

Chubb Statutory Liability Insurance Policy Wording

Name of Insured: Body Corporate as per Orion
Schedule

Period of Insurance: As per Orion Schedule (both
dates inclusive)

CHUBB®

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Important Notices

Duty Of Disclosure

Before entering into a contract of general insurance with Chubb Insurance New Zealand Limited (**Chubb**), each prospective **Insured** has a duty to disclose to **Chubb** every matter that is material to Chubb's decision whether to accept the risk of the insurance and, if so, on what terms.

It has the same duty to disclose those matters to **Chubb** before renewal, extension, variation or reinstatement of a contract of general insurance with **Chubb**.

An **Insured's** duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by **Chubb**;
- that is of common knowledge;
- that **Chubb** knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by **Chubb**.

It is important that each prospective **Insured** understands all information provided in support of the application for insurance and that it is correct, as each prospective **Insured** will be bound by the answers and by the information it has provided. If a prospective **Insured** does not understand any part of this notice, it should obtain independent advice.

As a prospective **Insured**, the duty of disclosure continues after the application for insurance has been completed up until the time the contract of insurance is entered into.

Consequences of Non-Disclosure

If a prospective **Insured** fails to comply with its duty of disclosure, **Chubb** may be entitled, without prejudice to its other rights, to reduce its liability under the contract in respect of a claim or may cancel the contract. Chubb may also have the option of avoiding the contract from its beginning.

Fair Insurance Code

We are a member of the Insurance Council of New Zealand (**ICNZ**) and a signatory to ICNZ's Fair Insurance Code (**the Code**). The objectives of the Code are to establish high standards of service, promote confidence in the general insurance industry and improve relationships between insurers and their customers. Further information about the Code is available at www.icnz.org.nz and on request.

Financial Strength Rating

At the time of print, Chubb Insurance New Zealand Limited has an “AA-” insurer financial strength rating given by S&P Global Rating. The rating scale is:

AAA	Extremely Strong	BBB	Good	CCC	Very Weak	SD or D – selective default or default
AA	Very Strong	BB	Marginal	CC	Extremely Weak	R - Regulatory Action
A	Strong	B	Weak			NR – Not Rated

The rating from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories. A full description of the rating scale is available on the Standard & Poor's website.

Policy Schedule

No.	Title	Description	
Item 1.	Name Insured	Body Corporate as per Orion Schedule	
Item 2.	Address	As per Orion Schedule	
Item 3.	The Business	Property Owner	
Item 4.	Acts covered	All Acts as defined and not excluded in the policy	
Item 5.	Policy Period	Start:	As per Orion Schedule
		Expiry:	As per Orion Schedule
		At 4.00pm	
Item 6.	Retroactive Date	As per Orion Schedule	
Item 7.	Policy Limit	\$1,000,000 any one Allegation/ and in the aggregate for the Policy Period.	
Item 8.	Deductible	\$1000 each and every Allegation, costs inclusive	
Item 9.	Policy Number	As per Orion Schedule	

Statutory Liability Policy Wording

This insurance is given only:

- in consideration of the **Insured** paying the **Premium** to **Chubb**; and
- in reliance upon the written proposal and any other information provided by the **Insured** (all of which forms the basis of this **Policy**); and
- on the terms set out in this **Policy**.

1. Insuring Agreement

- 1.1 **Chubb** agrees to indemnify the **Insured** for **Penalties** and **Sentences of Reparation**, which the **Insured** is legally obliged to pay, and any **Defence Costs**, up to the **Policy Limit** as a result of **Allegation(s)**. The **Allegation(s)** must all:
- a) first be made against the **Insured** during the **Policy Period** or any **Discovery Period**.
 - b) be notified to **Chubb** during the **Policy Period** or **Discovery Period** or within 14 days after the end of the **Policy Period**.
 - c) result directly out of an **Event**.
- 1.2 The indemnity **Chubb** provides under this **Policy** ceases absolutely at the end of the **Policy Period** or any **Discovery Period**. However, **Chubb** agrees to indemnify the **Insured** for **Penalties**, **Sentences of Reparation** and **Defence Costs** under clause 1 as a result of **Allegation(s)** which are made against the **Insured** after the end of the **Policy Period** or any **Discovery Period**, if the **Allegation(s)** arise from **Circumstances** the **Insured** has notified to **Chubb** during the **Policy Period** or any **Discovery Period**.

2. Definitions

The following words have the following meanings in this **Policy** unless the context otherwise requires:

2.1 **The Acts:**

As the context requires, each of the **Acts** identified as insured in the **Schedule** and any regulations or other subordinate legislation made under any of those **Acts**. If All **Acts** is identified as insured in the **Schedule** then this means all **Acts** of the New Zealand Parliament and any Regulations or other subordinate legislation made under any of those **Acts**.

2.2 **Allegation:**

Each separate intimation, threat or allegation that the **Insured** breached or may have breached or committed an offence under any provision of one or more of the **Acts**. It includes any inquiry or investigation by a statutory authority or enforcement agency under any of the **Acts**. If specific **Acts** are identified as being insured in the **Schedule**, then the alleged breach or commission of an offence, or inquiry must be under those **Acts**.

2.3 **Business:**

The Business of the **Insured** as stated in the **Policy Schedule**.

2.4 **Circumstance:**

Where the **Insured** knows of an **Event** which might give rise to an **Allegation**.

2.5 **Claim:**

A claim for indemnity under this **Policy** notified to **Chubb** in accordance with this **Policy**.

2.6 **Deductible:**

The amount stated in the Schedule, which must be paid by the Insured before indemnity, is available under this Policy.

2.7 **Defence Costs:**

Legal costs and necessary expenses, which are incurred with **Chubb's** written, consent in order to investigate or defend any **Allegation** arising out of an **Event**.

2.8 **Discovery Period:**

An additional twelve (12) months from the end of the **Policy Period** which shall extend the period within which the **Insured** can make a **Claim** for an **Allegation** arising out of an **Event** which happens in its entirety before the **Policy Period** expires if:

- a) **Chubb** decides not to offer renewal at the end of the **Policy Period**; and
- b) the **Insured** elects within fourteen (14) days after the end of the **Policy Period** to purchase this **Discovery Period** insurance; and
- c) the **Insured** pays an additional premium of 50% of the premium.

2.9 Employee:

Any person directly employed by the **Insured** in respect of whose remuneration the **Insured** deducts PAYE tax or any person who is an appointed director of the **Insured**.

2.10 Event:

An unintentional and unexpected result of an act or omission, which has occurred in the course of and arises directly from the **Business** and has occurred in its entirety after the **Retroactive Date** stated in the **Schedule** which results in an **Allegation**.

2.11 GST:

Any liability the **Insured** may have under s5(13) of the Goods & Services Tax Act 1985.

2.12 Insured:

Any one or more of the **Named Insured** and any subsidiary companies declared in the proposal, and the **Employees** of any of them.

2.13 Named Insured:

The company which is first named in the **Schedule**.

2.14 Penalty:

A fine or other cash penalty (including court costs) payable by the **Insured** upon conviction of an offence under the **Acts** arising out of an **Event**, but does not include any losses, damages, compensation, reinstatement costs, remedial costs, restitution of anything, reparation, expenses or taxes, rates, duties or levies. The conviction must result from a prosecution brought by a statutory authority or enforcement agency under any of the **Acts**.

2.15 Policy Limit:

Chubb's aggregate liability in accordance with Condition 4.5.

2.16 Policy Period:

The period stated in the **Schedule**.

2.17 Retroactive Date:

The date stated in the **Schedule**.

2.18 Securities:

Any equity or debt instrument issued by the Company.

2.19 Sentences For Reparation:

A sentence of reparation made under the Sentencing Act 2014 arising from a breach of the Health & Safety at Work Act 2015 (or any amendment, regulation or subordinate legislation made thereunder).

3. Exclusions (What is not covered)

Chubb will not indemnify the Insured in respect of any Claim:

- 3.1 arising out of any **Allegation** that the **Insured** has breached, may have breached or committed an offence under one or more of the following:
- Arms Act 1983, Aviation Crimes Act 1972, Crimes Act 1961, Proceeds of Crime Act 1961, Summary Offences Act 1981, Transport Act 1962, Transport (Vehicle and Driver Registration and Licensing) Act 1986; and any other Act specially stated as being excluded in the **Schedule**;
- 3.2 any pecuniary penalty, restitution, compensation or order for payment imposed by a court upon the **Insured** pursuant to Sections 78, 80, 83 or 89 (3)(b) of the Commerce Act 1986.
- 3.3 for a penalty arising out of any **Allegation** that the **Insured** has breached or committed an offence under an **Act** if it is illegal for **Chubb** to indemnify the **Insured** in relation to the **Penalty**.
- 3.4 for **Defence Costs** arising from appealing, or otherwise challenging, an infringement notice given under the Health & Safety at Work Act 2015 (or any amendment, regulation or subordinate legislation made thereunder).
- 3.5 arising out of any deliberate breach of, disregard for, resistance to, or failure to comply with the provisions of, or any notice given or requirement made under, any of the **Acts**.
- 3.6 for the costs of complying with or remedying any breach of any of the **Acts**.
- 3.7 arising out of any threatened or actual civil claim or civil proceedings, however this exclusion shall not apply to private prosecutions brought under the Health & Safety at Work Act 2015 (or any amendment, regulation or subordinate legislation made thereunder). A costs inclusive **Deductible** shall apply as stated in the schedule.
- 3.8 arising out of an **Event** which is directly or indirectly brought about by, or contributed to by, any deliberately dishonest or fraudulent or malicious act or omission by the **Insured**. However, this exclusion will not apply to **Defence Costs** and **Penalties**, and **Sentences of Reparation** incurred by any **Insured** who has not committed or condoned the deliberately dishonest or fraudulent or malicious act or omission.
- 3.9 arising out of any **Allegation** relating to acts or omissions which do not directly arise out of the **Business**.
- 3.10 arising out of any **Allegation** which was or ought to have been notified under any previous policy of insurance held by the **Insured** or in respect of which the **Insured** received any intimation or notice before the **Policy Period**.
- 3.11 arising out of an Event which takes place outside the territory of New Zealand.
- 3.12 arising out of any judgement:
- a) entered in a court outside New Zealand or by an arbitrator outside New Zealand; or
 - b) which does not apply New Zealand law.
- 3.13 arising out of any **Allegation** directly or indirectly caused by or contributed to by or arising from:
- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

- b) the radioactive toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of an explosive nuclear assembly.
- 3.14 arising out of the engagement by the **Insured** of any contractor to dispose of or handle materials unless the **Insured** has taken reasonable steps to ensure that the materials will be disposed of or handled in a lawful manner.
- 3.15 Loss, demand, claim or suit arising out of or related in any way to asbestos or asbestos-containing materials. **Chubb** shall have no duty of any kind with respect to any such loss, demand, claim or suit.
- 3.16 for an **Allegation** or **Circumstance** which was not notified in accordance with this Policy.
- 3.17 Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion **Act of Terrorism** means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling preventing, suppressing or in any way relating to any **Act of Terrorism**.

- 3.18 arising out of any **Allegation** that the **Insured** has breached or committed an offence under an **Act** in connection with:
- a) offering any **Securities** for issue, including inviting applications for issue of any **Securities**;
 - b) offering any **Securities** for sale, including inviting offers to purchase any **Securities**; or
 - c) any other distribution of **Securities**,
- 3.19 to the extent that trade or economic sanctions or other laws or regulations prohibit **Chubb** from providing insurance, including, but not limited to, the payment of **Claims**.

4. Conditions

- 4.1 As a condition precedent to their right to be indemnified, the Insured must give **Chubb** written notice of every **Allegation** and of each **Circumstance**. This notice must be given as soon as practicable after the **Insured** becomes aware of the **Allegation** or **Circumstance**. **Chubb** will not accept a **Claim**, notice of which is first given more than fourteen (14) days:
- a) after the end of the **Policy Period**; or
 - b) if applicable, after the end of the **Discovery Period**.
- 4.2 If the Insured makes a **Claim** under this **Policy** in accordance with Condition 4.1, the any subsequent **Allegation** arising out of the same **Event** which gave rise to the **Claim** will be treated as having been notified under this **Policy**.
- 4.3 In order to obtain indemnity under this **Policy**, the **Insured** must:
- a) at its own expense, use due diligence and do and assist in doing all things which are reasonably practicable to avoid or reduce any **Claim**.
 - b) give all necessary information and assistance to **Chubb** which will enable **Chubb** to defend any **Allegation**.
 - c) take all reasonable precautions to comply with the **Acts**.
 - d) not make any admission, incur **any Defence Costs** or make any payments in relation to any **Allegation** without **Chubb's** written consent.
 - e) not assign this **Policy** without **Chubb's** written consent.
- 4.4 Where the **Insured's** breach of or non-compliance with **Condition 3** results in prejudice to the cost, handling and/or settlement of any **Allegation** which in all other respects qualifies to be indemnified under this **Policy**, the indemnity afforded by this **Policy** in respect of that **Allegation** shall be reduced to such sum as would have been payable to **Chubb** in the absence of that prejudice.
- 4.5 **Chubb's** total aggregate liability for all **Claims** made during the **Policy Period** (including any **Discovery Period**) shall not exceed the **Policy** limit stated in the **Schedule**.
- 4.6 **Chubb** is entitled to appoint a solicitor to act for the **Insured**.
- 4.7 If the available **Policy Limit** is inadequate to pay all **Claims** made in one **Policy Period**, **Chubb** will pay the types of loss in the following order:
- a) **Penalties and Sentences of Reparation** imposed on the **Named Insured**.
 - b) **Defence Costs** of the **Named Insured**.
 - c) **Penalties and Sentences of Reparation** imposed on any subsidiary companies.
 - d) **Defence Costs** of any subsidiary companies.
 - e) **Penalties and Sentences of Reparation** imposed on any **Employees**.
 - f) **Defence Costs** of **Employees**.

4.8 The laws of New Zealand apply to this **Policy**. The New Zealand courts have exclusive jurisdiction over any legal proceedings brought in relation to the **Policy**. **Chubb** and the **Insured** agree to use their best endeavours to resolve any dispute under this policy before resorting to legal proceedings.

4.9 If **Chubb** disagrees with the **Insured** whether any **Allegation** should be admitted or contested, a senior counsel shall be appointed by **Chubb** to advise whether the **Allegation** should be contested and on the overall cost of contesting the **Allegation**. In giving advice, the senior counsel must take into account the likely **Penalty, Sentence of Reparation and Defence Costs** and whether there is a reasonable prospect of successfully defending the **Allegation**.

The senior counsel's fee will be a **Defence Cost** for **Policy** purposes if the senior counsel agrees with the **Insured**. The **Insured** is liable for the senior counsel's fee if the senior counsel agrees with **Chubb**. If the senior counsel advises that the **Allegation** should be admitted, and the **Insured** elects to contest the **Allegation**, **Chubb's** liability shall not exceed the overall cost as set out in the senior counsel's advice (including the likely **Penalty and Sentences of Reparation**) plus **Defence Costs** incurred to the date of that advice.

4.10 If, when a **Claim** is made, there is any other collectible insurance covering all or part of the same **Claim**, this **Policy** will apply only to the amount of any **Claim** which exceeds that recoverable under the other insurance.

4.11 If the **Insured** is liable to pay GST on receiving any indemnity payment under this **Policy**, **Chubb** will indemnify the **Insured** for the cost of GST in addition to the **Policy Limit**.

4.12 This **Policy** will end:

- a) at the end of the **Policy Period**; or
- b) if written notice of cancellation is given by either **Chubb** or the **Insured**. **Chubb** must give at least 30 days notice of their intention to cancel this **Policy**.

The notice runs from 4.00pm on the date on which the notice is given. If this **Policy** is cancelled, **Chubb** will refund the premium relating to the balance of the **Policy Period**; or

- c) if any **Claim** under this **Policy** is fraudulent in any respect, or if any false declaration is made or used in support of any claim, or if any fraudulent means or devices are used by the **Insured** or its agents to obtain indemnity under this **Policy** in respect of any **Claim**; or
- d) if the amounts which **Chubb** has paid are in total equivalent to or exceed the **Policy Limit**.

4.13 For the purpose of Condition 4.12 (c) only, each of the **Insured** (if more than one) will be treated as if they have a separate policy. Nothing in this clause will increase, alter or affect the **Policy Limit**.

Privacy Statement

Chubb Insurance New Zealand Limited (“**Chubb**”) is committed to protecting your privacy. Chubb collects, uses and retains your personal information in accordance with the principles in the *Privacy Act 1993*.

Personal Information Handling Practices

Collection, Use and Disclosure

Chubb collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim, complaint or dispute. We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them, to handle any claim, complaint or dispute that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim, complaint or dispute.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as actuaries, loss adjusters, claims investigators, claims handlers, professional advisers including doctors and other medical service providers, credit reference bureaus and call centres), other companies in the Chubb group, insurance and reinsurance intermediaries, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside New Zealand.

Your Choices

In dealing with us, you agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

How to Contact Us

If you would like to access a copy of your personal information, or to correct or update your personal information, or if you have a complaint or want more information about how Chubb is managing your personal information, please contact the Privacy Officer by posting correspondence to Chubb Insurance New Zealand Limited, PO Box 734, Auckland; telephoning: +64 (9) 3771459; or emailing Privacy.NZ@chubb.com

About Chubb in New Zealand

Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. The company is distinguished by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength, underwriting excellence, superior claims handling expertise and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb's operation in New Zealand (Chubb Insurance New Zealand Limited) offers corporate Property & Casualty, Group Personal Accident and corporate Travel Insurance products through brokers. It leverages global expertise and local acumen to tailor solutions to mitigate risks for clients ranging from large multinational companies to local corporates.

More information can be found at www.chubb.com/nz.

Chubb. Insured.SM

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