

*new zealand's natural cover®*

# Crombie Lockwood Orion Agreed Material Damage Policy Wording



**CHUBB®**

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## Important Information

In this important information section “We”, “Our” and “Us” means Chubb Insurance New Zealand Limited (Chubb).

“You” and “Your” refers to Our customers and prospective customers as well as those who use Our website.

## Duty of Disclosure

### Your Duty of Disclosure

Before entering into a contract of insurance with Chubb, each prospective insured has a duty to disclose to Chubb information that is material to Chubb’s decision whether to accept the insurance and, if so, on what terms. This includes material information about the insured, any other people and all property and risks insured under the policy. Information may be material whether or not a specific question is asked.

There is the same duty to disclose material information to Chubb before renewal, extension, variation or reinstatement of a contract of insurance with Chubb. You should also provide all material information when You make a claim or if circumstances change during the term of the contract of insurance.

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.

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 an 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 refuse to pay the entire claim. Chubb may also have the right to avoid the contract from its beginning. This means the contract will be treated as if it never existed and no claims will be payable.

## Financial Strength Rating

At the time of print, Chubb has an “AA-” insurer financial strength rating given by S&P Global Ratings. 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 S&P Global Ratings [website](#).

Chubb’s rating is reviewed annually and may change from time to time, so please refer to Chubb’s website for Our latest financial strength rating.

## Fair Insurance Code

Chubb is a member of the Insurance Council of New Zealand (ICNZ) and a signatory to ICNZ’s Fair Insurance Code (**the Code**). The Code and information about the Code is available at [www.icnz.org.nz](http://www.icnz.org.nz) and on request.



## Privacy Statement

This statement is a summary of Our privacy policy and provides an overview of how We collect, disclose and handle Your personal information. Our privacy policy may change from time to time and where this occurs, the updated privacy policy will be posted on Our [website](#).

Chubb is committed to protecting Your privacy. Chubb collects, uses and retains your personal information in accordance with the requirements of New Zealand's Privacy Act, as amended or replaced from time to time.

### Personal Information Handling Practices

#### *When do We collect Your personal information?*

Chubb collects Your personal information (which may include health information) from You when You interact with Us, including when You are applying for, changing or renewing an insurance policy with Us or when We are processing a claim, complaint or dispute. Chubb may also (and You authorise Chubb to) collect Your personal information from other parties such as brokers or service providers, as detailed in Our privacy policy.

#### *Purpose of Collection*

We collect and hold the information to offer products and services to You, including to assess applications for insurance, to provide and administer insurance products and services, and 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, or offer other products and services to You or Your organisation.

Sometimes, We may also use Your personal information for Our marketing campaigns and research, to improve Our services or in relation to new products, services or information that may be of interest to You.

#### *Recipients of the Information and Disclosure*

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 lawyers, doctors and other medical service providers, credit reference bureaus and call centres);
- intermediaries and service providers engaged by You (such as current or previous brokers, travel agencies and airlines);
- other companies in the Chubb group;
- the policyholder (where the insured person is not the policyholder);
- insurance and reinsurance intermediaries, other insurers, Our reinsurers, marketing agencies; and
- government agencies or organisations (where We are required to by law or otherwise).

These third parties may be located outside New Zealand. In such circumstances We also take steps to ensure Your personal information remains adequately protected.

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.

#### *Rights of Access to, and Correction of, Information*

If You would like to access a copy of Your personal information, or to correct or update Your personal information, want to withdraw Your consent to receiving offers of products or services from Us or persons We have an association with, 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](mailto:Privacy.NZ@chubb.com).

#### *How to Make a Complaint*

If You have a complaint or would like more information about how We manage Your Personal Information, please review Our [Privacy Policy](#) for more details, or contact Our Privacy Officer at the details above.

You also have a right to address Your complaint directly to the Privacy Commissioner by telephoning 0800 803 909, emailing [enquiries@privacy.org.nz](mailto:enquiries@privacy.org.nz) or using the online form available on the Privacy Commissioner's website at [www.privacy.org.nz](http://www.privacy.org.nz).

## Complaints and Dispute Resolution

Chubb takes the concerns of its customers very seriously and has detailed complaint handling and dispute resolution procedures that You may access, at no cost to You. To assist Chubb with Your enquiries, please provide Us with Your claim or policy number (if applicable) and as much information as You can about the reason for Your complaint or dispute.

Chubb's complaints and dispute procedures are as follows:

### Stage 1 - Complaint Handling Procedure

If You are dissatisfied with any of Chubb's products or services and You wish to lodge a complaint, please contact Us via:

E [Complaints.NZ@chubb.com](mailto:Complaints.NZ@chubb.com)

O 0800 422 346

F +64 9 303 1909

Post:

The Complaints Officer

Chubb Insurance New Zealand Limited

PO Box 734

Shortland Street

Auckland 1140

### Stage 2 – Dispute Resolution Procedure

If You are dissatisfied with Chubb's response to Your complaint, You can advise that You wish to take Your complaint to Stage 2 and referred to Chubb's dispute resolution team. Chubb's internal dispute resolution team can be contacted via:

E [DisputeResolution.NZ@chubb.com](mailto:DisputeResolution.NZ@chubb.com)

O +64 9 377 1459

F +64 9 303 1909

Post:

Internal Dispute Resolution Service

Chubb Insurance New Zealand Limited

PO Box 734

Shortland Street

Auckland 1140

### Stage 3 – External Dispute Resolution

Chubb is a member of an independent external dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) and approved by the Ministry of Commerce & Consumer Affairs. Subject to FSCL's Terms of Reference, if You are dissatisfied with Our dispute determination or We are unable to resolve Your complaint or dispute to Your satisfaction within two months You may contact FSCL via:

Postal address: PO Box 5967, Lambton Quay, Wellington 6145

O 0800 347 257 (Call Free for consumers) or +64 4 472 FSCL (472 3725)

F +64 4 472 3728

E [info@fscl.org.nz](mailto:info@fscl.org.nz)

W [www.fscl.org.nz](http://www.fscl.org.nz)

Please note if You would like to refer Your complaint or dispute to FSCL You must do so within 2 months of the date of Our dispute determination.

Further details regarding Our complaint handling and dispute resolution procedures are available from Our website and on request.

## Agreement

In consideration of the Insured having paid or having promised to pay the required premium, the Insurer agrees to indemnify the Insured for Loss or Damage to Insured Property during the Period of Insurance in accordance with the terms of this policy.

The Policy Schedule attached to this policy forms part of the policy.

## Basis of Settlement – Categories of Property

1. Buildings, Plant and Other Property  
For the categories of Buildings, Plant and Other Property (as defined under 'Insured Property') designated with the words "Reinstatement Value", the basis of settlement will be as detailed in Reinstatement Memorandum MD34, (subject to 3 and 5 immediately below in relation to 'Records' and 'Electronic Items' and 'Basis of Settlement - Works of Art' below in relation to works of art).
2. Stock  
For the category of Stock (as defined under 'Insured Property'), the basis of settlement will be the cost of raw material, work in progress and finished goods, plus the cost of labour and other overhead charges expended at the time of the Loss or Damage.
3. Records  
The basis of settlement for electronic data media, software and for other records and documents manuscripts, deeds, drawings, specifications, plans, designs, business books and microfilm records, will be the cost of reinstatement if replaced, including the cost of collecting and replacing the information they contain, or if not replaced the value standing in the Insured's accounting records at the time of the Loss or Damage, but in all cases excluding the value to the Insured of the information contained therein.
4. Money  
The basis of settlement for Money will be its actual value immediately prior to the Loss or Damage.
5. Electronic Items  
The basis of settlement for the following property, where insured for replacement value, will be the replacement cost for items three years old or less;
  - (a) cell phones, video data projectors, digital cameras,
  - (b) other audio visual equipment,
  - (c) portable computing devices and portable data storage devices.

## Basis of Settlement – Works of Art

Where there is Loss or Damage to Insured Property comprising a work of art, the Insurer may appoint an independent and suitably qualified valuer or restorer to determine whether the work of art can be restored to its pre-damage condition.

If the valuer or restorer determines that the work of art cannot be economically restored to its pre-damage condition, the work of art will be deemed destroyed. Its pre-damage value will be determined by the valuer, or, providing the restorer is suitably qualified, by the restorer. The amount payable as indemnity will be the difference between the pre-damage value and any salvage value of the damaged work of art.

If the valuer or restorer determines that the work of art can be economically restored to its pre-damage condition, the amount payable as indemnity will be the cost of restoration or, if the restoration is not carried out, the restorer's reasonable estimate of the cost of restoration.

In the event of the total loss of any work of art, or works of art, that forms part of a set, the Insurer agrees to pay the Insured the full amount of the value of such set and the Insured agrees to surrender the remaining article or articles of the set to the Insurer.

Providing a work of art has been satisfactorily restored following Loss or Damage, this insurance does not cover any reduction in value due solely to the fact of the work of art having been damaged and restored. The onus of proving that any restoration work is unsatisfactory rests with the Insured.

## Basis of Settlement - Maximum Amount Payable

### 1. Maximum Sum Insured

Subject to the Reinstatement of the Amount of Insurance clause, (MD33), the maximum amount payable under the policy for all Loss or Damage during the Period of Insurance for all items of Insured Property is the total sum insured as specified in the Policy Schedule.

The maximum amount payable under this policy during the Period of Insurance for each category of Insured Property is the sum insured for that category at each Location as stated in the Policy Schedule of Insured Property or as otherwise provided for by this policy.

### 2. Reduction for Unrepaired Items

Notwithstanding 1. Maximum Sum Insured, where there has been Loss or Damage to an item of Insured Property that occurred prior to the Period of Insurance the Insurer's liability during the Period of Insurance will not exceed the sum insured for that item under this policy, less the cost of any Loss or Damage which occurred prior to the Period of Insurance that is not yet repaired, replaced or reinstated.

Where the repair or, replacement of the damaged item of Insured Property:

- (a) is covered under this policy during the repair/replacement of it, the amount deducted for the unrepaired portion is progressively added back to the sum insured for that item at the rate it is progressively repaired or replaced.
- (b) is not covered under this policy during the repair/replacement of it, the amount deducted for the unrepaired portion is only added back to the sum insured once the repair/replacement of that item has been completed and the principal for the contract works hands the finished works back to the Insured.

### 3. Margin for Buildings, Plant and Stock at each Location

Notwithstanding 1. Maximum Sum Insured, the maximum amount payable:

1. for Buildings at each Location, valued in excess of \$150,000,000, as declared in the Policy Schedule is increased by 25% or \$37,500,000 whichever is the lesser.
2. for all Plant at each Location as declared in the Policy Schedule is increased by 5% of the Plant sum insured declared at that Location or \$100,000, whichever is the lesser.
3. for all Stock at each Location as declared in the Policy Schedule is increased by 5% of the Stock sum insured declared at that Location or \$100,000, whichever is the lesser.

Provided however that:

- (a) the increases do not apply to Loss or Damage caused by Natural Disaster, and
- (b) the maximum sum insured for all Buildings and all Plant and all Stock at all Locations is not increased by this clause and the Insurer's liability is limited to the total sum insured as specified in the Policy Schedule.



## Standard Material Damage Policy Clauses

These clauses form part of and are incorporated into the policy.

Where the terms of any clause are inconsistent with any other terms of the policy, the terms of the clause will prevail.

Where the terms of a clause are inconsistent with the terms of any other clause, the terms most favourable to the Insured will prevail.

Except as otherwise stated any special limit applicable to a clause shall not increase the liability of the Insurer beyond the sums stated in the Policy Schedule.

### MD01 Acts of Civil Authorities

This policy covers the Insured for all acts of destruction to Insured Property during the Period of Insurance undertaken at the order of any lawfully constituted civil authority for the prevention or restriction of damage to any property.

Policy exclusion 13 does not apply to this clause.

### MD02 Additional Costs

Where any amount is payable for loss of rents or alternative residential accommodation under this policy, this insurance extends to cover additional costs reasonably incurred by the Insured in consequence of the loss or damage.

However, the Insured is not insured for costs otherwise recoverable in relation to loss of rents, alternative residential accommodation or any costs incurred in the reinstatement of physically damaged property other than the reconstruction of records.

The most we will pay for any event covered under this extension is \$200,000.

### MD03 Additional Utility Charges

This policy covers the Insured for any additional utility charges incurred by the Insured following Loss or Damage to Insured Property as a result of an event covered by this policy.

The Insurer's liability under this clause will not exceed \$25,000 in respect of all additional utility charges arising out of any one event.

### MD04 Alternative Residential Accommodation

Where any Insured Property comprising residential accommodation is rendered uninhabitable by an insured event for which a claim is payable, this policy covers the reasonable costs and expenses of alternative accommodation necessarily incurred by the Insured or the occupant, being an employee of the insured, provided that:

1. the costs and expenses are not otherwise insured,
2. the Insurer's liability for such costs arising out of any one event will not exceed \$30,000 per month per unit, and not exceeding a period of 24 months

### MD05 Capital Additions

Subject to the additional conditions set out below, this policy covers property (including, but not limited to, alterations, additions and improvements to existing Insured Property) acquired by the Insured during the Period of Insurance.

#### Additional Conditions

1. The cover under this clause does not apply to:
  - (a) stock in trade;
  - (b) property of any kind expressly excluded by this policy;
  - (c) any appreciation in value which is not due to a physical alteration, addition or improvement.
2. Cover on the acquired property commences when the risk in the property passes to the Insured.

3. Cover for Insured Property under this policy will not be prejudiced where the process of installing or incorporating the acquired property necessitates the shut-down or partial shut-down of the premises to effect the alteration, addition or improvement.

The Insurer's liability for any such acquisition will not exceed \$1,000,000.

The special limit is included in the sums insured stated in the Policy Schedule unless otherwise specified.

#### **MD06 Change of Temperature**

This policy covers Loss or Damage during the Period of Insurance to Insured Property arising from a change in temperature but excluding Loss or Damage to goods stored in refrigeration cabinets or chambers. This includes reasonable costs incurred by the Insured in the removal to and/or storage of such property at alternative premises.

Policy exclusion 8(c)(iii) does not apply to this clause.

#### **MD07 Claims Assessment**

This policy covers costs and fees reasonably incurred by the Insured for the preparation, presentation, negotiation and certification of claims covered under this policy. Salaries, wages, and other related expenses of the Insured's employees shall be deemed to be part of such costs and expenses.

#### **MD08 Computer Breakdown**

This policy extends to cover Breakdown during the Period of Insurance of Insured Property, where it consists of computer or electronic control equipment.

For the purpose of this clause, Breakdown means: any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind.

The Insurer's liability under this clause will not exceed \$5,000 in respect of all costs and damage arising out of any one event.

Exclusion 9 of this policy does not apply to this clause.

#### **MD09 Constructive Loss**

Where the Insured is prevented by reason of Law from reinstating Insured Property that has suffered Loss or Damage covered under this policy, the Insured Property will be deemed a total loss under this policy.

'Law' means any statutory, regulatory or code requirement imposed by the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.

#### **MD10 Contractual Value**

Where Insured Property is the subject of a lease, rental, hire or similar agreement which requires the Insured to insure and/or be responsible for the property at an agreed value then the cover provided by this policy will be the agreed value as stipulated in the lease, rental, hire or similar agreement.

Notwithstanding the above, at no time will the Insurer's liability in respect of such property under this clause exceed the actual cost to replace, reinstate or repair the property.

The Insurer's liability under this clause will not exceed \$100,000.

#### **MD11 Crime**

This policy will indemnify the Insured for direct financial loss sustained by the Insured and discovered during the Period of Insurance resulting from crime committed by an employee, office bearer or Body Corporate Manager acting alone or in collusion with others.

'Crime' is the criminal taking of money, securities or property to the deprivation of the Insured.

'Securities' are negotiable and non-negotiable instruments or contracts representing either money or other property and shall include commodities, futures, and options.

Cover under this extension does not apply to:

- a) Interest, gains, profits or other income on money, securities or property taken;
- b) Indirect or consequential loss of any kind;
- c) Loss arising from extortion;
- d) Loss caused by an employee, office bearer or Body Corporate Manager, acting alone or in collusion with others, which is sustained after the Insured becomes aware of:
  - i. Crime, fraud or dishonesty by such employee, office bearer or Body Corporate Manager during the term of the employment with the Insured; or
  - ii. Fraud or dishonesty involving money, securities or other property valued at \$5,000 or more committed by such employee, office bearer or Body Corporate Manager prior to employment or engagement by the Insured.
- e) Any expenses incurred by the Insured in establishing the existence or the amount of any loss covered by this extension.
- f) Loss or Damage to Insured Property except as otherwise covered by this extension.

The Insurer's liability for any one event will not exceed \$10,000 any one event and \$30,000 in the annual aggregate for any one period of insurance.

#### **MD12 Designation of Property**

Where it is necessary to determine the designation of any Insured Property for the purpose of this insurance, the Insurer will accept the designation under which the property is entered in the Insured's records.

#### **MD13 Electrical Damage**

This policy covers Loss or Damage occurring during the Period of Insurance to Insured Property caused by the burning out of part or parts of the Insured Property by electric current.

This clause does not provide cover for Loss or Damage to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.

The Insurer's liability under this clause will not exceed motors up to 10Kw, or to a maximum limit of \$50,000.

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

Exclusion 9 of this policy does not apply to this clause.

#### **MD14 Excess**

Each loss or series of losses arising out of one event at any Location will be adjusted separately.

The adjusted loss will be net of salvage and other recoveries. From each adjusted loss, the excess amount specified in the Policy Schedule will be deducted.

A series of events arising from any one cause during any period of 72 consecutive hours will be treated as one event for the purpose of applying the excess.

Where the Insured holds separate policies with the Insurer for property at one Location, only one excess per event will be applied.

#### **MD15 Expediting Costs**

This policy covers the additional costs of express freight, air freight, overtime labour and night, weekend or holiday working that may be reasonably incurred for the purpose of expediting the reinstatement of Insured Property covered by this policy.

#### **MD16 Fire Fighting Equipment**

This policy covers the reasonable costs incurred by the Insured to replenish the Insured's portable hand-held firefighting equipment after the equipment has been used to protect the Insured Property from Loss or Damage covered under this policy, or an immediate and imminent threat of Loss or Damage, provided the Loss or Damage would be covered under this policy if it did occur.

The Insurers' liability under this extension is \$50,000 in the aggregate for any one Period of Insurance.

#### **MD17 General Average**

When this policy applies to transit of Insured Property by coastal shipping between ports of New Zealand it covers the Insured for general average and salvage charges payable according to Foreign Statement or to York Antwerp Rules if in accordance with any freight contract.

#### **MD18 Goods and Services Tax (GST)**

Provided that Goods and Services Tax (GST) is recoverable by the Insurer, the sums insured (including any special limits) by this policy are exclusive of GST.

In the event of a claim, the Insurer will pay a maximum of the sum insured plus additional GST to a maximum of the current rate of GST applied to that sum insured.

Policy excesses are inclusive of GST.

#### **MD19 Gradual Damage**

This policy covers Loss or Damage during the Period of Insurance to Insured Property due to gradual damage, mildew, mould or rot caused by water that leaks, overflows or is discharged from any internal piping or water system installed at the premises.

The Insurer's liability for such damage per unit will not exceed \$50,000 any one event and \$200,000 in the aggregate for any one Period of Insurance.

Policy exclusions 8(a) and 10 do not apply to this clause.

#### **MD20 Hazardous Substance Emergency Charges**

This policy covers the Insured for any charge which the New Zealand Fire Service is authorised to make against the Insured in respect of any Hazardous Substance Emergency during the Period of Insurance arising out of or in connection with any Insured Property, in the event of Loss or Damage or threat of Loss or Damage to the Insured Property.

The Insurers' liability for such charges will not exceed \$100,000.

"Hazardous Substance Emergency" has the same meaning as defined in the Fire Service Act 1975.

#### **MD21 Hazardous Substance Emergency Expenses**

This policy covers expenses reasonably incurred for the clean-up, repair, replacement or disposal of Insured Property where a substance pollutes or contaminates Insured Property, other than in connection with the manufacture, storage or distribution of any controlled drug as defined in the *Misuse of Drugs Act 1975*, during the Period of Insurance subject to the following provisions:

1. the pollution or contamination is caused by a peril that is not excluded under this policy.
2. a government authority has declared the substance to be hazardous to health.

The Insurer's liability for such damage per unit will not exceed \$50,000 any one event and \$200,000 in the aggregate for any one Period of Insurance.

#### **MD22 Illegal Substances**

This policy covers Loss or Damage to Insured Property occurring during the Period of Insurance in connection with the manufacture, use, storage or distribution of any controlled drug as defined in the *Misuse of Drugs Act 1975*, if:

1. the building/unit is tenanted, and
2. the Insured, or property manager acting on behalf of the Insured, has met the landlord obligation.

The Insurer's liability under this extension will not exceed \$75,000 any one Event and \$300,000 during the Period of Insurance, However in respect of Loss or Damage resulting from fire or explosion the Insurer's liability under this extension will not exceed the Sum Insured, of the affected property shown in the Schedule.

For the purpose of this extension, landlords obligations mean the Insured, or the property manager acting on behalf of the Insured, must:

1. exercise reasonable care in the selection of tenant(s) by obtaining satisfactory written references; and
2. complete an external and internal inspection of the property at a minimum of three monthly intervals and upon the change of every tenant(s); and
3. keep a written record of the outcome of each inspection, and provide the Insurer a copy if requested.

#### **MD23 Keys and Locks**

This policy covers the cost of replacing any lock, key, combination, electronic card or other locking system or device:

1. Where the key, combination, electronic card or other locking system or device are lost or stolen during the Period of Insurance, or
2. Where the Insured has reasonable grounds to believe that the key, combination, electronic card or other locking system or device has been stolen or duplicated during the Period of Insurance.

The costs include the reasonable cost of opening any safe or strongroom as a result of the loss of its key, combination, or card.

The Insurer's liability for such costs will not exceed \$50,000.

#### **MD24 Landslip and Subsidence**

This policy covers Loss or Damage to Insured Property occurring during the Period of Insurance caused by:

- (a) subsidence of land beneath or adjacent to the Insured Property;
- (b) the movement (whether by way of fall, sliding or flowing) of ground forming materials

But excluding any such movement caused by the expansion, shrinkage, compaction or erosion of soil.

The Insurer's liability under this clause will not exceed \$1,000,000.

Policy exclusion 7(a) does not apply to this clause.

#### **MD25 Machinery Breakdown Extension**

Subject to the Special Provisions set out below and to all other terms of this policy in so far as they can apply, this policy extends to cover Insured Property comprising any Machine/Equipment against Loss or Damage caused by Breakdown, but only after its successful initial commissioning at the place where the Machine/Equipment is or will be used.

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

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

'Pre-Breakdown Value' means the new installed replacement value of the Machine/Equipment (of its nearest available equivalent having not less than the same capacity or functions of the original Machine/Equipment) subject to a reasonable deduction for use.

'Reinstatement' means replacement of the damaged Machine/Equipment by a Machine/Equipment as nearly as practicable the same as or equivalent to the damaged Machine/Equipment, having regard to the current state of technology, and having an equivalent capacity to that of the damaged Machine/Equipment, but not greater capacity unless a Machine/Equipment with an equivalent capacity is not available and the replacement Machine/Equipment has the nearest to an equivalent capacity. The words 'Reinstate' and 'Reinstating' have corresponding meanings.

'Destroyed' means so damaged by an insured event that the property, by reason only of that damage, cannot be repaired

The Insurer's liability under this clause will not exceed \$1,000,000 any one event and in the aggregate

### Special Provisions

#### **Basis of Settlement**

Where the Loss or Damage can be repaired, the basis of settlement under this extension will be the cost of restoring of the Machine/Equipment to its former state of serviceability, based on the customary daily labour cost in the district, together with normal freight and erection and customs dues net of maintenance agreement benefits used.

Unless otherwise specified in this policy, no deduction will be made for depreciation of parts replaced, but account will be taken on any salvage value in those parts. Where any excluded part is damaged in circumstances where the exclusion does not apply, due allowance will be made for the working life of that part expended at the time of the Loss or Damage.

In the event of repair costs equalling or exceeding the Pre-Breakdown Value, the Machine/Equipment will be deemed to be Destroyed.

Where the Machine/Equipment is Destroyed or deemed to be Destroyed, the basis on which the amount payable under this Policy is to be calculated will be the cost of Reinstating the Machine/Equipment plus the cost of removing the damaged Machine/Equipment, less any salvage value of the damaged Machine/Equipment. However, this basis will not apply if the Insured elects not to reinstate the Machine/Equipment or if the work of Reinstatement is not commenced and carried out with reasonable despatch.

Where the Reinstatement basis does not apply the basis of indemnity will be the Pre-Breakdown value of the Machine/Equipment together with the cost of removing the damaged Machine/Equipment, less any salvage value of the Machine/Equipment.

#### **Exclusions**

##### **Damage Otherwise Insured**

This extension does not insure against Loss or Damage that is otherwise insured under this policy or under any other memorandum incorporated in this policy including maintenance agreement recoveries. In respect of Machinery/Equipment a service contract must be in force at all times.

Any Machinery/Equipment maintenance requirements must be attended to by properly qualified servicing agents.

##### **Experiments, Overloading and Testing**

This extension does not insure against Loss or Damage resulting from experiments, overload, or similar tests, requiring the imposition of abnormal conditions; but this exclusion does not apply where the imposition of abnormal conditions is for the purpose of checking the correct working of the Machine/Equipment or of its safety installations.

##### **Known Defects**

This extension does not insure against Loss or Damage due to faults or defects known to the Insured prior to breakdown.

#### Alterations and Improvements

This extension does not cover the cost of alterations, additions, improvements or overhauls carried out on the occasion of a repair.

#### Temporary Repairs

This extension does not cover the cost of any temporary repairs, except to the extent that the temporary repairs form part of permanent repairs including temporary repairs to the Machinery/Equipment pending replacement parts etc becoming available.

#### MD26 Money

This policy covers the Insured for Loss or Damage during the Period of Insurance to Money as set out below.

##### Section A

1. in transit, or
2. at the Insured's Location, places of business or sites of contract during business hours, or
3. at the Insured's Location, places of business or sites of contract while in a securely locked safe or strongroom outside business hours.

The Insurer's liability in respect of Section A will not exceed \$20,000.

##### Section B

At the Insured's Location, places of business or sites of contract outside business hours and not in a securely locked safe or strongroom.

The Insurer's liability in respect of Section B will not exceed \$10,000

##### Proviso:

- (a) Loss or Damage to Money insured by professional money carriers is excluded except for any amount not recoverable from such professional carriers.
- (b) Loss due to the fraud or dishonesty of any employee of the Insured is excluded unless such loss is discovered within 72 hours of its occurrence excluding any Saturday, Sunday or public holiday.
- (c) Loss due to shortages resulting from clerical or accounting errors is excluded.

If an additional "Special Carry" limit designated is shown in the Policy Schedule it will operate for the period as noted in the Policy Schedule.

Policy exclusions 5(d) and 22 do not apply to this clause.

#### MD27 Other Interests

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

1. the Insurer will not be liable to indemnify any person or corporation whose interest has not been declared to the Insurer by the time the indemnity becomes payable; and
2. the Insurer's liability will not be increased beyond the amount that would have been payable if this clause had not been incorporated in the policy.

#### MD28 Other Premises Storage

Where the Insured enters into a contract for the storage of Insured Property and the terms of such storage contain a disclaimer clause then the insurance for that Insured Property will not be prejudiced by the Insured agreeing to such terms.

#### MD29 Principal Insurance Policy

If the Insured is a Body Corporate as defined by the Unit Titles Act 2010, this policy is deemed to be a "Principal Insurance Policy" as defined in the Unit Titles Act 2010 and amendments.

### MD30 Pressure Vessel Clause

This policy covers Loss or Damage during the Period of Insurance to Boilers and Pressure Vessels and associated piping arising from Explosion, Collapse or Overheating of the particular Boiler or Pressure Vessel or piping.

Definitions for the purpose of this optional cover:

1. "Boilers and Pressure Vessels" means those parts of the permanent structure of any item of such plant which are subject to steam or other fluid pressure up to and including fittings and direct attachments (subject to such pressure) which are connected to the permanent structure without intervening valve or cock.
2. "Explosion" means the sudden and violent rending of the permanent structure of the particular item of plant by force of internal steam or fluid pressure (other than pressure of ignited flue gases) causing bodily displacement of any part of the structure together with the forcible ejection of its contents.
3. "Collapse" means the sudden and dangerous distortion of the furnace or firebox of an internally fired Boiler or any part of a Boiler or Pressure Vessel caused by bending or crushing of the permanent structure by force of internal steam or fluid pressure (other than pressure of ignited flue gases) or vacuum.
4. "Overheating" means overheating caused by deficiency of water therein.

The Insurer's liability for such Loss or Damage will not exceed \$10,000 in respect of all costs and damage arising out of any one event.

The limit does not apply to Loss or Damage that is caused by or arising out of or in connection with an event not otherwise excluded.

Policy exclusion 9 does not apply to this clause.

### MD31 Professional Fees

This policy covers all professional fees, clerks of works and inspectors' salaries and wages, and other costs reasonably incurred in connection with the reinstatement of Insured Property that has suffered Loss or Damage. The insured fees, salaries, wages and costs are included in the sum insured on the Insured Property.

This clause does not cover fees for preparing claims made under this policy.

### MD32 Professional Expenses

This policy covers professional expenses incurred on account of an audit that is first notified by the organisation responsible for the audit to you or the professional during the period of insurance. The most we will pay during the period of insurance is \$10,000.

The Insurer's liability will not exceed \$10,000 in the aggregate for any one Period of Insurance.

### MD33 Property in the Course of Construction

This policy covers property in the course of installation, construction, demolition, erection, or testing following any of them, for the Insured, under any contract for which the expected final contract price does not exceed the special limit of \$1,000,000.

The special limit includes allowances for:

- (a) Professional Fees,
- (b) Demolition Costs,
- (c) Escalation in Cost during the building and rebuilding periods.

The Insured Property insured under this clause will also be insured in transit and elsewhere in New Zealand, subject to a maximum of \$250,000.

The Insured shall declare to the Insurer the value of such works prior to the commencement of such work or as soon as the Insured becomes aware of the necessity to do so at which a time a suitable premium will be paid if required by the Insurer.



The special limit is included in the sums insured unless otherwise specified.

Policy exclusions 5(f) and 22 do not apply to this clause.

#### **MD34 Property Sold**

This policy covers Loss or Damage during the Period of Insurance to any building insured which is for sale, and where an agreement to sell the Insured's interest in the building has not been fully completed and is not otherwise insured by or on behalf of the purchaser against such Loss or Damage.

#### **MD35 Protection Costs**

This policy covers costs reasonably incurred by the insured during the Period of Insurance by the Insured for the purpose of fighting or controlling Loss or Damage or threat of Loss or Damage to Insured Property.

The Insurer's liability will not exceed \$200,000 in the aggregate for any one Period of Insurance.

#### **MD 36 Public Relations Expenses**

This policy covers costs reasonably incurred by the insured during the Period of Insurance for reasonable public relations expenses deemed by us to be necessary in order to manage media communications as a result of an event covered by this policy. This may include advice or service provided by a communications, public relations or other crisis response firm, and broadcast, electronic, printed, telecast and telephonic announcements, communications and notices.

The Insurer's liability will not exceed \$20,000 in the aggregate for any one Period of Insurance.

#### **MD37 Redundant Plant**

Where there is Loss or Damage to Insured Property covered by this policy and any undamaged or salvaged:

- (a) Plant forming part of the same interdependent system or line; or
- (b) spare parts held exclusively for the Lost or Damaged plant or other plant in that system or line, are rendered redundant, the redundant plant and parts will be treated as lost by the same event.

Claims payable under this clause will be net of any realisable salvage value of the redundant plant and parts.

Policy exclusion 3 does not apply to this clause.

#### **MD38 Redundant Stock**

Where Loss or Damage to any Insured Property covered by this policy leads to a reduction in the value of undamaged Stock, the reduction in value of the undamaged Stock will be treated as lost by the same event.

Claims payable under this clause will be net of any realisable salvage value of the redundant Stock.

Policy exclusion 3 does not apply to this clause.

#### **MD39 Reinstatement of the Amount of Insurance**

Notwithstanding Basis of Settlement 1. Maximum Sum Insured, in the event of Loss or Damage to Insured Property for which a claim is payable under this policy, and in the absence of written notice by the Insurer or the Insured to the contrary, any amount of insurance cancelled by the Loss or Damage will be automatically reinstated from the date that the property is repaired or reinstated. The insured agrees to pay such pro rata premium for the reinstatement of the sum insured if required to by the Insurer.

There will be no automatic reinstatement of the sum insured following Loss or Damage as a result of a Natural Disaster unless the Insurer agrees to this.

## MD40 Reinstatement Memorandum

Where Insured Property is insured for 'Reinstatement' (designated by the words Reinstatement Value in the Policy Schedule), this Reinstatement Memorandum applies to the applicable Insured Property comprising Buildings, Plant, and Other Property.

This Reinstatement Memorandum does not apply to Insured Property that is shown in the Policy Schedule as being insured on a basis other than Reinstatement.

In the event of Loss or Damage to any Insured Property to which this clause applies, the amount payable under this policy will be calculated on the basis of Reinstatement cost. Claims payable under this memorandum are subject to the Special Provisions set out below and to all other terms of this policy in so far as they can apply.

### Definitions:

1. 'Reinstatement' means:
  - (a) where property is lost or Destroyed, its replacement by an 'Equivalent Building' or by 'Equivalent Plant and Other Property' as the case may require,
  - (b) where property is damaged but not Destroyed, the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.'Reinstatement' has a corresponding meaning.
2. 'Equivalent Building' means:
  - (a) a building or structure that is as nearly as practicable the same as the building or structure lost or Destroyed, using currently equivalent materials and techniques and incorporating such alterations as are necessary to comply with any Regulation.
  - (b) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph 2(a) can be constructed, a building or structure that is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the building or structure lost or Destroyed.
  - (c) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph 2(a) is suitable to the Insured's reasonable requirement, then, with the consent of the Insurer (which will not be unreasonably withheld), a building or structure that is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the building or structure lost or Destroyed.
3. 'Equivalent Plant and Other Property' means any plant, equipment or property as nearly as practicable the same as or equivalent to the plant, equipment or property lost or Destroyed, having regard to the current state of technology, and having an equivalent capacity to that of the lost or Destroyed plant, equipment or Other Property, but not greater capacity unless plant, equipment or Other Property with an equivalent capacity is not available and the replacement plant, equipment or Other Property has the nearest to an equivalent capacity.
4. 'Destroyed' means so damaged by an insured event that the property, by reason only of that damage, cannot be repaired.
5. 'Regulation' means any statutory, regulatory or code requirement imposed under the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.

### Special Provisions

1. The amount payable under this memorandum will include any additional cost necessarily incurred in complying with any Regulation. However, this will not include any such cost:
  - (a) to the extent to which the work had already been required of the Insured by notice served prior to the insured event, or

- (b) in respect of any part of the Insured Property that was not damaged by the insured event, other than its foundation or where the cost is incurred as the result of Loss or Damage to other property at the site.
- 2. Where Insured Property is Destroyed, the Insured may reinstate it upon any site owned or occupied by the Insured.  
However, the Insurer's liability will not exceed the cost that would have been incurred had Reinstatement been carried out at the original site.
- 3. No payment, beyond the amount that would have been payable had this clause not been incorporated in the policy, will be made:
  - (a) if the Insured elects not to Reinstatement the property, or
  - (b) if the work of Reinstatement is not commenced and carried out with reasonable despatch, or
  - (c) until the cost of Reinstatement has been actually incurred, or
  - (d) where a building or structure is damaged, but not Destroyed, and the repair of the damage is not permissible because of any Regulations, or because of the undamaged portion of the property.
- 4. The Insurer's liability under this clause will not exceed the sum insured on the lost or damaged property. If the property is damaged but not Destroyed, the Insurer's liability for the cost of Reinstatement will not exceed the amount for which they would have been liable had the property been Destroyed.
- 5. Where Reinstatement cover does not apply the Insurer will indemnify Loss or Damage as insured under this policy by one of the following options:
  - (a) by paying the cost of repairs to restore the Insured Property to a condition that is as near as possible to its condition immediately prior to the loss, or
  - (b) by replacing the Insured Property with property of a similar condition, or
  - (c) by payment of an amount equal to the indemnity value of the Insured Property.

#### MD41 Removal of Debris

This policy covers the following costs necessarily and reasonably incurred in consequence of Loss or Damage to Insured Property covered by this policy:

1. The cost of demolishing, dismantling, shoring up or propping of the Insured Property.
2. The cost of removing and disposing of debris and foreign matter from the Location of the Insured Property and any immediately adjoining site.
3. The cost of removing, temporarily storing and returning any damaged and undamaged contents of the Insured Property.
4. The cost of temporary repairs and other measures necessary to make it safe or suitable for continued use, including the cost of erecting and maintaining any temporary fencing, hoardings and scaffolding, where necessary to make the Insured Property safe and secure.

These costs are included in the sum insured for each item of Insured Property unless a separate amount for removal of debris is specified in the Policy Schedule.

#### MD42 Removal of Nests

This policy covers the cost of removing wasps or bees nests from the Insured Property that an expert, competent public authority or the Insured deem to present a danger to residents of the public.

The Insurer will not be liable to pay:

- a) unless the Insured has first obtained the consent of the Insurer to incur such costs;
- b) for the cost of removing any nests that existed prior to the inception of this policy.

The Insurer's liability will not exceed \$10,000 in the aggregate for any one Period of Insurance.

#### MD43 Removal of Squatters

This policy covers the Insured for any legal fees necessarily incurred to repossess the Insured Property if squatter are living in it. This policy further extends to cover the cost of the unauthorised use of metered electricity, gas, oil, water or other utilities by the squatters.

The Insurer will not be liable to pay unless the Insured has first obtained the consent of the Insurer to incur such costs.

The Insurer's liability will not exceed \$10,000 in the aggregate for any one Period of Insurance.

#### **MD44 Removal of Water from Basement**

This policy covers the Insured for the reasonable costs incurred for the removal of rainwater that has entered the basement as a result of storm or flood.

The Insurer's liability for such costs will not exceed \$10,000 for any one event and \$20,000 in the aggregate for any one Period of Insurance.

#### **MD45 Repair or Reinstatement by Insured**

This policy covers any repair or reinstatement work in relation to Loss or Damage to Insured Property, which with the agreement of the Insurer, is undertaken by the Insured and due allowance will be made for a reasonable margin of profit for such work provided these costs are reasonable.

#### **MD46 Reservoirs, Tunnels and Bridges**

This policy covers Loss or Damage occurring during the Period of Insurance to reservoirs, tunnels and bridges at any Location owned or occupied by the Insured.

The Insurer's liability for such Loss or Damage will not exceed \$100,000.

Policy exclusion 5(c) regarding reservoirs, tunnels and bridges does not apply to this clause.

#### **MD47 Residential Property – Natural Disaster Damage**

Where the Insured Property includes residential property subject to compulsory EQC cover under the Earthquake Commission Act 1993, then, in the event of the property suffering Natural Disaster damage during the Period of Insurance covered under EQC cover this policy does not insure Loss or Damage to the extent it is covered by the Earthquake Commission Act or that would have been covered but for:

1. the deduction of the EQC cover excess, or
2. the Earthquake Commission exercising its power to decline a claim for that Loss or Damage.

Where the Earthquake Commission agrees to provide cover, but the Insured's Loss or Damage exceeds the Earthquake Commission payment, the most the Insurer will pay is the difference between what the Earthquake Commission pays, or would have covered (including the EQC cover excess), and the Insured's maximum entitlement under this policy.

#### **MD48 Residential Unit Owners' Improvements**

Where the Total Sum Insured shown in the schedule for buildings has been exhausted, the Insurer will pay up to \$50,000 per residential unit for damage to residential unit owners' improvements.

#### **MD49 Restoration and Reproduction Costs**

This policy covers all costs and expenses incurred by the Insured for the replacement, reinstatement, repair, restoration and/or reproduction of proof materials that have suffered Loss or Damage covered by this policy, including but not limited to print blocks, plates lettering, films (positive or negative), artwork, typeset and/or paste-up.

This also includes the property of customers for which the Insured has accepted responsibility.

The replacement, reinstatement, repair, restoration and/or reproduction means the restoration of the damaged property to a condition substantially the same as but not better or more extensive than its condition when new or if destroyed its replacement by similar property in a condition substantially the same as but not better than the condition of the Insured Property when new.

The Insurer's liability will not exceed \$200,000 in the aggregate for any one Period of Insurance.

### MD50 Rewards

This policy covers the cost of any reward paid by the Insured for the purpose of protecting or recovering any Insured Property during the Period of Insurance providing that:

- (a) No payment will be made unless it contributes to the protection or recovery of all or part of the property.
- (b) The terms of the reward are agreed by the Insurer prior to the reward being offered.

The Insurer will not unreasonably refuse agreement to the terms of a reward payable under this clause.

### MD51 Smoke Damage

For the avoidance of any doubt where adjoining or adjacent premises that are not owned by or occupied by or in the Insured's care custody or control are damaged by fire any damage to Insured Property by smoke or water or other material used in the extinguishing of the fire is deemed to be fire damage to the Insured Property.

Policy exclusion 8(b)(iv) does not apply to this clause .

### MD52 Spoilage

This policy covers:

1. deterioration during the Period of Insurance of goods stored in refrigerated cabinets or chambers or coolstores arising from any breakdown, defect or stoppage of the refrigerating plant from any cause, and
2. expenses reasonably incurred to avoid or diminish such deterioration to the said goods as provided under 1. above by transferring the threatened goods to alternative storage, or by other means.

Provided always that:

- (a) The words "goods stored in refrigerated cabinets or chambers or coolstores" includes goods, which at the time of the event giving rise to the deterioration are elsewhere on the Insured's premises, and which would, but for the event, have been placed in the said cabinets or chambers.
- (b) Damage to goods arising from disconnection of the public electricity supply by the supply authorities where the disconnection was advised by the appropriate authority prior to the damage is excluded.

The Insurer's liability will not exceed \$20,000.

The special limit does not apply to spoilage that is caused by or arising out of or in connection with an event not otherwise excluded.

Policy exclusion 8(c)(i) does not apply to this clause.

### MD53 Stress Payment

Where the Insurer settles a loss under 1 (a) of MD33 - Reinstatement Memorandum, this policy extends to pay to each residential unit owner that occupies their residential unit for the stress caused, \$5,000 per event, subject to the maximum aggregate limit of \$50,000.

Where the aggregate limit is reached, the payment per residential unit owner will be apportioned evenly.

### MD54 Sustainable Products

Where a claim is payable under this policy for Reinstatement of a Destroyed Building, then, to the extent permitted by law, the Insurer will pay the additional cost of including Sustainable Products in the Reinstatement of that Building. The most that the Insurer will pay for this is 10% of the cost of Reinstatement that would otherwise be incurred; but not more than \$500,000 any one event.

The limit does not apply to any cost that would be covered without the benefit of this clause.

'Reinstatement' and 'Destroyed' have the meanings given to them in MD33 – Reinstatement Memorandum of this policy.

'Sustainable Products' are products that have reduced environmental impact or will enable more efficient use of energy or water. Products that fall within the scope of this clause include:

- (a) Wall and ceiling insulation (as recommended by Standards New Zealand);
- (b) Double glazed windows;
- (c) Solar water heating systems;
- (d) Heat pumps;
- (e) Rainwater collection tanks;
- (f) Low volatile organic paint;
- (g) Home sprinkler systems (but only where the Destroyed building is a standalone unit);
- (h) Any building material that would have a lesser impact on the environment.

The Insurer reserves the right to approve the use of any of these products before they are installed. Such approval will not be unreasonably withheld.

The amount payable under this clause is in addition to the total sum insured.

#### **MD55 Temporary Removal**

This policy covers any Insured Property (except Stock) while temporarily removed to any place in New Zealand and while in transit but only for a particular purpose, with the intention that the Insured Property is returned to the place from which it had been removed once the purpose had been served.

Policy exclusion 22 does not apply to this clause.

#### **MD56 Theft**

This policy covers theft or attempted theft of Insured Property.

Policy exclusion 19 does not apply to this clause.

#### **MD57 Theft from Motor Vehicle or Storage Container**

This policy covers Loss or Damage during the Period of Insurance to Insured Property at any of the following:

- 1. any storage container,
- 2. any vehicle.

Provided that the Loss or Damage is caused by theft or attempted theft where that theft is accompanied by violence, or threat of violence, to any person, or involving violent and forcible entry to, or exit from, the storage container or vehicle.

The Insurer's liability for any one loss will not exceed \$20,000.

Policy exclusions 19 and 22 do not apply to this clause.

#### **MD58 Transit of Property**

This policy covers Loss or Damage during the Period of Insurance to Insured Property while in transit within New Zealand.

Where the property comprises goods destined for transit beyond New Zealand, cover on the goods ceases at the earliest of:

- 1. the time the goods pass over the ship's rail or through air transport loading doors for overseas transit from any New Zealand port or airport, or
- 2. when the Insured's risk in the goods ceases in accordance with the contract of sale.

The Insurer's liability will not exceed \$20,000.

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

Exclusion 22 of this policy does not apply to this clause.

### MD59 Undamaged Foundations

Where any foundation of Insured Property is undamaged or damaged in part then:

1. If by order of competent authority, replacement cannot be carried out on the same site, or
2. If due to damage to other Insured Property such foundation is rendered unsuitable or unusable or of no further value,

the foundation will be deemed a total loss and the Insured will be indemnified according to the provisions of this policy.

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

### MD60 Unharmed Property

Where, for the purpose of reinstating Insured Property that has suffered Loss or Damage covered by this policy, it is necessary to demolish, damage or remove any property or part unharmed by that Loss or Damage, the Insurer will indemnify the Insured for the cost of doing so.

This clause also indemnifies the Insured for the cost of reinstating the property or part to a condition the same as, but not better or more extensive than its condition immediately prior to the demolition, damage or removal.

The amount payable under this clause does not increase the Insurer's total liability under this policy.

### MD61 Unit Modifications

This policy covers all reasonable costs and expenses incurred by the Insured to make modifications to the Insured's residential unit so that the Insured can remain resident in the Insured Property if the Insured or the Insured's spouse (legal or de facto) who lives with the Insured, suffer permanent paraplegia or permanent quadriplegia as a direct consequence of an event covered by this policy.

The Insurer's liability for any one loss will not exceed \$25,000 per residential unit.

## Optional Material Damage Policy Clauses

Where any optional clause is noted as included in the Policy Schedule that clause forms part of and is incorporated in to the policy.

Where the terms of any clause are inconsistent with any other terms of the policy, the terms of the clause will prevail.

Where the terms of a clause are inconsistent with the terms of any other clause, the terms most favourable to the Insured will prevail.

Except as otherwise stated any special limit applicable to a clause shall not increase the liability of the Insurer beyond the sums stated in the Policy Schedule.

### MD62 Seasonal Stock Increase

The Stock sum insured detailed in the Policy Schedule is increased by the percentage or amount specified and for the period of time specified in the Policy Schedule.

### MD63 Stock Declaration Conditions

The initial premium charged for Stock is provisional and is adjustable at the end of the Period of Insurance in accordance with the following conditions:

1. Declarations of the actual value of the Stock held on the last day of each month (or any agreed alternative date) within the Period of Insurance must be made in writing to the Insurer. Declarations made to the Insured's insurance broker will be deemed declarations made to the Insurer.
2. If any monthly declaration exceeds the sum insured on Stock, then, in calculating the average of the monthly declarations, the sum insured will be included in place of the actual declaration for that month.
3. If no declaration is received for any one month the sum insured on Stock as noted in the Policy Schedule will apply in its place.

4. The average of these monthly declarations will be computed at the end of the Period of Insurance and the actual premium payable will be assessed on that average or on one half of the sum insured on Stock, whichever is the greater.
5. If the provisional premium paid exceeds the actual premium payable, the Insurer will refund the difference to the Insured. If the actual premium payable exceeds the provisional premium paid, the Insured will pay the difference to the Insurer.

#### MD64 Terrorism

This policy covers Loss or Damage during the Period of Insurance to Insured Property that is caused by an act of terrorism.

The Insurer's liability for any one event will not exceed \$500,000 and in the annual aggregate for any one period of insurance.

### Exclusions applying to the Material Damage Policy Wording

#### 1. Building Defects

This policy does not insure against loss or damage to any building or structure directly or indirectly caused by the failure of that building or structure to contain:

- (a) materials; or
- (b) a design; or
- (c) a system; or
- (d) a standard of workmanship;

as are necessary to effectively prevent or manage the presence or penetration of moisture or water to which the building or structure might reasonably be subjected.

This exclusion does not apply to loss or damage that is caused by or directly arises from the leakage of internal pipes, internal water reticulation systems or internal cisterns.

#### 2. Communicable Disease

- (a) Notwithstanding and superseding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum whatsoever, directly or indirectly arising out of, or in any way attributable or related to, connected with or occurring concurrently or in any sequence with:
  - (i) a Communicable Disease; or
  - (ii) the fear or threat (whether actual or perceived) of a Communicable Disease.
- (b) For the purposes of this exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - (i) for a Communicable Disease, or
  - (ii) any property insured hereunder that is or may be affected by a Communicable Disease.
- (c) As used herein, a Communicable Disease means any:
  - (i) physical distress, illness, or disease caused or transmitted directly or indirectly by any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and regardless of the means of transmission; or
  - (ii) any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, which is capable of causing physical distress, illness or disease.
- (d) This exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

#### 3. Consequential Loss

This policy does not insure any consequential economic loss including penalties, loss of use of any property, delays or loss of market.



#### 4. Defective Workmanship and Design

This policy does not insure the cost of:

- (a) repairing or replacing faulty materials; or
- (b) putting right faulty workmanship; or
- (c) putting right work performed to a faulty or defective design, plan or specification;

but this exclusion does not apply to any damage occurring as a result of the faulty or defective materials, workmanship, design, plan, specification or work not otherwise excluded by Building Defects exclusion 1 above.

#### 5. Excluded Property

This policy does not insure:

- (a) Motor vehicles, registered mobile plant, watercraft, aircraft, railway rolling stock, and their accessories unless held as Stock for the business or auction.

This exclusion does not apply to mobile plant used in or around the Insured's premises.

- (b) Livestock, animals, standing timber and growing crops.
- (c) Land, dams, canals, reservoirs (but not tanks), rail or road bridges, road or rail tunnels, docks, piers, wharves, mining property located beneath the surface of the ground.

The exclusion of any reservoir, tunnel or bridge does not apply to any such property located at sites owned or occupied by the Insured and whose individual value does not exceed the special limit specified in the Policy Schedule.

- (d) Money.
- (e) Bullion, precious stones, jewellery, fur or precious metals, unless it is an item of Stock, or a component of any plant or machinery.
- (f) Property in the course of installation, construction, demolition, erection, or testing following any of them.

#### 6. Exposure to weather

This policy does not cover Loss or Damage to Insured Property caused solely by exposure to weather conditions where such property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions.

#### 7. Landslip Subsidence

This policy does not insure Loss or Damage caused by:

- (a) Landslip, subsidence.
- (b) Erosion or expansion of the ground.
- (c) Normal settlement, normal shrinkage or normal expansion of buildings, foundations, walls, pavements, roads and other structural improvements.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

#### 8. Loss or Damage Not Covered

This policy does not cover:

- (a) The following types of damage:
    - (i) Slowly developing deformation or distortion,
    - (ii) Rot, mould, fungi or mildew.
  - (b) Loss or Damage caused by any of the following:
    - (i) Action of insects, vermin or pests,
    - (ii) Corrosion (caused only by atmospheric conditions), action of light, or inherent nature of the property,
    - (iii) Wear and tear, or normal working,
    - (iv) Fumes, gas, dust, smoke, smut or soot,
    - (v) Evaporation, loss of weight, change of flavour, change of colour, change of texture or finish,
- This exclusion only applies to the parts of the Insured Property first affected and does not apply to any resultant physical loss or physical damage to other parts of the Insured Property.

- (c) Loss or Damage immediately preceded by any of the following:
  - (i) Interruption of the supply of water, gas, electricity, or any other fuel to the Location,
  - (ii) Total or partial stoppage of work, or interruption or cessation of any process,
  - (iii) A change in artificially controlled temperature or atmosphere.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

## 9. Machinery, Boilers, Pressure Vessels

### 1. Machinery

This policy does not cover mechanical or electrical Breakdown, derangement or failure of any Machine directly caused by failure of electrical insulation or abnormal electric current or electrically induced self-heating.

This exclusion will not apply to:

- (a) electric motors and starters to a limit of 10 kW unless a higher limit is stated in the Policy Schedule.
- (b) distribution switchboards, switchboards, circuit boards, circuit breakers, and permanently installed electrical reticulation.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

For the purpose of this exclusion the following definitions apply:

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

Breakdown means: the actual stopping or failing of the Machine due solely to internal stress or a fault in the machinery whilst in use and not by any cause or event external to the affected machine.

### 2. Boilers or Pressure Vessels

This policy does not cover explosion, rupture, bursting, cracking, leakage, collapse, of steam boilers due to fluid pressure within or without (other than pressure caused solely by weight of contents or by chemical explosion) or vacuum.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

## 10. Micro-Organisms

This Policy does not insure against loss or damage directly or indirectly caused by:

- (a) the action of micro-organisms; or
- (b) gradual deterioration;

provided however that, where fire is the result of (a) or (b) above, then the policy will insure against any damage directly caused by the fire, subject to all the terms of this Policy in so far as they can apply.

## 11. Normal working, wear and tear, corrosion

This policy does not cover Loss or Damage directly caused by wear and tear, corrosion (caused only by atmospheric conditions), or normal working.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

## 12. Nuclear Risks

This policy does not cover Loss or Damage caused by:

1. ionising radiation or contamination by radioactivity from:
  - (a) any nuclear fuel, or
  - (b) any nuclear waste from the combustion or fission of nuclear fuel.
2. nuclear weapons material.

## 13. Order of Authorities

This policy does not cover Loss or Damage directly or indirectly caused by confiscation, nationalisation, destruction or requisition of Insured Property by the order of government or local authority unless the order is given for the purpose of controlling Loss or Damage.

## 14. Property Cyber and Data

- (a) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - a. Cyber Loss;
  - b. loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

- (b) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- (c) This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

### **Definitions**

- (d) Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- (e) Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- (f) Cyber Incident means:
  - a. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - b. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- (g) Computer System means:
  - a. any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including

any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.

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

#### 15. Pollution Contamination

This policy does not cover Loss or Damage caused by pollution or contamination.

This exclusion does not apply where the pollution or contamination is caused by an event not otherwise excluded by this policy.

This exclusion only applies to the part or parts immediately affected.

#### 16. Production Process

This policy does not insure Loss or Damage to Stock undergoing any production process where the Loss or Damage is directly caused by the normal operation of that process.

This exclusion only applies to the part immediately affected.

This exclusion does not apply to where Loss or Damage is caused by or arises out of an event not excluded.

#### 17. Sanctions

This policy does not provide cover and the Insurer shall not 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 would expose the Insurer or its parent or ultimate holding company to any sanction, prohibition or restriction implemented pursuant to resolutions of the United Nations or the trade and economic sanctions, laws or regulations of the European Union, United Kingdom, Australia, New Zealand or United States of America.

#### 18. Seismic Strengthening

Notwithstanding anything in the policy to the contrary:

1. The amount payable under MD35 - Reinstatement Memorandum shall not include any costs incurred in connection with:
  - (a) the seismic strengthening of any damaged property or damaged portions of property to a level of seismic strength greater than that of such property or portions of property prior to the occurring of the Loss or Damage; or
  - (b) the seismic strengthening of any undamaged portions of damaged property,

that is necessary so as comply with any Law or conditions of consent under any Law.

2. A building being Insured Property shall not be deemed to be destroyed in circumstances where a territorial authority or other such statutory body declines to grant a building consent for reasons of seismic strength of the building.

In this exclusion:

"Law" means any statutory, regulatory or code requirement imposed by the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.

All other provisions in the policy concerning reinstatement and the basis of settlement continue to apply.

#### **19. Theft**

This policy does not cover Loss or Damage directly resulting from theft or attempted theft unless it is caused by Burglary.

#### **20. Terrorism**

The terms and text of this exclusion have been imposed on the Insured as a condition of granting insurance under this Policy. They are to be interpreted accordingly.

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes 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 endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the 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 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.

#### **21. Transmission and Distribution Lines**

Notwithstanding anything contained to the contrary herein, this policy does not cover physical loss, destruction of or damage to the following property:

All above ground transmission and distribution lines, including wire, cables, poles, pylons, standards, towers, other supporting structures and any equipment of any type which may be attendant to such installations of any description, for the purpose of transmission or distribution of electrical power, telephone or telegraph signals, and all communication signals whether audio or visual.

This exclusion applies to all equipment other than that which is on or within 300 metres of an insured structure.

This exclusion applies both to physical Loss or Damage to the equipment and all business interruption, consequential loss, and/or other contingent losses related to transmission and distribution lines, other than contingent property damage/business interruption losses (including expenses), arising from loss and/or damage to lines of third parties.

#### **22. Transit in Property**

This policy does not insure Loss or Damage to Insured Property in transit other than at premises owned or occupied by the Insured.

#### **23. Unexplained shortage**

This policy does not cover unexplained loss or inventory shortages revealed only at stocktaking or shortages due to accounting or clerical errors except where covered under the Money clause (MD23).

#### **24. War**

This policy does not cover Loss or Damage directly or indirectly caused by war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## Conditions applying to the Material Damage Policy Wording

### GC01 Alteration of Risk

Where the Insured becomes aware of any change in the nature of the business operations or change in the occupancy or change in circumstances that increases the risk of Loss or Damage to Insured Property this will be notified to the Insurer within a reasonable time.

However, no notification is required and the policy continues in force where:

- (a) such change is usual and/or incidental to the business of the Insured and does not increase the risk.
- (b) alterations and/or repairs are not structural.
- (c) the Insured shuts down or ceases operations, and / or where buildings remain vacant or unoccupied for not more than 90 days.

The Insured agrees to pay a reasonable additional premium for the increased risk if required to by the Insurer.

### GC02 Cancellation

#### By the Insured

This policy may be cancelled by the Insured at any time, and with immediate effect, by providing written notice to the Insurer.

In the event of such cancellation the Insurer will be entitled to retain a pro-rata proportion of the premium (subject to any adjustment required under the terms of this policy) for the time during which the policy has been in force.

#### By the Insurer

This policy may be cancelled by the Insurer at any time by providing written notice to the Insured at the address last known to them or to the Insured's insurance broker or representative .

The cancellation will take effect at 4pm on the 30th day after the written notice has been delivered or posted. In the event of such cancellation, the Insurer will refund to the Insured a pro-rata proportion of the premium, subject to any adjustment required by the terms of this policy.

### GC03 Currency Condition

Where any sum insured, policy limit, excess or other amount is stated in the policy or Policy Schedule, the amount is in New Zealand Dollars (NZD) unless expressed as otherwise.

### GC04 Fraud

If the Insured makes any claim with knowledge that it is false or fraudulent, all benefit under this policy in respect only of that claim will be forfeited.

For the purposes of this condition, if the Insured comprises more than one person or corporation, each of the Insured parties will be treated as having been issued with a separate policy.

### GC05 Goods and Services Tax (GST)

Provided that Goods and Services Tax (GST) is recoverable by the Insurer, the sums insured (including any special limits) by this policy are exclusive of GST.

In the event of a claim, the Insurer will pay a maximum of the sum insured plus additional GST to a maximum of the current rate of GST applied to that sum insured.

Policy excesses are inclusive of GST.

### GC06 Inspection

The Insurer is entitled to inspect Insured Property subject to reasonable notice of the intention to do so to, and agreement from, the Insured. The Insured must provide such information as may be reasonably required by the Insurer in relation to the subject of this insurance. Neither this condition, nor any inspection performed by the Insurer, nor any report arising from such an inspection, are to be regarded as an undertaking by the Insurer to determine or warrant that any operations or premises are safe.

#### **GC07 Knowledge of Insured**

If the Insured has an insurance manager or equivalent the knowledge of the Insured is deemed to be restricted to the knowledge of the Insured's insurance manager or equivalent.

#### **GC08 Joint Insureds**

"Insured" includes any person or corporation entitled to indemnity under the terms of this policy, whether or not the person or corporation is named in the Policy Schedule.

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

- (a) the Insured first named in the Policy Schedule will be responsible for payment, on behalf of all Insureds, of any premium due or which may become due.
- (b) the Insurer's obligation to make any payment to the Insured in terms of this policy will be discharged on making that payment to the Insured first named in the Policy Schedule.
- (c) any notice, for which provision is made in this policy, given by or given to the Insured first named in the Policy Schedule will be deemed sufficient notice by or to all Insured entities.
- (d) unless the context requires otherwise, any words such as "accidental", "unexpected", "unintended", and "unforeseen", that appear in this policy or in any endorsement to this policy in relation to a loss or cause of loss, are to be interpreted from the standpoint of the Insured seeking indemnity in respect of the loss or cause of loss.

#### **GC09 Misdescription**

This policy will not be voidable, prejudiced or invalidated by:

- (a) any innocent alteration or inadvertent misdescription of property or occupancy.
- (b) any act of the occupier whereby the risk of Loss or Damage to property not in the occupation of the Insured is increased without the authority or knowledge of the Insured.
- (c) any innocent misrepresentation or non-disclosure of any material particular.
- (d) the breach of any condition or warranty without the knowledge and consent of the Insured.

Provided that notice is given to the Insurer immediately the Insured becomes aware of any of the above circumstances.

#### **GC10 Mutually Acceptable Assessors**

Any loss adjuster or assessor appointed by the Insurer in connection with a claim must be one that is mutually acceptable to the Insurer and the Insured.

#### **GC11 Notification of Claims**

On the happening of any event giving rise to or likely to give rise to a claim on this policy the Insured must:

- (a) take prompt steps to minimise any Loss or Damage,
- (b) notify the Insurer as soon as is practicable,
- (c) provide the Insurer with as much information as may reasonably be required in connection with the claim,
- (d) if a criminal act is suspected, inform the police

#### **GC12 Observance of Terms**

The due observance and fulfilment of the terms and conditions of this policy by the Insured in so far as they relate to anything to be done or complied with by the Insured, and the truth of statements made in the proposal for this insurance, and of any other statements made in support of this insurance are conditions precedent to any liability of the Insurer to provide any indemnity under this policy.

#### **GC13 Other Insurance**

If at the time of an insured event, there is any other contract of insurance that is valid and collectable by the Insured on the same Loss or Damage, no claim will be payable under this policy unless and until the Insured has first made a claim on the other insurance and the amount of the other insurance has been exhausted.

This policy condition does not apply where the other insurance is "excess" insurance intended to provide a layer of cover in excess of that provided for under this policy.

#### **GC14 Progress Payments**

In the event of a claim under this policy, payments on account will be made promptly to the Insured at any time before final settlement on production to the Insurer of reasonable evidence in support of the amount claimed

#### GC15 Recoveries

If in exercising its right of subrogation, the Insurer recovers all or any part of a loss payable under this policy the amount of the recovery will be shared between the Insurer and the Insured in the following manner:

- (a) Excluding the excess applicable the Insured will be fully reimbursed for any uninsured portion of the loss.
- (b) The remaining amount after the application of (a) above will be shared between the Insured and the Insurer in the ratio of their respective losses; the loss to the Insured being that portion of the loss which is uninsured by reason of the excess, and the loss to the Insurer being the amount of its actual payment under the policy.

The expenses of all of the recovery effort will be borne in the ratio of the respective recoveries. If no recovery is made then the costs will be for the account of the Insurer.

Notwithstanding anything in the excess clause (MD11), no account will be taken of any subrogated recoveries in establishing the amount of the adjusted loss to which the excess applies.

#### GC16 Release of Liability

Where the Insured is required by legislation or by contractual agreement to release any of the following from liability arising from Loss or Damage insured by this policy, the release is allowed without prejudice to this insurance:

- (a) the Crown.
- (b) any government-owned corporation.
- (c) any municipal or local authority.
- (d) the New Zealand Fire Service.
- (e) any certified fire protection equipment supplier.
- (f) any lift maintenance engineer.
- (g) any oil company.
- (h) any party to a contract entered into by the Insured for the storage of goods or the leasing of property.
- (i) any other party to an agreement where such agreement that has been declared to and accepted by Chubb.

#### GC17 Salvage

Where Insured Property suffers Loss or Damage the Insurer may:

- (a) enter any building where the Loss or Damage has occurred and take and keep possession of the damaged property.
- (b) deal with the salvage in any reasonable manner.

Provided that:

Where branded stock insured under this policy suffers Loss or Damage, the Insurer may not sell or otherwise dispose of such stock without the consent of the Insured.

Where the Insured declines to give that consent, the Insured will retain possession of the salvaged goods and the reasonable salvage value of the stock will be deducted from the amount of claim otherwise payable.

Where it is practical to remove brands, labels or other marks, which identify the goods as supplied by the Insured, the salvage value of the goods will be determined after such removal at the Insurer's expense.

#### GC18 Subrogation

Where, upon accepting liability for a claim under this policy, the Insurer is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation.

The Insured must, at the Insurer's expense, do and concur in doing and permit to be done anything reasonably required by the Insurer for the purpose of enforcing that right.



The Insured must comply with this condition when required, whether before or after having been indemnified by the Insurer.

## Definitions

### Act of Terrorism

Any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

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

### Burglary

Theft or attempted theft:

1. accompanied by threat of violence, or actual violence, to any person, or
2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or
3. involving physical evidence of violent and forcible entry to, or exit from, a securely locked motor vehicle or storage container, or
4. of a permanently attached part of the building by the forcible removal of it.

### Insured

The persons or entities named in the Policy Schedule and all:

- (a) principals,
- (b) directors,
- (c) employees,
- (d) employee social clubs, sports club or similar body whose activities are for the benefit of the Insured's employees,
- (e) family trusts of the entities.
- (f) Crockers Body Corporate Management Limited
- (g) Registered mortgagees in respect of any principal unit
- (h) Individual unit owners in their capacity as property owners and owners whose properties are under the management of Crockers Body Corporate Management Limited

Where any entity is a company, this includes any subsidiary company provided that more than half the nominal value of the subsidiary company's equity share capital is owned by that entity either directly or through other subsidiaries, and includes any other entity over which that subsidiary company exercises management control.

### Insurer

The Insurer named in the Policy Schedule.

### Insured Property

All tangible property of every description at the Location not expressly excluded by this policy:

- (a) owned by the Insured,
- (b) in the Insured's care, custody or control,
- (c) property held by the Insured jointly or in trust,
- (d) property held by the Insured on commission,
- (e) property for which the Insured is responsible or had assumed responsibility at the time of any Loss or Damage, including property which is sold but not delivered or for which payment has not been received.

### Categories of Insured Property

**Buildings:** Structures of every description including underground and above-ground services, walls, retaining walls, fences, gates, poles, permanent signs, under and above ground storage tanks as well as site improvements, including but not limited to:

- (a) paths,
- (b) landscaping, gardens, ornamental trees and shrubs,
- (c) roads,
- (d) yards,
- (e) permanent fixtures and fittings at the building(s), including but not limited to permanently wired alarm systems and permanently wired security cameras.
- (f) Landlord's permanent appliance (washing machines, dryers, refrigerators, freezers, dishwashers and permanently fixed heaters)

**Plant:** All common Body Corporate plant, machinery, improvements, chattels, equipment, spare parts, tools, moulds, patterns, dyes, computer records, switchboards, cables, piping, telecom equipment and all other contents of every description and any other item not insured within the definition of Buildings above or Stock below (except for Other Property and Money).

**Stock:** stock and materials in trade including manufactured or unmanufactured and in the course of manufacture, all materials used in making or packing goods, raw materials, produce, work in progress, property sold but not delivered or uplifted, constructional or building supplies and all other property as defined above considered by the Insured to be stock.

**Other Property:** As more specifically detailed in the Policy Schedule.

**Money:** As defined in this policy.

### **Location**

- (a) All premises owned, leased or used by the Insured as detailed in the Schedule of Insured Property attaching to the policy.
- (b) Trade shows or exhibitions where any Insured Property is located.
- (c) Sites of temporary storage of any Insured Property.
- (d) Suppliers or customers and/or repairers premises at which any Insured Property is located.
- (e) Any residences of the Insured where any Insured Property is located.
- (f) Any premises other than the Insured's premises where Insured Property is located for the purpose of outwork, subcontract work, process repair, alteration, or manufacture.
- (g) Any premises anywhere else in New Zealand where any Insured Property is located, limited to 20% of the sums insured to a maximum of \$100,000.

Where a public road separates premises, it is deemed to be a separate Location for the purpose of this definition.

### **Loss or Damage**

Unintended and unforeseen physical loss or physical damage.

### **Money**

- (a) Current coin, bank notes, currency notes,
- (b) Cheques including non-negotiable cheques, postal notes, postal orders, travellers cheques,
- (c) Bank drafts and money orders,
- (d) Credit card vouchers, redeemable vouchers and tokens,
- (e) Phone cards,
- (f) Unused postage and revenue stamps,
- (g) Petrol vouchers, tickets, other negotiable instruments,
- (h) Unused postage, unused franking machine credits and revenue stamps belonging to the Insured or for which the Insured is responsible,
- (i) Other negotiable instruments,
- (j) Any of (a) to (i) that is not the property of the Insured but in their custody or under their control,
- (k) Any of (a) to (i) that is owned by the Insured's social club if not otherwise insured.

**Natural Disaster**

Earthquake, volcanic activity, hydrothermal activity, subterranean fire, tsunami, geothermal activity, or fire caused by any of these.

**Period of Insurance**

The period that commences and ends at the times and dates specified in the Policy Schedule and any extension of this period as agreed to by the Insurer.

**Policy Schedule**

The most recent Policy Schedule attaching to and forming part of this policy.

**Region**

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