

new zealand's natural cover®

Crombie Lockwood Orion Agreed Business Interruption 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 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.

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 or using the online form available on the Privacy Commissioner's website at 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
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
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
W 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 resulting from interruption to or interference with the Insured's Business in connection with Damage during the Period of Insurance to any buildings or other property owned, used or intended to be used by the Insured, in accordance with the terms of this policy.

The maximum amount payable under this policy during the Period of Insurance for each Insured item is the sum insured for that item.

The maximum amount payable under the policy during the Period of Insurance for all loss arising from any one insured event for all Insured items is the total sum insured as specified in the Policy Schedule.

Business Interruption Insured Items

The following Insured items only apply if a sum insured is shown beside the insured item in the Policy Schedule.

ITEM 1: GROSS PROFIT

The insurance under this item covers loss of Gross Profit due to:

- (a) Reduction in Turnover, and
- (b) Increase in Cost of Working

and the amount payable as indemnity shall be:

- (i) In respect of Reduction in Turnover the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, as a result of the Damage, fall short of the Standard Turnover.
- (ii) In respect of Increase in Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period as a result of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period for any of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced as a result of the Damage.

ITEM 2: GROSS REVENUE

The insurance under this item covers loss of Gross Revenue due to:

- (a) Loss of Gross Revenue, and
- (b) Increase in Cost of Working

and the amount payable as indemnity shall be:

- (i) In respect of loss of Gross Revenue the amount by which the Gross Revenue during the Indemnity Period shall, as a result of the Damage, fall short of the Standard Gross Revenue.
- (ii) In respect of Increase in Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period as a result of the Damage, but not exceeding the amount of the reduction in Gross Revenue thereby avoided;

less any sum saved during the Indemnity Period for any of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced as a result of the Damage.

ITEM 3: GROSS RENTALS AND MANAGEMENT FEES RECEIVABLE

The insurance under this item covers loss of Gross Rental and Management Fees due to:

- (a) Loss of Gross Rentals and Management Fees Receivable and
- (b) Increase in Cost of Working

and the amount payable as indemnity shall be:

- (i) In respect of loss of Gross Rentals and Management Fees Receivable the amount by which the Gross Rentals and Management Fees Receivable, during the Indemnity Period shall, as a result of the Damage, fall short of the Standard Gross Rentals and Management Fees Receivable.
- (ii) In respect of Increase in Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals and Management Fees Receivable, which but for that expenditure would have taken place during the Indemnity Period as a result of the Damage, but not exceeding the amount of the reduction in Gross Rentals and Management Fees Receivable thereby avoided;

less any sum saved during the Indemnity Period for any of the charges and expenses of the Business payable out of Gross Rentals and Management Fees as may cease or be reduced as a result of the Damage.

ITEM 4: PAYROLL - DUAL BASIS

The insurance under this item covers loss in respect of Payroll and the amount payable as indemnity shall be:

- (a) In respect of Reduction in Turnover:
 - (i) during the initial period specified in the Policy Schedule the sum produced by applying the Rate of Payroll to the reduction in Turnover, less any saving during this period in the amount of Payroll paid or payable;
 - (ii) during the remaining portion of the Indemnity Period, the sum produced by applying the Rate of Payroll to the reduction in Turnover, less any saving in the amount of Payroll paid or payable, but not exceeding the sum produced by applying the remainder percentage of the Rate of Payroll to the reduction in Turnover, plus savings in Payroll deducted under item 4 (a) (i);

Note: At the option of the Insured, the number of weeks referred to as the initial period in item 4 (a)(i) may be increased to the optional initial period stated in the Policy Schedule provided that the amount calculated under item 4 (a)(ii) shall not exceed the savings in Payroll deducted under item 4 (a)(i).

- (b) In respect of Increase in Cost of Working:

so much of the additional expenditure described in the Gross Profit item 1(b) as exceeds the amount payable, but not more than the additional amount which would have been payable in respect of reduction in Turnover under the provisions of item 4(a) (i) and (ii) had such expenditure not been incurred.

ITEM 5: WAGES

The insurance under this item covers the loss incurred by the Insured by the payment of Wages for a period beginning with the Damage and ending not later than the period as stated in the Policy Schedule.

The amount payable as indemnity under this item shall be the amount which the Insured shall pay as Wages for such period to employees whose services in consequence of the Damage, cannot be utilised by the Insured at all and an equitable part of the Wages paid to employees whose services cannot be utilised by the Insured to the full.

For the purposes of this item, 'Wages' shall mean the wages and wage related overheads of all employees, excluding those whose remuneration is insured by item 1 Gross Profit or item 4 Payroll – Dual Basis.

ITEM 6: ADDITIONAL INCREASE IN COSTS OF WORKING

This item insures additional expenditure reasonably incurred by the Insured during the Indemnity Period in consequence of the Damage, for the purpose of:

- (a) avoiding or diminishing a reduction in Turnover, Gross Revenue or Gross Rentals and Management Fees Receivable,
- (b) resuming or maintaining any normal business operation or service,
- (c) the restoration of records.

Exclusion 5 Property Cyber and Date exclusion does not apply to item 6(c), unless the loss is caused by a Computer Virus.

Items 6(a) and 6(b) do not insure any expenditure incurred for reinstating the Insured's property damage.

ITEM 7: SEVERANCE AND REDUNDANCY PAYMENTS

This item insures the reasonable additional amounts the Insured elects to pay to employees whose services are terminated in consequence of the Damage and the resulting interruption to the Business.

ITEM 8: ACCOUNTS RECEIVABLE

This item insures the net shortfall in the collection of accounts receivable, resulting from Damage insured under this Policy, plus the reasonable costs incurred in reconstructing, establishing, tracing and recovering those debts, including the additional cost of financing the shortfall in collections.

Provided that this item does not insure against shortage resulting from:

- (a) bookkeeping, accounting or billing errors or omissions; or
 - (b) alteration, falsification, manipulation, concealment, destruction or disposal
- of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

ITEM 9: KEY MONEY OR GOODWILL

This item insures the expenditure reasonably incurred by the Insured during the Indemnity Period for any loss of goodwill in consequence of Damage for the purpose of acquiring lease premises or business goodwill and/or key monies in order to establish the Business at alternative premises.

The amount payable as indemnity shall be limited to the proportion of the sum insured under this item that the unexpired term of the lease at the date of Damage bears to the unexpired term of the lease as stated against the sum insured in the Schedule.

If the goodwill and/or key money for the new premises is greater than the amount paid for goodwill or key money for the premises damaged or destroyed then the excess amount is to be borne by the Insured.

ITEM 10: CLAIM PREPARATION COSTS

This item insures all costs and expenses reasonably incurred by the Insured for the preparation, presentation, certification and settlement of claims made under this policy and the Insured's Material Damage policy.

Salaries, wages, overheads and other expenses of the Insured's employees shall be deemed to be part of such costs and expenses.

ITEM 11: REDEPLOYMENT EXPENSES

The insurance under this item covers expenditure reasonably incurred by the Insured in the necessary relocation of employees where as a result of the Damage, the Insured elects to permanently redeploy employees at any alternative sites. The insured expenses will include all such expenses as the Insured would normally incur or reimburse to employees when transferring employees and their families to different places of permanent residence for the purpose of the Business.

Standard Business Interruption 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.

BI01 Accumulated Stocks

In adjusting any claim, account shall be taken and an equitable allowance made for any loss suffered by the Insured after the end of the Indemnity Period because stocks have been used to maintain Turnover during the Indemnity Period.

BI02 Acts of Civil Authorities

This policy covers loss resulting from any action of any lawfully constituted civil authority consequent upon:

- (a) Damage to any property whatsoever;
- (b) Bodily injury, murder or suicide to or of any person in the vicinity of premises that are owned, occupied or used by the Insured;
- (c) Defects in drains and other sanitary arrangements;
- (d) The escape of fumes, gases, toxic chemicals or any hazardous material;

Such loss shall be deemed to be resulting from Damage to property used by the Insured at the Premises for the purposes of the Business.

This clause does not cover loss resulting from any action of any lawfully constituted civil authority consequent upon any Communicable Disease, or fear or threat (whether actual or perceived) of a Communicable Disease. Under this clause, Communicable Disease means any:

- (a) 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
- (b) 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.

The maximum liability of the Insurer is the lesser of 10% of the Business Interruption sum insured or \$500,000.

BI03 Adjustment of Premium

If the premium for this policy has been calculated based on estimated figures, then the premium is a provisional premium for the Period of Insurance and subject to adjustment as follows:

- (a) Within 6 months of the expiry of the Period of Insurance, the premium will be recalculated using the actual figures based on the Insured's financial year most nearly concurrent with the Period of Insurance (as certified by the Insured's Auditors).
- (b) The difference between the actual and the provisional premiums will either be payable as an adjustment to the Insurer or a refund payment to the Insured depending on the result of the recalculation. Any refund to the Insured is limited to a maximum of 50% of the provisional premium paid.

BI04 Alternative Index

Adjustment of a claim under this policy may be based on Turnover, Output or any other indices of business activity that afford the most equitable result.

Output means the sale value and/or internal transfer value of finished goods and/or partially processed materials or goods.

BI05 Contractual and Legal Commitments

This policy covers any amounts the Insured becomes contractually or legally liable to pay in direct consequence of Damage, including related legal costs. Any recoveries received or receivable by the Insured in respect of such commitments shall be deducted from the amount payable.

The Insurer's liability under this clause will not exceed the lesser of the Gross Profit, Gross Revenue, or Gross Rentals and Management Fees Receivable sums insured or \$100,000.

BI06 Customers and / or Suppliers Premises

This policy covers loss resulting from Damage to:

- (a) Premises or property of any customer to whom the Insured directly provides products, goods, services, or materials, or work or assistance of whatsoever nature and description.
- (b) Premises or property of any supplier or organisation from whom the Insured directly receives supplies, services, materials, goods or assistance of whatsoever nature and description.

Such loss shall be deemed to be loss resulting from Damage to the Premises or property used by the Insured at the Premises.

The maximum liability of the Insurer is the lesser of 10% of the Business Interruption sum insured or \$500,000.

BI07 Departments

If the Business is conducted in departments or other units, the independent trading results of which are ascertainable, the provisions of the policy will apply separately to each department or other unit affected by the interruption.

BI08 Deterioration of Undamaged Stock

This policy covers the reduction in value of any undamaged raw material, work in progress or finished goods due to the Insured's inability to process, use or sell these items normally following Damage and consequent interruption to or interference with the Business, and the amount payable shall be the replacement cost of the item, or if not replaced, its market value, being the price for which the Insured could purchase the same or comparable property of similar age and condition, less any savings that can be achieved.

BI09 New Business

For the purpose of any claim arising from loss occurring before the completion of the first year's trading of the Business the terms Rate of Gross Profit, Annual Turnover, Standard Turnover, Gross Revenue, Standard Gross Rentals and Management Fees, Payroll, Rate of Payroll shall have the following meanings and not as stated elsewhere in the policy:

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover between the date of the commencement of the Business and the date of the Damage

Standard Turnover

The proportional equivalent, for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the Business and date of the Damage

Rate of Payroll

The rate of Payroll to Turnover during the period between the date of the commencement of the Business and the date of the Damage

Standard Gross Rentals and Management Fees

The proportional equivalent for a period equal to the Indemnity Period of the Gross Rentals and Management Fees realised during the period between the commencement of the Business and the date of the Damage

Standard Gross Revenue

The proportional equivalent, for a period equal to the Indemnity Period, of the Gross Revenue realised during the period between the commencement of the Business and the date of the Damage

to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Note: this adjustment applies to Rate of Gross Profit, Annual Turnover, Standard Turnover, Gross Revenue, Standard Gross Rentals and Management Fees, Payroll, Rate of Payroll in this clause.

BI10 Prevention of Access

This policy covers loss resulting from Damage to:

- (a) Property situated anywhere in New Zealand;
- (b) Property in transit by road, rail, air, inland waterway or sea from place to places within New Zealand including while temporarily stored in the course of such transit;
- (c) Property owned or not owned by the Insured within New Zealand within 5 kilometres of the Premises which shall prevent or hinder the use thereof or access thereto or in any way affect the trading operations thereof, whether the Premises (or any property therein) is damaged or not;
- (d) Transport routes, ports, airports or railways anywhere in New Zealand.

Such loss shall be deemed to result from Damage to the Premises and/or property used by the Insured at the Premises.

The maximum liability of the Insurer is the lesser of 10% of the Business Interruption sum insured or \$500,000.

BI11 Provision of Services

This policy covers loss sustained by the Insured resulting from interruption of or interference with the Business in consequence of Damage to:

- (a) any electricity station or sub-station or power lines or cables,
- (b) gas works or natural gas works (excluding loss resulting from Damage to property comprising the Maui gas installation and any other offshore gas facility), including but not limited to any undersea gas pipeline,
- (c) water works or treatment plants,
- (d) any pipelines or other conduit of any utility from whom the insured obtains electric current, gas, natural gas, water,
- (e) telecommunications equipment including lines and underground cabling.

Such loss will be deemed to be loss resulting from Damage to premises or property used by the insured at the Premises.

The maximum liability of the Insurer is the lesser of 10% of the Business Interruption sum insured or \$500,000.

BI12 Reduced Margin

This policy covers loss sustained by the Insured during the Indemnity Period resulting from the decrease in efficiency of processing raw materials or stock causing an increase in the ratio of raw material or stock used, or any other uninsured expenses, to maintain Turnover.

BI13 Reinstatement of the Amount of Insurance

In the event of loss as insured by this policy and in the absence of written notice prior to the loss by the Insurer or the Insured to the contrary, the amount of the insurance reduced by the loss will be automatically reinstated from the date of the loss.

The Insured undertakes to pay additional premium for the reinstatement if required by the Insurer.

There will be no automatic reinstatement of the sum insured where the loss is caused by Natural Disaster.

BI14 Salvage Sale

If following Damage giving rise to a claim under this policy the Insured shall hold a salvage sale during the Indemnity Period, item 1 of this policy (Gross Profit) is amended to read as follows:

(a) In respect of Reduction in Turnover

The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of Salvage Sale) shall, as a result of the Damage, fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale.

(b) In respect of reduction in Payroll

The sum produced by applying the Rate of Payroll to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the Salvage Sale) shall in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Payroll actually paid during the period of the salvage sale.

BI15 Turnover Elsewhere After Damage

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

Exclusions applying to the Business Interruption 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 Diseases

(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.

This exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

3. Nuclear Risks

This policy does not insure business interruption arising in connection with:

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

4. Pollution Contamination

This policy does not insure business interruption 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.

5. Property Cyber and Data Exclusion

- (a) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
- (i) Cyber Loss;
 - (ii) 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:
- (i) 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
 - (ii) 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:
- (i) 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.

6. 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.

7. 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.

8. War and Confiscation

This policy does not insure against loss or damage directly or indirectly caused by or resulting from:

- (a) war, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power;
- (b) confiscation, requisition, or damage to property by order of government or local authority unless the order is given for the purpose of controlling fire or another peril insured against under this policy;

Conditions applying to the Business Interruption Policy Wording

GC01 Adjuster

The adjustment of any claim shall be carried out by the Insurer or any loss adjuster appointed by mutual agreement with the Insured.

GC02 Alteration of Risk

Where the Insured becomes aware of any change in the nature of the business operations or change in the occupancy that increases the risk of loss, such change will be notified to the Insurer within a reasonable time.

However, no notification is required:

- (a) to do such work and to make such changes in the use or occupancy as is usual for or incidental to the Business of the Insured.
- (b) to carry out any alterations and/or repairs to any Insured Property except where these are structural alterations or repairs.
- (c) to shut down or cease operations and for individual buildings to remain vacant or unoccupied for a maximum of 90 days.

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

GC03 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.

GC04 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.

GC05 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.

GC06 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.

GC07 In House Subrogation

In the event of any claim arising under this policy the Insurer waives any rights and / or remedies and / or any other relief to which the Insurer may become entitled by way of subrogation against the Insured or subsidiary or any named associated or affiliated company as specified in the Policy Schedule.

GC08 Liquidation, Receivership, Cessation

This policy shall become void, unless its continuance is admitted by memorandum signed by or on behalf of the Insurer, if:

- (a) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued, or
- (b) the Insured's interests cease otherwise than by death at any time after the commencement of this policy.

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 is increased without the authority or knowledge of the Insured.
- (c) any innocent misrepresentation or innocent 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.

For the purposes of this clause, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

GC10 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,
- (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

GC11 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.

GC12 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.

GC13 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.

GC14 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 first 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 no account will be taken of any subrogated recoveries in establishing the amount of the adjusted loss to which the excess applies.

GC15 Release of Liability

Where the Insured is required by legislation or by contractual agreement to release any of the following from liability, 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 that has been declared to and accepted by ACE.

GC16 Subrogation

Any claimant under this policy shall, at the request and at the expense of the Insurer, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon its paying for or making good any loss under this policy, whether such acts and things shall be or become necessary or required before or after indemnification of the claimant by the Insurer.

Definitions

Standard Turnover

The Turnover during the period of 12 months immediately before the date of the Damage which corresponds with the Indemnity Period;
to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Standard Gross Rentals and Management Fees

The Gross Rentals and Management Fees during the period of 12 months immediately before the date of the Damage;
to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Standard Gross Revenue

The Gross Revenue earned during the period of 12 months immediately before the date of the Damage which corresponds with the Indemnity Period;
to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage;

to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Rate of Payroll

The rate of Payroll to Turnover during the financial year immediately before the date of the Damage;

to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

Business

The business of the Insured.

Damage

Unintended and unforeseen physical loss of or physical damage to any property occurring during the Period of Insurance:

- (i) That is accepted as a claim under the Insured's Material Damage policy or would have been accepted but for the application of an excess, or
- (ii) That would have been accepted as a claim under a Material Damage policy had the Insured owned the property, or
- (iii) That is caused by the explosion, overheating, rupture, bursting, cracking, leakage or collapse of any Pressure Vessel.

Deferment Period

Following loss this is the time period, for which the Insured is uninsured, at the expiry of which the Indemnity Period begins.

Gross Profit

The amount by which the sum of the Turnover and the amount of the closing stock shall exceed the sum of the amount of the opening stock and the amount of the Uninsured Working Expenses.

Note: The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

Gross Revenue

The money paid or payable to the Insured for services rendered in the course of the Business.

Gross Rentals and Management Fees Receivable

The money paid or payable to the Insured or on their behalf in respect of rentals, management fees, licence fees and other expenses recoverable by the Insured.

Indemnity Period

The period beginning:

- a) when the Business is first interrupted or interfered with in consequence of the Damage resulting in the covered loss; or
 - b) twelve (12) months after the first occurrence of that Damage;
- whichever occurs first, and ending thereafter not later than the number of months specified in the Policy Schedule.

Natural Disaster

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

Payroll

The gross remuneration, including but not limited to wages, salaries, Accident Compensation, redundancy payments and severance payments required by law or employment agreement, levies, bonuses, sick pay, holiday pay, superannuation contributions and any other payroll related payments, for all employees engaged in the Business.

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.

Pressure Vessel

Is any boiler or economiser or pipe or other vessel which in normal use is subject to generated or applied fluid pressure or vacuum.

Premises

All premises owned or occupied by the Insured or from which income is derived at any time during the Period of Insurance and all other premises or places where the Insured has property used or to be used for the Business anywhere in New Zealand.

Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business.

Uninsured Working Expenses

Uninsured Working Expenses mean purchases and any other expenses of the Business that are determined by the Insured to vary directly with Turnover or Output.