling or withdrawing *products* that have already given rise to a claim covered by the additional benefit 15 - Product liability, if we agree that such recall or withdrawal is necessary to prevent similar claims arising.

The most we will pay in respect of all such recalls or withdrawals, is the percentage of the cost exceeding the *excess* for this benefit, subject to the maximum amount payable, all of which are shown on the *schedule*.

The total amount payable for claims in any one *period of insurance* in relation to both *products* and *product recall* will not exceed the product liability limit of indemnity shown on the *schedule*.

17. Property in your custody or control

We will cover *you* for *your* legal liability for *loss* to the following items in *your* custody or control:

- a. premises not owned or rented by *you* at which *you* are undertaking work in connection with *your farming operations*;
- b. customer's or visitor's vehicle or trailer that is parked on *your* farm;
- c. any other tangible property.

The maximum we will pay for each occurrence that results in *loss* is the amount shown on the *schedule*.

An *excess* of \$1,000 will apply unless a higher one is shown on the *schedule*.

18. Reparation

Notwithstanding exclusion 8 of this Farmers Liability section, we will cover *you* for *your* legal liability to pay an award of *reparation* in respect of *personal injury or damage to property* happening during the *period of insurance* resulting from an *occurrence* in New Zealand in connection with *your farming operations*.

Provided that:

- i. *you* notify *us* immediately if *you* or any other person entitled to cover under this Farmers Liability section for liability to pay *reparation* is charged with any offence in connection with *your farming operations* which has resulted in *personal injury* to another person or *damage to property*;
- ii. *you* do not make any offer of *reparation* (including as part of any case management conference or sentencing hearing), without *our* written approval.

Cover for *defence costs* does not apply to a claim under this extension. We will not pay *defence costs* in relation to an offence or where *your* liability is to pay *reparation*.

Farmers liability (*continued*)

This extension does not cover *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) and any subsequent amendments.

Our liability under this extension for any one *period of insurance* is limited to the limit of indemnity shown on the *schedule* or \$10,000,000, whichever is the lesser.

19. Roadside grazing – liability to territorial authority

We will cover *your* legal liability to any territorial authority arising out of *you* grazing animals on a roadside.

20. Tenant's liability

We will cover *you* for *your* legal liability to pay direct compensation as a result of damage to premises (including their fixtures or fittings) leased or rented by *you* or in *your* custody or control but not owned by *you* or for *damage to property* in business premises that *you* temporarily occupy, but excluding legal liability arising in connection with *your* failure to arrange insurance on the property.

21. Vehicles in your control (Service and repair)

We will cover *you* for *your* legal liability to pay compensation for an *accident* connected with *your farming operations* caused by or arising out of the repair, renovation, maintenance, installation or servicing by *you* of any:

- a. *vehicle*;
- b. *watercraft* not exceeding 8 metres in length;
- c. internal combustion engines; or
- d. accessories or fittings of either of the above;

where such items are or have been in the care, custody or control of, but are not owned, hired, leased, rented or borrowed by *you*.

However, cover is not provided for *your* legal liability to pay the cost of performing, completing, correcting or improving any work done or undertaken or rectifying defective work. This exclusion will not apply to legal liability for resultant damage to other separate property or parts that *you* have not been working on.

We will not cover *you* under this additional benefit for *your* legal liability for *damage to property* or *personal injury* that occurs while any *vehicle* or *watercraft* is being driven, sailed or navigated by or on behalf of *you* by any person who:

- a. does not have a valid licence that authorises them to drive the *vehicle* at the time of the *accident*;
- b. at the time of the *accident* giving rise to a claim under this additional benefit is under the influence of intoxicating liquor or a drug or who has a proportion of alcohol in their blood or breath that

is higher than that allowed under New Zealand traffic law; or

- c. fails to stop or leaves the scene of the *accident* when it is an offence to do so or refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so.

Exclusions 2 and 4 of this Farmers Liability section do not apply to this additional benefit.

Our liability to cover *you* under this additional benefit for any one *occurrence* will not exceed:

- a. the amount shown on the *schedule* for service and repair in respect of the item under repair, renovation, installation or servicing;
- b. the maximum we will pay under this benefit is the limit of indemnity shown in the *schedule*.

An *excess* of \$1,000 will apply under this additional benefit for each *occurrence* unless a higher one is shown on the *schedule*.

22. Vibration or weakening of support

We will cover *you* for *your* legal liability for *damage to property* due to vibration or to the withdrawal or weakening of support.

Any payment will be limited to the amount shown on the *schedule* for any one event.

An *excess* of \$5,000 will apply to each claim.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for *your* liability in respect of:

1. Excess

any *excess*.

2. Aerial devices, vehicles and watercraft

damage to property or *personal injury* caused by or arising in connection with *your* ownership, possession, maintenance or use of:

- a. any *vehicle* which is or should have been registered or is otherwise insured in respect of the same liability; or
- b. any *aerial devices* or *watercraft*;

except under the additional benefit 2 - Damage from the use of motor vehicles and watercraft or additional benefit 20 - Vehicles in your control (Service and repair).

Farmers liability (*continued*)

3. Employees

personal injury to any *employee* under a contract of service or apprenticeship with *you*.

4. Property in care, custody or control

damage to property owned, occupied or held in trust by *you* or in *your* custody or control other than covered by the following additional benefits:

a.	7	- Farm stay;
b.	10	- Indemnity to landlord;
c.	17	- Property in your custody or control;
d.	20	- Tenant's liability;
e.	21	- Vehicles in your control (Service and repair).

5. Defective work

the cost of performing, completing, correcting or improving any work done or undertaken by *you*.

6. Liability under agreement

claims resulting from liability assumed under an agreement unless such liability would have attached in the absence of such agreement or is assumed by *you* under a warranty of fitness or quality, or is implied by law in respect of products or is covered under the additional benefit 10 – Indemnity to landlord.

7. Breach of duty

claims resulting from a breach of the duty owed in a professional capacity by *you* except for services rendered by members of *your* own first aid or ambulance services.

8. Fines and penalties

any fine, penalty, reparation order or any other form of criminal sanction, exemplary, punitive, aggravated or liquidated damages levied against *you*.

This exclusion does not apply to fines or penalties imposed by dairy companies as a result of the commingled of *your* *accidentally* contaminated milk with other milk after *your* milk has been collected for transportation from the *situation*. However, exclusion 6 Liability under agreement applies.

9. Loss of use

claims in respect of loss of use of tangible property which has not been physically damaged or destroyed resulting from:

- a delay in or lack of performance by *you* or on *your* behalf of any contract or agreement; or
- the failure of *products* or work performed by *you* or on *your* behalf to meet the level of performance, quality, fitness or durability warranted or represented by *you*.

This exclusion does not apply to loss of use of other tangible property resulting from the sudden and *accidental* physical damage to or destruction of *products* or work performed by *you* or on *your* behalf after such *products* or work have been put to their intended use by any person or organisation other than *you*.

10. Defamation

claims in relation to defamation unless covered by the additional benefit 4 - Defamation.

11. Maturing and packing

claims caused directly by the process of natural maturing, grading or packing.

12. Genetic modification

damage to property or *personal injury* directly or indirectly caused by:

- the presence on any premises of or the production of or the supply of any genetically modified organism or any other material that has been genetically modified where liability may be directly or indirectly attributed to the genetic characteristics of such organism or material.
- the spread of or the threat of spread of any genetically modified organism characteristics into the environment or any change to the environment arising from research into, testing of or production of genetically modified organisms or other material.

13. Uninsured causes, operation or property

damage to property or *personal injury* directly or indirectly caused by or arising out of:

- contamination, pollution or poisoning;
- or during farm contracting other than to the extent allowed by the additional benefit 6 - Farm contracting;
- products*;
- roadside grazing in respect of any liability to a territorial authority other than to the extent allowed by the additional benefit 18 - Roadside grazing;
- the vibration, withdrawal or weakening of support; or
- any micro-organism, bacteria, parasite, virus, disease, *illness* or *injury* transmitted by or from any products or by or from any animals, birds, fish or other livestock owned by *you* or under *your* care custody or control.

Farmers liability (*continued*)

Conditions

General conditions give you information about your and our obligations arising from this policy. They are listed at the beginning of this policy.

The conditions below give you information about your and our obligations arising from this section.

1. Burning in the open air

When you light fires in an open-air location you must comply with any conditions imposed under a fire permit that must first be obtained from the appropriate Local Authority.

2. Cross liability

Any claim made by an insured against any other insured will be treated as though the party so claiming is not an insured. Where more than one party is described as the named Insured each such party will constitute a separate insured for the purpose of this condition.

However, nothing contained in this condition will operate to increase the limit of indemnity shown on the *schedule* nor override the provisions of General condition 16 (Joint insureds).

3. Duty of care

You at your own expense must take all reasonable precautions to prevent *personal injury* and *damage to property* and to:

- a. comply with all relevant legislation and all obligations imposed by any authority;
- b. maintain premises and plant and everything used in your *farming operations* in proper repair; and
- c. remedy any defect or eliminate any danger that may give rise to *damage to property* or *personal injury*.

Statutory liability

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

Insuring clause A – *Entity* liability

We will pay on *your* behalf any *fine* under an *Act* and *defence costs* arising out of a *claim* made against *you* provided that *you* first become aware of the *claim* during the *period of insurance*.

Insuring clause B – *Entity* reimbursement

We will pay on *your* behalf any *fine* under an *Act* and *defence costs* for which *you* are lawfully permitted or required to indemnify, and have agreed to so indemnify, an *insured person* arising out of a *claim* made against an *insured person* provided that the *entity* and/or the *insured person* first becomes aware of the *claim* during the *period of insurance*.

Insuring clause C – *Insured person* liability

We will pay on behalf of the *insured person* any *fine* under an *Act* and *defence costs* arising out of a *claim* made against the *insured person* provided that the *entity* and/or the *insured person* first becomes aware of the *claim* during the *period of insurance*.

We will not pay any *fine* or *defence costs* arising out of any *claim* under Insuring clause C to the extent that the *entity* has indemnified an *insured person* for the *fine* or *defence costs*.

However, there will be no cover under Insuring clauses A, B or C unless:

- a. the *claim* is notified to *us* during the *period of insurance* or within 30 days after the end of the *period of insurance*; and
- b. the *occurrence* took place on or after the *retroactive date*; and
- c. the *fine* and *defence costs* do not arise from an excluded *Act*.

Excluded *Acts* are the following *Acts* of the New Zealand Parliament:

- Arms Act 1983;
- Aviation Crimes Act 1972;
- Commerce Act 1986;
- Crimes Act 1961;
- Criminal Investigations (Blood Samples) Act 1995;
- Hazardous Substances and New Organisms Act 1996 but only as it relates to new organisms;
- Misuse of Drugs Act 1975;

- Criminal Proceeds (Recovery) Act 2009;
- Summary Offences Act 1981;
- Transport Act 1962;
- Transport (Vehicle and Driver Registration and Licensing) Act 1986; or
- Any other *Act* shown on the *schedule* as an excluded *Act*.

What we will pay

The total amount payable in any one *period of insurance* by *us* under this section on *your* behalf in respect of all *fin*es and *defence costs* arising out of all *claims* will not exceed in the aggregate the limit of indemnity shown on the *schedule*.

This includes any payments made for additional benefits unless otherwise shown.

Additional benefits

Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

1. Acquittal

No *excess* will apply and we will reimburse any *defence costs* paid by *you* including where it was alleged that *you* intentionally, knowingly or wilfully committed an *occurrence*, in the event of:

- a. an acquittal of all of *you*; or
- b. a dismissal or a withdrawal of the prosecution of the offence without the payment of any *fine* by any one of *you*.

Provided, however, that in the case of b. above such reimbursement will occur 90 days after the date of dismissal or agreement to withdraw the prosecution as long as no *claim* alleging the same or any related *occurrence* is again brought within that time. Reimbursement will also be subject to an undertaking by *you* in a form acceptable to *us* that such reimbursement will be paid back by *you* to *us* in the event the *claim* alleging the same or related *occurrence* is brought after the 90 day period.

Acquittal means an adjudication of not guilty obtained in favour of all insureds, after the exhaustion of all appeals. The term acquittal does not apply to a *claim* against an insured for which settlement has occurred.

2. Advancement of defence costs

We will advance *defence costs* to *you* as and when they are incurred before the final disposition of the *claim*. *You* will repay such payments to *us* severally, according to *your* respective interests, in the event and to the extent that the *claim* is in fact determined not to be covered or is resolved on terms or in a manner that excludes it from cover under this section.

Statutory liability (continued)

3. Continuous cover

Notwithstanding exclusion 5 of this Statutory Liability section, where:

- a. *you* first became aware of any *claim* or fact or circumstance as described in condition 3, after the *continuity date* and before the *period of insurance*; and
- b. *you* do not notify *us* of such *claim* or fact or circumstance, until a date during the *period of insurance* or within 30 days after the *period of insurance*,

then:

- i. in the absence of fraudulent non-compliance with the duty of disclosure or fraudulent misrepresentation by *you* in respect of such *claim*, fact or circumstance; and
- ii. if *we* have been *your* statutory liability insurer continuously from and after the *continuity date*;

we will accept notification of such *claim*, or any *claim* arising from such facts or circumstances, during the *period of insurance*.

The cover provided will be in the terms of this policy except that the applicable limit of indemnity and *excess* will be as they were at the date when any of *you* first became aware of the *claim* or facts or circumstances.

4. Goods and Services Tax – GST

We will pay up to the limit of indemnity plus any GST (to a maximum of the current rate of GST) that is paid or payable on the limit of indemnity.

However, all item limits, benefit limits, and *excesses* shown within the policy or on the *schedule* are GST inclusive.

5. Preservation of indemnity

In the event and to the extent that the *entity* is permitted or required to indemnify any *insured person*, but for whatever reason fails or refuses to do so, then *we* will pay on behalf of the *insured person* the *fine* and *defence costs* in accordance with Insuring clause C. In such event the *excess* shown on the *schedule* applicable to Insuring clause B will be paid by the *entity* to *us*. In the event of the *entity* being placed in liquidation (other than voluntary liquidation), no *excess* will apply.

Optional additional benefits

This option will apply where *you* have paid additional *premium* and the benefit and limit of cover chosen is shown on the *schedule*:

6. Defence costs

In the event of any *claim* under the Statutory Liability or Employers Liability sections of this policy being subject to a charge under Section 9 of the Law Reform Act 1936 and as a consequence *defence costs* cannot be paid under these sections then the policy is extended to indemnify *defence costs* in respect of a *claim* covered by the policy up to the limit shown on the *schedule* for any one *claim* and in the aggregate;

- a. during the *period of insurance*; and
- b. over both sections.

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

A single *excess* will apply to all *claims* alleging a single *occurrence*.

2. Continuing offence

that part of a *fine* for a continuing offence under any *Act* which is imposed for a period of time after which *you* knew or should have known, that an offence was being committed.

3. Handling materials

the handling or disposal of materials by any person or organisation acting on *your* behalf unless *you* have taken all reasonable steps to ensure that the materials will be handled or disposed of in a lawful manner.

4. Intentional breach and failure to comply

any *occurrence* which has arisen out of:

- a. any intentional, knowing or wilful breach by *you* of any provision or provisions of any *Act*; or
- b. *your* intentional, knowing or wilful failure to comply with any lawful abatement notice or enforcement order, improvement notice, prohibition notice or suspension notice, building notice, notice to rectify, compliance schedule, gazetted notice or order made by a commission, tribunal or standards review board or lawful consent, determination, memorandum, notice, order or schedule issued under any *Act*.

Statutory liability (*continued*)

5. Prior claims and known circumstances

any *claim*:

- a. made, threatened or intimated against any one of *you* before the *continuity date*;
- b. arising directly or indirectly from any facts or circumstances:
 - i. notified under any insurance that was in force before the original inception of this policy section; or
 - ii. known to any one of *you* before the *continuity date* and which might reasonably be expected by *you* to give rise to a *claim*;
- c. arising directly or indirectly from any litigation with respect to any *occurrence* committed or alleged to have been committed by any one of *you* before the *continuity date*, whether or not disclosed to *us*.

Conditions

General conditions give *you* information about *your* and *our* obligations arising from this policy. They are listed at the beginning of this policy.

The conditions below give *you* information about *your* and *our* obligations arising from this section.

1. Conduct of claim

We will be entitled to take over and conduct in *your* name, with full discretion in the conduct of the proceedings, the defence of any *claims* or the prosecution in *your* name for *your* own benefit of any *claim*.

If *you* do not agree with *our* decision to settle a *claim* the terms of condition 4 will apply.

2. Election to settle

We may settle any *claim* with *your* consent, or where settlement or a guilty plea is recommended by a senior counsel, in accordance with condition 4.

If, however, consent to such settlement or entry of a guilty plea is still withheld by *you*, *our* liability for the *claim* will not exceed the amount for which the *claim* could have been settled plus *defence costs* incurred with *our* consent up to the date the settlement or entry of a guilty plea was recommended.

3. Notification of circumstances

If during the *period of insurance* any one of *you* become aware of any facts or circumstances that may give rise to a *claim* against any one of *you* and such facts or circumstances are notified to *us* during the *period of insurance*, any *claim* that subsequently arises out of those facts or circumstances will be deemed to have been first made against any one of *you* during the *period of insurance*

and notified to *us* during the *period of insurance* in which the facts or circumstances were notified.

4. Senior counsel

If *you* and *we* disagree as to whether a *claim* should be settled or defended, a senior counsel (to be mutually agreed upon by *you* and *us*) will be appointed to recommend whether to settle or defend the *claim*. The senior counsel will take into consideration the economics of the matter, the *fine* and costs that are likely to be recovered by the prosecuting authority, the likely *defence costs* and *your* prospects of successfully defending the action. *We* will pay the cost of the senior counsel's opinion, which will be payable in addition to the limits of indemnity shown on the *schedule*.

5. Authority

The *entity* agrees to act on *your* behalf with respect to:

- a. giving notice of a *claim*;
- b. the payment of *premium* and the receipt of any refund of *premium* that may become due;
- c. the negotiation, receipt or acceptance of any changes in cover.

6. Confidentiality

You will not disclose the existence of this policy, its limit of liability, the nature of the insurance or the *premium* payable under it to any person or entity who is not covered by this section except where and to the extent:

- a. *you* are required to do so by law; or
- b. *we* give *our* prior written consent to such disclosure.

7. Non-accumulation

Any payment provided under the terms of this policy will be non-cumulative with any cover provided under any other policy issued by a company that is a *subsidiary* of Suncorp Group Limited.

8. Take-over

If, during the *period of insurance* a take-over occurs then the cover provided under this section is amended to apply only to *occurrences* taking place before the effective date of the take-over.

Take-over means any one of the following events:

- a. the insured consolidates with, merges with, or sells all or substantially all of its assets to another person, entity or group of persons and/or entities acting in concert; or
- b. the insured becomes a *subsidiary* of another entity by virtue of any applicable law.

Employers liability

Remember, words appearing in italics are defined at the beginning of this policy.

What you are insured for

We will indemnify *you* for *defence costs* and all sums that *you* become legally liable to pay as *damages* arising from *claims* resulting from any *employee* sustaining *personal injury* in New Zealand arising out of or in the course of their employment in *your farming operations* if:

- a. *you* first become aware of the *claim* during the *period of insurance*; and
- b. the *claim* is notified to *us* during the *period of insurance* or within 30 days after the end of the *period of insurance*; and
- c. the *personal injury* occurred on or after the *retroactive date*.

What we will pay

The total amount payable in any one *period of insurance* by *us* on *your* behalf in respect of all *damages* and *defence costs* arising out of all *claims* will not exceed the limits of indemnity shown on the *schedule*. This includes any payments made for additional benefits.

Additional benefits

Unless the *schedule* shows that an additional benefit does not apply we will also cover or pay for:

1. Advancement of defence costs

We will advance *defence costs* to *you* as and when they are incurred before the final disposition of the *claim*. Such payments will be repaid to *us* by *you* severally, according to *your* respective interests, in the event and to the extent that the *claim* is in fact determined not to be covered or is resolved on terms or in a manner that excludes it from cover under this Employers Liability section.

2. Continuous cover

Notwithstanding exclusion 5 of this Employers Liability section, where:

- a. *you* first became aware of any *claim* or fact or circumstance as described in condition 4, after the *continuity date* and prior to the *period of insurance*; and
- b. *you* do not notify *us* of such *claim* or fact or circumstance, until a date during the *period of insurance* or within 30 days after the *period of insurance*,

then:

- i. in the absence of fraudulent non-compliance with the duty of disclosure or fraudulent misrepresentation by any of *you* in respect of such *claim*, fact or circumstance; and
- ii. if *we* have continuously been *your* employers liability insurer from and after the *continuity date*;

we will accept notification of such *claim* or any *claim* arising from such facts or circumstances, during the *period of insurance*.

The cover provided will be in the terms of this policy except that the applicable limit of liability and *excess* will be as they were at the date when *you* first became aware of the *claim* or facts or circumstances.

3. Goods and Services Tax – GST

Provided the GST is recoverable by *us*, the limit of liability, sub limits and maximum amounts payable under this policy are exclusive of GST. This means that *we* will pay up to a maximum of the limit of liability plus GST to a maximum of the current rate of GST applied to that limit of liability.

All *excesses* shown are GST inclusive.

Optional additional benefits

This option will apply where *you* have paid additional *premium* and the benefit and limit of cover chosen is shown on the *schedule*:

4. Defence costs

In the event of any *claim* under the Statutory Liability or Employers Liability sections of this policy being subject to a charge under Section 9 of the Law Reform Act 1936 and as a consequence *defence costs* cannot be paid under these sections then the policy is extended to indemnify *defence costs* in respect of a *claim* covered by the policy up to the limit shown on the *schedule* for any one *claim* and in the aggregate;

- a. during the *period of insurance*; and
- b. over both sections.

Employers liability (*continued*)

Exclusions

Remember there are also general exclusions at the beginning of this policy and restrictions of cover detailed elsewhere in this section.

We will not pay for:

1. Excess

any *excess*.

A single *excess* will apply to all *claims* alleging a *single personal injury*.

2. Deliberate or wilful non-compliance and third party exclusion

any liability arising directly or indirectly from or in any way connected with any *claim* that arises from:

- a. *your* deliberate or wilful breach of or failure to comply with or disregard for the provisions of any *Act*;
- b. *your* deliberate or wilful failure to comply with or disregard for any lawful notice or order issued by any regulatory authority under any *Act*;
- c. *your* deliberate or wilful obstruction, hindrance or resistance to any person exercising their powers under any *Act*;
- d. the acts or omissions of any third party contracted by *you* pursuant to *your* business.

3. Employment contract and HSE notices

any *claim* arising directly or indirectly out of:

- a. the unjustifiable dismissal of any person or other personal grievance arising out of a contract of employment; or
- b. any failure by *you* to comply with any improvement, prohibition or suspension notice issued to *you* or any *employee* under the Health and Safety at Work Act 2015 (or any replacement *Act*).

4. Other than usual business

any claim in respect of any *employee* not employed to carry out the normal activities of the *farming operations* unless *you* give prior notice of such employment to *us* and we confirm *our* agreement to provide cover in writing.

5. Prior claims and known circumstances

any *claim* made, threatened or intimated against *you* before the *continuity date* or any *claim* arising directly or indirectly from any facts or circumstances:

- a. notified under any insurance that was in force before the original inception of this policy section;

or

- b. known to *you* prior to the *continuity date* and which might reasonably be expected to give rise to a *claim*.

6. Prior injury

any *personal injury* sustained before the *retroactive date* shown on the *schedule*.

Conditions

General conditions give *you* information about *your* and *our* obligations arising from this policy. They are listed at the beginning of this policy.

The conditions below give *you* information about *your* and *our* obligations arising from this section.

1. Authority

The *entity* agrees to act on behalf of *you* with respect to:

- a. giving notice of a *claim*;
- b. the payment of *premium* and the receipt of any refund of *premium* that may become due;
- c. the negotiation and receipt of any endorsement.

2. Conduct of claim

We will be entitled to take over and conduct in *your* name, with full discretion in the conduct of the proceedings, the defence of any *claims* or the prosecution in *your* name for *your* own benefit of any *claim*. If *you* do not agree with *our* decision to settle a *claim* the terms of condition 5 will apply.

3. Election to settle

We may settle any *claim* with *your* consent or where settlement is recommended by a senior counsel pursuant to this Employers Liability section condition 5.

If, however, consent to such settlement is still withheld by *you* then *our* liability for the *claim* will not exceed the amount for which the *claim* could have been settled plus *defence costs* incurred with *our* consent up to the date such settlement was recommended.

4. Notification of circumstance

If during the *period of insurance* any of *you* become aware of any facts or circumstances that may give rise to a *claim* against *you*, and such facts or circumstances are notified to *us* during the *period of insurance*, then any *claim* that subsequently arises out of those facts or circumstances will be deemed to have been first made against *you* during the *period of insurance* and notified to *us* during the *period of insurance* in which the facts or circumstances were notified.

Employers liability (*continued*)

5. Senior counsel

If *you* and *we* disagree as to whether a *claim* should be settled or defended, a senior counsel (to be mutually agreed upon by *you* and *us*) will be appointed to recommend whether to settle or defend the *claim*. The senior counsel will take into consideration the economics of the matter, costs that are likely to be recovered by the prosecuting authority, the likely *defence costs* and the prospects of *you* successfully defending the action. The cost of the senior counsel's opinion will be paid by *us* and will be payable in addition to the limits of indemnity shown on the *schedule*.

6. Take-over

If, during the *period of insurance* a take-over occurs the cover provided under this section is amended to apply only to *personal injuries* occurring before the effective date of the take-over.

Take-over means any one of the following events:

- a. the insured consolidates with, merges with or sells all or substantially all of its assets to, another person, entity or group of persons and/or entities acting in concert; or
- b. the insured becomes a *subsidiary* of another entity by virtue of any applicable law.

Contact us

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Thank you for choosing AMP to protect your farm and assets

Contact your AMP Adviser or Broker if you need any further assistance.