

Ando Agreed Material Damage Policy Wording

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BMS ANDO MATERIAL DAMAGE POLICY INSURANCE AGREEMENT

If, during the Period of Insurance, any:

- **Loss or Damage occurs to any Insured Property at the Specified Situation; and/or**
- **Costs or losses arise for which this Policy is expressly extended;**

then, subject to the terms, conditions and exclusions of this Policy, the Insurer will cover the Insured for the Loss or Damage and costs.

Subject to the "Goods and Services Tax" Condition and the "Alternative Residential Accommodation", "Capital Additions", "Money", "Property in the Course of Construction", "Sustainable Rebuilding Costs", "Reinstatement of Amount of Insurance", and "Seasonal Stock Increases" Extensions of this Policy, the Insurer's liability will not exceed in total during the Period of Insurance the Total Sum Insured and if more than one item is included in the Schedule will not exceed in respect of each item the Sum Insured applicable to that item.

The Insured Property described under the Sums Insured Schedule as 'Buildings', 'All Other Property' and 'Stock' is only covered by this Policy whilst at the Specified Situation stated in the Schedule, and to the extent of Exclusion 1(g), the 'Anywhere in New Zealand – All Other Property and Stock', 'Money', 'Portable Equipment in Transit', 'Temporary Removal' and 'Drone' Extensions elsewhere in New Zealand.

BASIS OF SETTLEMENT

The Insurer will pay the Insured as provided in the Policy and may at its sole option either repair, reinstate or replace Lost or Damaged Insured Property or any part of it, or it may at its option pay the amount of Loss or Damage.

- 01 For property specified as Buildings and All Other Property under the Sums Insured Schedule designated with the letter "R",** the basis of settlement will be as set out in the Optional Reinstatement Extension incorporated in this Policy.
- 02 For property specified as Buildings and All Other Property under the Sums Insured Schedule not designated with the letter "R",** the basis of settlement will be the Indemnity Value of the property at the time any Loss or Damage occurs.
- 03 For property specified as Stock under the Sums Insured Schedule,** the basis of settlement will be for:
 - **Stock, raw materials, stores, packing materials, supplies and other merchandise:** The delivered cost of replacement materials.
 - **Work in Progress and Finished Products:** The actual costs incurred to reinstate the level of stock inventories to that existing before the loss.
 - **Owners Account:** All stocks held or sold on behalf of others: the current market value based on the sale price which would have been received at the final destination for which it was intended notwithstanding the occurrence of Loss or Damage, less expenses not incurred.

Notwithstanding 01 above the following items will be settled as described below:

- 04 For reproduction of Proof Materials and Records**, the basis of settlement will be the expenditure incurred (including legal, technical, professional and clerical salaries, charges and other costs and expenses) for researching and obtaining information and for the reproduction, replacement and restoration of proof materials (which shall include but not be limited to print blocks, plates, lettering, films (positive and negative), artwork, typeset and/or paste-up), documents, manuscripts, securities, deeds, plans, business and office books and records, technical drawings, designs, specifications, valuations, card indexes, models, books of account, and microfilm, but excluding the value of the materials and the value of the information they contain.
- 05 For Data**, the cost of blank media plus the cost of copying the replacement Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Data. If the media is not repaired, replaced or restored, the basis of valuation shall be the cost of blank media. However, this Policy does not cover any amount pertaining to the value of such Data to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 06 For Software**, the reasonable costs the Insured incurs to restore, re-set or re-programme the Software that is necessary to operate any electronic equipment or Machine insured under this Policy.
- 07 For Portable Electronic Equipment**, the basis of settlement will be the replacement cost at the time of replacement if they are not more than 3 years old, or Indemnity Value if more than 3 years old.
- 08 For directors', partners', executive officers', consultants', employees' and visitors' personal effects (including Money) and tools**, the basis of settlement will be the replacement cost at the time of replacement.
- 09 For Proof Materials and Records**, the basis of settlement will be the cost of replacing materials at the time any Loss or Damage occurs but excluding the value of the information they contain.
- 10 For glass**, the basis of settlement will be the cost of replacing or repairing the broken glass, including the cost of:
- temporary shuttering and/or the hiring of a security service to protect Insured Property pending replacement of broken glass,
 - replacement signwriting, ornamentation, burglar alarm tape and the like on the glass,
 - replacement heat reflecting or tinting or security material or process on the glass,
 - removing and re-fixing window and show case frames and fittings.
- 11 For office equipment**, (being desktop or laptop computers, fax machines, monitors, printers, document scanners, refrigerators and dishwashers), the basis of settlement will be the cost of replacing the equipment with an alternative model(s) of office equipment, provided that:
- the alternative model has more energy-efficient features; and
 - the alternative model has otherwise comparable features and capabilities; and
 - the office equipment was uneconomic to repair; and
 - the upgrade costs are incurred with the prior consent of the Insurer.

- 12 For Art work**, the Insurer may appoint an independent and suitably qualified valuer or

restorer to determine whether the art work can be restored to its pre-damage condition.

If the valuer or restorer determines that the art work cannot be economically restored to its pre-damage condition, the art work 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 will be the difference between the pre-damage value and any salvage value of the damaged art work.

If the valuer or restorer determines that the art work can be economically restored to its pre-damage condition, the amount payable 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 an art work, which is part of a set, the Insurer will pay the Insured the full amount of the value of the set and the Insured agrees to surrender the remaining article or articles of the set to the Insurer.

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

For the purpose of this Section, an 'art work' is a creation, such as a print, sculpture or a painting, that has been made in order to be a thing of beauty in itself or a symbolic statement of meaning, rather than having a practical function.

13 For Drones, the basis of settlement will be one of the following methods:

1. where the Drone is less than 2 years old, the Insurer will at their option pay the reasonable cost to repair or replace the Drone.
2. in all other cases, the Insurer will at their option pay the Insured either:
 - (a) the Indemnity Value of the Drone,
 - (b) the cost to repair the Drone, as near as reasonably possible, to the condition it was in immediately prior to the Loss or Damage.

EXCLUSIONS

01 This Policy does not cover any of the following:

- (a) the Deductible specified in the Schedule,
- (b) property in the course of installation, construction, demolition, erection, or testing following any of them,
- (c) Money,
- (d) jewellery, precious stones, furs, precious metals or bullion, other than as Stock of the Business or as part of any plant or machinery,
- (e) motor vehicles, trailers and other mechanical or electrically propelled vehicles (including but not limited to railway locomotives and rolling stock) and accessories contained in them or on them, other than:
 - such vehicles used primarily within the confines of any Specified Situation, or
 - held as Stock of the Business or for auction while within the confines of any Specified Situation.
- (f) watercraft and aircraft of every kind, and accessories contained in them or on them, except as held as Stock of the Business or for auction while within the confines of any Specified Situation,
- (g) property, other than Money, in transit outside the confines of any Specified Situation in excess of the amount specified in the Schedule for Property In Transit and Portable Equipment in Transit,

but this Exclusion 1 (g) does not apply to Loss or Damage arising from fire, explosion, lightning, windstorm, flood, hail, snow, frost, ice, aircraft and other spatial devices or articles dropped from any of them, direct impact by animals and vehicles, riot, civil commotion, strikes, locked out workers or workers taking part in labour disturbances, vandalism, acts of malicious persons, leakage or spillage of gas, vapour or liquid, burning out of electric wiring or motors, or water damage,
- (h) property damaged as a result of its undergoing any Production Process where the damage is directly caused by the operation of that process,
- (i) any of the following property unless specified in the Schedule:

pastures, trees, landscaping, standing timber, growing crops, livestock, dams, canals, road or railway tunnels, railway bridges, docks, piers, wharves, mining property located beneath the surface of the ground, land, transmission and distribution lines (and their structures) not located at any Specified Situation.

but this Exclusion 1 (i) does not apply to any road or railway tunnel and any road or railway bridge located at any Specified Situation nor any docks, piers, wharves or jetties forming part of any Buildings,
- (j) any consequential losses including penalties, loss of use of any property, delays, or loss of market, other than as provided herein.

02 This Policy does not cover any Loss or Damage, costs or expenses of any type in connection with any of the following:

- (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power,
- (b) expropriation, confiscation, nationalisation, requisition, or destruction of or damage to property by order of government, civil, public or local authority unless the order is given for the purpose of preventing or controlling fire or any other Event for which cover is provided by this Policy,
- (c) Natural Disaster Perils,
- (d) landslip, subsidence, or erosion of land,
- (e) normal settlement, normal shrinkage or normal expansion of buildings,

- foundations, walls, pavements, roads and other structural improvements,
- (f) manufacture, storage, distribution or use of any controlled drug, controlled drug analogue, or precursor substance as defined in the Misuse of Drugs Act 1975. This exclusion does not apply to Loss or Damage caused by the accidental spread of fire or explosion.

03 This Policy does not cover any Loss or Damage, costs or expenses of any type in connection with any of the following:

- (a) Nuclear Energy Risks
- (b) Ionising radiations, irradiation or contamination by radioactivity from any Nuclear Material. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- (c) Radioactive, toxic, explosive or other hazardous or contaminating properties of any Nuclear Installation, or other nuclear assembly or nuclear component.
- (d) Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (e) Any chemical, biological, bio-chemical, or electromagnetic weapon.
- (f) Radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

For the purposes of this exclusion:

Nuclear Energy Risks means any of the following:

- (i) all property on the site of a nuclear power station, Nuclear Reactors, any reactor buildings and plant and equipment therein,
- (ii) all property, on any site used or having been used for the generation of nuclear energy,
- (iii) all property, on any site used or having been used for, the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

Nuclear Material means any of the following:

- (i) nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material,
- (ii) any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose,
- (iii) any nuclear waste or by-product from the combustion of nuclear fuel.

Nuclear Installation means any of the following:

- (i) any Nuclear Reactor,
- (ii) any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel,
- (iii) any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

Nuclear Reactor means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

04 This Policy does not cover loss:

- (a) evidenced by unexplained disappearance or shortages revealed only by the taking of an inventory or shortages due to clerical or accounting errors,
- (b) from any fraudulent scheme or device or false pretense practised on the Insured or on any other person having care of the Insured Property,
- (c) from theft or fraudulent misappropriation by the Insured or by any of the Insured's principals or employees.

05 This Policy does not cover Loss or Damage caused by or arising from:

- (a) fumes, gas, dust, smoke, smuts,
- (b) wear and tear, gradual deterioration, corrosion, rust, marring, slowly developing deformation or distortion,
- (c) action of micro-organisms, mould, mildew, rot, vermin or insects,
- (d) the inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish), or action of light,
- (e) seepage, pollution, or contamination,
- (f) any changes in artificially controlled temperature or atmosphere,
- (g) exposure to weather conditions where the property is not designed to be left in the open, unless reasonable precautions have been taken to protect the property from those conditions.

06 This Policy does not cover

- (a) explosion, rupture, bursting, cracking, leakage, collapse or overheating, of any steam boiler (other than steam boilers used for domestic purposes), economiser, pipe or other vessel due to generated or applied fluid pressure within or without, but excluding pressure caused by chemical explosion,
- (b) mechanical or electrical or electronic Breakdown of a Machine.

For the purposes of this exclusion Breakdown means the actual breaking, failure, seizing, deformation or burning out of any part of the machinery or equipment due solely to internal stress or a fault in the machinery or equipment whilst in use and not by any cause or event external to the affected machinery or equipment.

but this Exclusion 6(b) is limited to the Machine immediately affected and does not apply to subsequent Loss or Damage to other Insured Property not otherwise excluded.

07 Faulty and defective design, materials and workmanship

This Policy does not cover:

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

This exclusion does not apply to any physical loss or damage occurring as a result of the defective materials or workmanship, or as a result of work performed to a defective plan or design specification.

08 Defective Repair and Replacement Work Exclusion

This Policy does not cover the costs of putting right defective workmanship or design in any repair or replacement work covered by the Policy.

This exclusion applies to the property or part immediately affected as well as any property or parts that need to be demolished, replaced or reinstalled or otherwise made good in order to rectify the defective work or design.

This exclusion does not apply to any resultant sudden Loss or Damage to separate Insured Property arising from the above.

09 Building Defects

This Policy does not cover Loss or Damage, costs or expenses of any type connected in any way with a building or structure being affected by any:

- (a) moisture or water build-up, or the penetration of external moisture or water,
- (b) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms, that is caused directly or indirectly by any of the following when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained:
 - (i) non-compliance with the New Zealand Building Code,
 - (ii) faulty design or faulty specification, including faulty sequence, procedure or programme, or
 - (iii) faulty materials, or
 - (iv) faulty workmanship.

10 Cyber

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

- (a) any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System;
- (b) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

except as specified below.

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

“Computer System” means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

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

“Time Element Loss” means business interruption, contingent business interruption or any other consequential losses.

11 Communicable Disease

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

- (a) highly pathogenic avian influenza in humans; or
- (b) any disease(s) determined to be a quarantinable disease as defined and stated in the Health Act 1956 (New Zealand) s2(1), or any subsequent amendment, replacement or successor legislation of the Commonwealth of New Zealand, including delegated

legislation; or

(c) any mutation of the diseases described in a) to b) inclusive, including any fear or threat thereof (whether actual or perceived) or action taken by a competent public authority in controlling, preventing or suppressing such disease.

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

(i) for any such diseases; or,

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

12 Seismic improvements

This Policy excludes any costs solely incurred for the purposes of seismically strengthening Insured Property to a performance level greater than its performance level prior to the Loss or Damage.

13 Terrorism

This Policy does not cover any Loss or Damage, cost or expense of any type in connection with Terrorism, including controlling, preventing, suppressing, retaliating against, or responding to Terrorism.

For the purpose of this exclusion, Terrorism includes any act, threat of action or preparation for action, by a person or group acting alone or in connection with any organisation or government, which is:

- (a) designed to influence any rightful or actual government or intimidate the public, and/or
- (b) in pursuit of political, religious, ideological, or similar purposes.

The act, threat or preparation involves any of the following:

- (i) violence against any person,
- (ii) damage to property,
- (iii) endangering of life, except that of the person committing the action,
- (iv) risk to the health or safety of any person,
- (v) anything designed to interfere with or disrupt an electronic system.

14 Biological or Chemical Materials

This policy does not cover Loss or Damage, cost or expense of any type in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any sequence thereto.

Provided that:

- Exclusions 1 (h), 2 (d), 2 (e), 5 and 6 (a) apply only to that part of the property immediately affected and do not apply to subsequent Loss or Damage to other Insured Property.
- Exclusions 1 (h), 2 (d), 2 (e), 5 and 6 (a) do not apply to Loss or Damage directly caused by any Event not otherwise excluded.

CONDITIONS

01 ALTERATION OF RISK

If with the knowledge of the Insured the risk of Loss or Damage is increased by any change in the nature of the Insured's occupation or otherwise, unless notice is given to the Insurer of such change prior to an Event giving rise to a claim the cover provided by this Policy will be forfeited as regards the affected Insured Property only.

Provided however, notice is not required to be given:

- to carry out such work and to make such changes in the use or occupancy as is usual and/or incidental to the Business of the Insured,
- to carry out any alterations and/or repairs to any Insured Property, provided structural alterations are notified to the Insurer within a reasonable period, and
- to shut down or cease business operations, or for individual Buildings to remain vacant or unoccupied, for less than 90 days.

02 BREACH OF WARRANTY OR CONDITION

The cover provided by this Policy will not be invalidated or prejudiced by reason of any breach of warranty or condition of this Policy where the breach occurs without the knowledge or consent of the Insured.

Provided that notice is given to the Insurer as soon as practicable once the Insured becomes aware of any such breach and the Insured agrees to pay an appropriate additional premium and/or agree to a change in terms and conditions if required.

03 CANCELLATION

By the Insured:

The Insured may cancel this Policy at any time and with immediate effect, by notice in writing or by electronic means to the Insurer. In the event of such cancellation, the Insurer will be entitled to a pro-rata proportion of the premium (subject to any adjustment required by the terms of this Policy) for the period the Policy has been in force. The Insurer will refund any balance of the premium that is due based on the unused portion of the Period of Insurance. The Insured must pay any outstanding premium due for the expired portion of the Period of Insurance.

By the Insurer:

The Insurer may cancel this Policy at any time by giving notice in writing or by electronic means to the Insured or the Insured's insurance broker at the Insured's or the Insured's insurance broker's last known address. Cancellation will take effect at 4pm on the 30th day after the notice. 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) for the unexpired period of the Policy.

If the Insurer cancels this Policy because the Insured has not paid the premium, the cancellation will be effective from the date the Policy was paid up to.

04 CLAIMS

Upon becoming aware of any Event giving rise, or likely to give rise, to a claim under this Policy, the Insured will:

1. take prompt steps to minimise the Loss or Damage,
2. take reasonable steps to protect the property from further Loss or Damage,
3. notify the Insurer as soon as possible,
4. if a criminal act is suspected, inform the police as soon as possible,
5. allow the Insurer to examine the Insured Property before any repairs are started, or at any other time before the Insurer settles a claim

6. send to the Insurer as soon as possible anything the Insured receives from anyone about a claim or possible claim against the Insured or anyone else entitled to cover under this Policy
7. give the Insurer any information or help that they reasonably ask for.
8. consent to the Insured's personal information, in connection with the claim, being both:
 - (a) disclosed to the Insurer,
 - (b) transferred to the Insurance Claims Register Limited.

The Insurance Claims Register is a database of insurance claims that participating insurers can access. The Insurer may get personal information and details of insurance claims made by the Insured from the Insurance Claims Register.

05 COLLECTIVE INSURANCE

Where this Policy is underwritten by more than one insurer as set out in the Schedule, then the word 'Insurer' is deemed to mean all insurers participating in this Policy.

The participating insurers specified in the Schedule agree to accept the percentage share of the risk stated against their name in the Schedule.

Each participating insurer agrees to accept the decision of the lead Insurer specified in the Schedule and to follow that insurer's decision in all matters (except where there is an ex-gratia claim) arising out of this Policy.

Each participating insurer's liability for any claim under this Policy is several and is limited solely to the extent of its percentage share of the risk specified in the Schedule.

06 CURRENCY

Where any Sum or Sums Insured, Special Limits, Deductibles or other amounts are stated, these amounts are in New Zealand Dollars (NZD) unless expressed otherwise.

07 DEFINED WORDS

This Policy and the Schedule shall be read together as one contract and words and expressions to which specific or special meanings have been given will, unless the context otherwise requires, have that same meaning whenever they may appear in the Policy.

08 FRAUD

If any claim is in any respect fraudulent or if any false declaration is made or used in support or if any fraudulent means or devices are used by the Insured or anyone acting on behalf of the Insured to obtain any benefit under this Policy in respect of the claim, all benefit under this Policy in respect of that claim will be forfeited.

For the purpose of this Condition, if the Insured comprises more than one person or entity, each of the Insured shall be treated as having been issued with a separate Policy.

A breach of this Condition by one person or entity comprising the Insured shall not prevent any other person or entity comprising the Insured who is not a party to the fraud from claiming under this Policy.

09 GOODS AND SERVICES TAX

Provided that Goods and Services Tax (GST) is recoverable by the Insurer, the Sums Insured, Special Limits specified in the Schedule and the Limits specified in any Extension are exclusive of GST.

In the event of a claim, the Insurer will pay a maximum of the:

1. Sum Insured, or
2. Special Limits specified in the Schedule, or
3. Limits specified in any Extension.

(whichever is applicable) plus GST, where applicable, to a maximum of the current rate of GST applied to that sum insured or Special Limit specified in the Schedule or the Limits specified in any Extension.

However, all Deductibles specified in this Policy are inclusive of GST.

10 JURISDICTION

Any disputes arising out of or under this Policy are subject to the law of New Zealand and the New Zealand courts have sole jurisdiction.

11 LEGISLATION AND CROWN ENTITY CHANGES

Any reference to any Act of Parliament or subordinate rules referred to in this Policy includes any amendments made or substitutions to that law.

Any reference to any legislative or official terms includes any amended, replacement, substituted, equivalent or corresponding terms.

Any reference to any Crown entity includes any new name given to that entity, and any replacement entity that is responsible for the same or similar functions.

12 LIMIT OF LIABILITY/MARGINS

The liability of the Insurer under this Policy for each item of 'Buildings', 'All Other Property' and 'Stock' at each Specified Situation in the Schedule will not exceed during the Period of Insurance 110% of the Sum Insured specified for that item.

Provided however:

- (a) the Insurer's liability will not exceed the combined Total Sum Insured for 'Buildings', 'All Other Property' and 'Stock' at each Specified Situation in the Schedule; and
- (b) the increased liability of the Insurer does not apply to the Natural Disaster Damage Extension and Natural Disaster Damage – Residential Property Extension.

13 MISDESCRIPTION

This Policy will not be invalidated or prejudiced by:

- (a) any innocent or inadvertent alteration or misdescription of property or occupancy or any other innocent or inadvertent inaccuracy,
- (b) any act of the occupier whereby the risk of Loss or Damage to property not occupied by the Insured is increased without the authority or knowledge of the Insured,
- (c) any innocent or inadvertent misrepresentation or non-disclosure of any material fact.

Provided that notice is given to the Insurer as soon as practicable once the Insured becomes aware of any of the above and the Insured agrees to pay an appropriate additional premium and/or agrees to a change in terms and conditions if required.

14 MUTUALLY ACCEPTABLE ADJUSTERS

Where the Insurer wishes to appoint any loss adjuster, assessor, surveyor, valuer or investigator in respect of any claim under this Policy, the appointee must be mutually acceptable to the Insurer and the Insured.

15 OBSERVANCE OF TERMS AND CONDITIONS

The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured, and the truth of statements and answers in the written submission or proposal or supporting documents, or in any claim form, or in any statement in support of a claim, whether made by the Insured or by others on behalf of the Insured, will be conditions precedent to the Insurer's liability to make any payment under this Policy.

16 OTHER INSURANCE

If at the time of any claim arising under this Policy there is any other valid and collectable insurance covering the Loss or Damage, this Policy will only apply in excess of the amount payable under the other insurance, even if there is a similar Other Insurance Condition in the other insurance policy.

For the purpose of applying the Deductible applicable to this Policy, the amount of any other such insurance will not be taken into account, as the other insurance is permitted on Loss or Damage within the Deductible amount.

17 OTHER INTERESTED PARTIES

Where the Insured is under an obligation to insure the interest of any person or entity (including contractors and sub-contractors to the extent required by any contract) with an insurable interest in any of the Insured Property, the Insurer will cover the Insured and that person or entity as if a separate Policy had been issued to each.

However:

- (a) the Insurer will not be liable to cover any person or entity whose interest has not been declared to the Insurer by the time a claim becomes payable, and
- (b) the Insurer's liability will not be increased beyond the amount that would be payable if this Condition had not been incorporated in the Policy.

18 PRIORITY OF CLAUSES

In the event that any person or entity is entitled to cover by virtue of more than one clause or Extension of this Policy, the Insurer will cover that person or entity in terms of the clause or Extension most favourable to them.

19 REASONABLE CARE

The Insured will take all reasonable steps to keep all Insured Property safe and secure and maintain fire protection equipment and security alarms, systems, locks and protection in good working order.

20 RIGHTS OF MULTIPLE INSURED

If more than one person or entity is named as the Insured in the Schedule, then:

- (a) the cover provided by this Policy will apply to each of the Insured separately, as though a separate Policy had been issued to each of them,
- (b) the rights of each of the Insured will not be prejudiced by failure of any other of the Insured to disclose any material fact, nor by any material misrepresentation made by any other of the Insured,
- (c) the rights of each Insured will not be prejudiced by any breach of warranty or condition of this Policy by any other Insured.

Provided that nothing in this Condition will increase the Insurer's total aggregate liability beyond that payable for a single Insured.

21 SALVAGE

Where there is Loss or Damage to Insured Property covered by this Policy, 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:
 - (i) the Insured is not entitled to abandon any property to the Insurer,
 - (ii) the Insurer is not entitled to sell or otherwise dispose of salvaged branded goods without the prior consent of the Insured. In the event of the Insured declining to give consent, the Insured will retain possession of the salvaged goods, and their reasonable salvage value will be deducted from the amount of claim that would otherwise be 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.

22 SANCTIONS

The Insurer will not provide any cover, and will not make any payment or provide any benefit, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any of the following:

- (a) sanction, prohibition, or restriction under United Nations resolutions,
- (b) trade or economic sanction, law or regulation of New Zealand, Australia, Singapore, the United Kingdom, the United States of America, or the European Union.

23 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 claim they may have against any other person or entity, 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 a claim paid by the Insurer for the Loss or Damage.

The Insurer will not exercise subrogation against any person or entity covered under this Policy, nor against any employee unless the employee has caused the Loss or Damage willfully.

24 THE CONTRACT

This Policy is a contract consisting of the following parts:

- (a) the written submission and/or completed proposal and/or other supporting documents supplied by the Insured, and
- (b) this Policy wording, and
- (c) the Schedule (including any endorsements).

This Policy wording, the Schedule and any endorsements will be read together as one contract.

AUTOMATIC EXTENSIONS

In the event of any conflict or inconsistency between the Automatic Extensions and any other terms of the Policy, then the terms of the Automatic Extensions will prevail. In the event of any conflict or inconsistency between Automatic Extensions, the Automatic Extension most favourable to the Insured will prevail.

01 ALTERNATIVE RESIDENTIAL ACCOMMODATION

Where any residential property covered by this Policy is rendered uninhabitable by Loss or Damage covered by this Policy, this Policy extends to cover reasonable expenses for alternative accommodation (including the cost of boarding out domestic cats and/or dogs which normally reside there) necessarily incurred by the Insured or by the occupant (being an employee or officer of the Insured), provided that:

- these expenses are not otherwise covered,
- the period for which the expenses are covered will be limited to the period reasonably required for reinstatement of the affected property,
- the Insurer will be entitled to deduct a reasonable allowance for expenses reduced or avoided in consequence of the affected accommodation being rendered uninhabitable.

The most the Insurer will pay under this Automatic Extension per Event is the relevant Special Limit for 'Alternative Residential Accommodation' shown in the Schedule. The Special Limit applies separately to each unit of residential accommodation and does not apply to any Loss or Damage that would be recoverable under this Policy without the benefit of this Automatic Extension.

02 ANYWHERE IN NEW ZEALAND – ALL OTHER PROPERTY AND STOCK

Notwithstanding the Specified Situation in the Schedule, the Insurer will cover the Insured for sudden Loss or Damage to All Other Property and Stock whilst anywhere in New Zealand away from the Specified Situation.

For the purposes of this Automatic Extension:

- cover excludes any Portable Electronic Equipment and portable tools of trade.
- the most the Insurer will pay under this Automatic Extension per Event is the Special Limit for 'Anywhere in New Zealand – All Other Property and Stock' shown in the Schedule.

The cover provided by this Automatic Extension will not increase the liability of the Insurer beyond the All Other Property and Stock Sums Insured specified in the Schedule.

03 CHANGE OF TEMPERATURE

Notwithstanding Exclusion 5(f), the Insurer will cover the Insured for sudden Loss or Damage to Insured Property resulting from a change in temperature caused by Loss or Damage covered by this Policy.

Reasonable costs incurred by the Insured in the removal and/or storage of Insured Property at another building or premises are also covered.

The extension of cover provided under this Automatic Extension does not include any change in temperature caused by Machinery Breakdown of a Machine covered under the Machinery Breakdown Optional Extension or any Insured Property covered under the Refrigerated Property Automatic Extension.

04 CLAIMS PREPARATION COSTS

The Insurer will cover the Insured for all costs and expenses reasonably incurred for the purpose of assessing, preparing, presenting or certifying any claim made under this Policy, provided the claim is accepted under this Policy.

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

The Insured is not insured for any costs incurred to investigate or negotiate a claim made under this Policy.

05 CONSTRUCTIVE LOSS

In the event of Loss or Damage to Insured Property comprising any Building covered for Reinstatement and when the cost of reinstating the Loss or Damage to that Building is 60% or more of its reinstatement value then the Building will be treated as having been Destroyed where the following conditions exist:

- the reinstatement of the Building is prevented by sole reason of any Law; or
- in any other instance where in agreement between the Insured and the Insurer it is the most practical and/or economic method of settlement.

For the purpose of this Automatic Extension, Law means any regulation made under or framed in pursuance of any Act of Parliament or regulation or by-law of any Local Authority.

06 CONTRACTUAL VALUE

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

The most the Insurer will pay under this Automatic Extension per Event is the Special Limit for Contractual Value shown in the Schedule.

07 DAMAGE BY ELECTRIC CURRENT

Notwithstanding Exclusion 6 (b), the Insurer will cover the Insured for Loss or Damage to Insured Property caused by the actual burning out of part or parts of the property due to the failure of electrical insulation, or abnormal or artificially generated electric current, or electrically induced self-heating. The Insurer will not be liable under this Extension for:

- loss of use,
- Loss or Damage to lighting or heating elements, fuses or protective devices, or electrical contacts at which sparking or arcing occurs in ordinary working,
- electric motors and starters which individually exceed 5kw or 6.7hp.

08 DEMOLITION, REMOVAL OF DEBRIS AND OTHER COSTS

The Insurer will cover the Insured for costs necessarily incurred for any of the following purposes in consequence of Loss or Damage covered by this Policy:

- demolition, dismantling, shoring up or propping up of the Insured Property,
- cleaning up, removal and disposal of debris (regardless of whether the debris is part of the Insured Property or not), including any kind of solid, liquid or gaseous matter, and the clearing, cleaning and repairing of gutters, drains and the like,
- recovery, removal, storage and return of Stock, and All Other Property whether damaged or undamaged,
- temporary repairs and other measures (including the erection and maintenance of street and/or pavement hoardings and/or scaffolding) to secure the property or to make it safe or suitable for continued use.

Where asbestos is physically incorporated in a Building that is Insured Property that suffers Loss or Damage covered by this Policy the Insured is covered for the necessary and reasonable demolition, clean up and disposal costs in connection with the removal of asbestos where such costs are incurred as a direct result of the Loss or Damage to the Building.

The maximum the Insurer will pay per Event for demolition, clean up and disposal costs in connection with the removal of asbestos is the lesser of either:

1. 5% of the Building sum insured,
2. \$50,000.

The extension of cover provided under this Automatic Extension does not include any sums that the Insured becomes legally liable to pay by way of compensation or other damages consequent upon pollution or contamination of property by any of the debris.

The costs of Demolition, Removal of Debris and Other Costs are deemed to be included in the Sums Insured specified in the Schedule.

09 ELECTRONIC DATA

Notwithstanding Exclusion 10 (2.), the Insurer will cover the Insured for Loss or Damage to Data caused by any of the following:

- (a) fire, explosion, lightning,
- (b) windstorm, hail, tornado, cyclone, hurricane,
- (c) Natural Disaster Perils, but only if the 'Natural Disaster Damage' Optional Extension is taken,
- (d) flood, freezing, weight of snow,
- (e) impact from any external source, including but not limited to, aircraft or other aerial objects dropped from them and/or by any road vehicle or animal,
- (f) bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes, or
- (g) theft of electronic data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such electronic data.

10 EXPEDITING COSTS

The Insurer will cover the Insured for the reasonable costs the Insured incurs for express freight and overtime to expedite the repair or replacement of Insured Property following a Loss or Damage covered under this Policy.

Prior written approval must be obtained from the Insurer before costs are incurred.

11 GENERAL AVERAGE / SALVAGE CHARGES

The Insurer will cover the Insured for general average and salvage charges adjusted or payable in connection with any Insured Property being transported by sea or air between places in New Zealand according to the contract of affreightment and/or the governing law and practice.

No deductible applies to this Automatic Extension.

12 HIDDEN GRADUAL DAMAGE

Notwithstanding Exclusion 5(b) gradual deterioration, Exclusion 5(c) mildew or rot, and Exclusion 9 Building Defects, the Insurer will cover the Insured for Loss or Damage to Insured Property that occurs and is discovered during the Period of Insurance resulting from hidden rot, hidden mildew or hidden gradual deterioration, caused by water that leaks, overflows or is discharged from any of the following installed at the Building:

1. an internal tank that is plumbed into the water reticulation system of the Building and is permanently used to store water,

2. an internal water pipe,
3. an internal waste disposal pipe.

The Insurer will also cover the Insured for the reasonable costs of searching for and repairing any damage made to locate the source of the hidden rot, hidden mildew or hidden gradual deterioration, provided that prior written approval is obtained from the Insurer.

The most the Insurer will pay under this Automatic Extension per Event is the Special Limit for Gradual Damage shown in the Schedule.

13 HAZARDOUS SUBSTANCE EMERGENCIES

Notwithstanding Exclusion 5(e) pollution or contamination, the Insurer will cover the Insured for:

1. sudden Loss or Damage to Insured Property caused by pollution or contamination,
2. the reasonable costs incurred to remove, store or dispose of debris, and for the decontamination, demolition, dismantling, dewatering or temporary repairs, resulting from Loss or Damage caused by pollution or contamination that is covered by this Policy,
3. the reasonable costs incurred to clean up and remove Pollutants from land at the Insured's Specified Situation provided that the discharge, release or escape of the Pollutant occurs during the Period of Insurance and is caused by Loss or Damage covered by this Policy.

For the purposes of this Automatic Extension, Pollutant means a contaminant or pollutant that a government authority has declared to be hazardous to health or the environment.

The most the Insurer will pay under this Automatic Extension per Event are the Special Limits for 'Hazardous Substance Emergencies' shown in the Schedule.

14 INVENTORY

The Insurer will cover the Insured for costs reasonably incurred by the Insured in taking inventory (including but not limited to unpacking, repacking and restocking) to establish the value of Insured Property following Loss or Damage covered by this Policy. However, the cover provided will not increase the liability of the Insurer beyond the Sums Insured specified in the Schedule.

15 LANDSCAPING

Notwithstanding Exclusion 1 (i) the Insurer will cover the Insured for Loss or Damage covered by this policy for costs reasonably incurred in the repair, replacement, or reinstatement of Landscaping.

The most the Insurer will pay under this Automatic Extension per Event is the Special Limit for Landscaping shown in the schedule.

16 LANDSLIP OR SUBSIDENCE

Notwithstanding Exclusion 2(d) landslip or subsidence, the Insurer will cover the Insured for sudden Loss or Damage to Insured Property at the Specified Situation caused by landslip or subsidence.

This Extension does not apply to Loss or Damage consequent upon the normal settlement, normal shrinkage or normal expansion of any building or its foundations. The most the Insurer will pay under this Automatic Extension per Specified Situation during the Period of Insurance is the Special Limit for Landslip or Subsidence shown in the Schedule.

For each Event under this Automatic Extension, a deductible as shown in the Schedule applies.

17 LOST OR STOLEN KEYS

The Insurer will cover the Insured for the reasonable costs of:

1. opening a safe or strongroom,
2. altering or replacing locks, keys, combinations, electronic cards or other locking systems or devices that give access to Insured Property,

Provided that the costs are incurred because the keys or combinations are either:

1. lost,
 2. stolen,
 3. believed on reasonable grounds to have been duplicated without proper permission,
- during the Period of Insurance.

18 MONEY

Notwithstanding Exclusion 1(c) of this Policy the Insurer will cover the Insured for sudden Loss or Damage of Money provided that the Loss or Damage occurs in any of the circumstances outlined below:

Money Section A

1. Money in transit,
2. Money at the Specified Situation during Business Hours,
3. Money at the Specified Situation in a securely locked safe or strongroom outside Business Hours.

Money Section B

1. Money at the Specified Situation outside Business Hours and not in a securely locked safe or strongroom,
2. Money at residential premises occupied by the Insured or any director, employee, or agent of the Insured's, authorised to have possession of the Money.

This Automatic Extension does not provide cover for Loss or Damage of Money:

1. caused by errors in receiving it or paying it out,
2. occurring while the Money is entrusted to any person other than:
 - (a) the Insured or any director or executive officer of the Insured's,
 - (b) any employee or agent of the Insured's,
 - (c) any professional Money carrier.
3. occurring while the Money is in an unlocked and unoccupied vehicle,
4. caused by theft or fraud by any of the Insured's employees, unless the Loss or Damage is discovered within three consecutive Business Days of the act of theft or fraud,
5. through electronic means.

For the purpose of this Automatic Extension:

- (a) Business Hours means the hours where either of the following are on the Insured's business premises for the purpose of the Insured's business:
 - (i) the Insured or any director or manager of the Insured,
 - (ii) any of the Insured's employees who are entrusted with the care, custody or control of Money.
- (b) Business Days means the days the Insured business usually operates.

The most the Insurer will pay under this Automatic Extension per Event are the Special Limits for 'Money' shown in the Schedule.

19 NATURAL DISASTER DAMAGE – RESIDENTIAL PROPERTY

Notwithstanding Exclusions 2(c) and 2(d), where this Policy extends to cover Loss or Damage to any Building or Residential Unit that is eligible for cover under the NHI Act;

the following applies to that Building or Residential Unit:

1. the Insurer will only pay in excess of the maximum cover under the NHI Act,
2. the most the Insurer will pay for Loss or Damage to Insured Property from any Event is the difference between the Insured's NHCover (whether or not that is actually paid to the Insured) and the maximum amount payable under this Policy for that Loss or Damage,
3. the Insurer does not cover the excess payable under the NHI Act.

For each Event under this extension, the Natural Disaster Damage Deductible as shown in the Schedule applies.

There is no cover provided for any loss or damage that the Natural Hazards Commission Toka Tū Ake considers to be imminent damage as set out in Section 24 of the Natural Hazards Insurance Act 2023.

20 PORTABLE EQUIPMENT IN TRANSIT

Notwithstanding Exclusion 1(g) the Insurer will cover the Insured for sudden Loss or Damage to any Portable Electronic Equipment whilst in transit within New Zealand.

The most the Insurer will pay under this Automatic Extension per item and per Event are the relevant Special Limits for 'Portable Equipment in Transit' shown in the Schedule.

21 PROFESSIONAL FEES

The Insurer will cover the Insured for architects', surveyors', consulting engineers', clerk of works', legal, accounting and other fees, salaries and costs reasonably incurred in reinstating Loss or Damage to Insured Property covered by this Policy. The fees, salaries and costs are included in the Sums Insured specified in the Schedule.

This Automatic Extension does not apply to fees for preparing claims made under this Policy.

22 PROGRESS CLAIM PAYMENTS

The Insured will be entitled to progress claim payments from the Insurer, provided that:

- a claim is accepted under this Policy,
- acceptable evidence of Loss or Damage covered by this Policy is produced,
- where required, an interim statement of loss is supplied by the Insured and approved by the Insurer's assessor/surveyor,
- if the aggregate of progress payments exceeds the total amount of the adjusted loss, the Insured will immediately refund the difference between the amount of adjusted loss and the aggregate of payments actually made.

23 PROPERTY IN TRANSIT

Where Insured Property is destined for transit beyond New Zealand, the cover provided by this Policy ceases at the time the Insured Property passes over the ship's rail or through air transport loading doors for overseas transit from any New Zealand port or airport, or at the time the Insured's interest in the Insured Property ceases at the point of sale, whichever is the earlier.

24 PROTECTION COSTS

Notwithstanding Exclusion 1(j), the Insurer will cover the Insured for any costs or damage directly resulting from, or reasonably incurred by or imposed on the Insured for the purpose of protecting against or fighting any fire or other Event covered by this Policy that either involves or threatens to involve Insured Property.

25 RECOVERY APPORTIONMENT

If the Insurer, having exercised its right of subrogation, recovers any part or all of a loss in respect of which a claim has been paid or is payable under this Policy, the amount so recovered will be apportioned as follows:

- the Insured will be fully reimbursed for any portion of the loss not covered by this Policy, including that portion of the loss which is not covered by reason of a Deductible; with
- any remaining balance belonging to the Insurer.

The Insurer will pay the costs of all recovery proceedings.

Notwithstanding anything to the contrary in the Deductible clause of this Policy, no account will be taken of subrogated recoveries in determining the amount of adjusted loss to which the Deductible applies.

26 REDUCTION OF AMOUNT OF INSURANCE FOR UNREPAIRED ITEMS

Where there is any existing Loss or Damage to Insured Property that occurred during any previous Period of Insurance that has not been repaired, replaced or reinstated at the commencement of the current Period of Insurance, the Insurer will deduct the amount of insurance cancelled by such Loss or Damage from the respective Sum Insured for that item of Insured Property at the commencement of the current Period of Insurance.

27 REDUNDANT FOUNDATIONS

Notwithstanding "Special Provision 1 (b) of the Reinstatement Optional Extension" or anything in this Policy to the contrary, where any undamaged or partly damaged building or plant foundations are unsuitable for further use and/or are rendered redundant for any reason whatsoever (including due to the action or regulations of any Municipal or Government or Local Authority or similar Body or due to the operation of any Health or similar regulation) in consequence of Loss or Damage covered by this Policy to the superstructures or plant resting on them, the affected foundations will be deemed to be and treated as constructively totally lost for the purpose of claims under this Policy and any of its Automatic and Optional Extensions.

If it is not necessary to demolish the foundations in order to effect reinstatement of damaged property, and if the presence of the abandoned foundations increases the market value of the property to which they are fixed, the amount of increase will be treated as salvage and will be deducted from the amount of claim payable by the Insurer.

28 REDUNDANT PLANT

Notwithstanding "Special Provision 1 (b) of the Reinstatement Optional Extension" or anything in this Policy to the contrary, where in consequence of Loss or Damage to any plant covered by this Policy, any undamaged or salvaged:

- plant in the same interdependent system or line; or
- spare parts held exclusively for the lost or damaged plant or other plant in that system or line,

are unsuitable for further use and/or are rendered redundant for any reason whatsoever (including due to the action or regulations of any Municipal or Government or Local Authority or similar Body or due to the operation of any Health or similar regulation), the said unsuitable and/or redundant plant and parts will be deemed to be and treated as constructively totally lost for the purpose of claims under this Policy and any of its Automatic and Optional Extensions.

Claims payable under this Automatic Extension will be net of any realisable salvage value of the unsuitable and/or redundant plant and parts.

29 REDUNDANT STOCK

Where, in consequence of Loss or Damage to any property covered by this Policy, any undamaged or salvaged Stock reduces in value or becomes unusable by or unsuitable to the Insured for any reason whatsoever, the said reduced value and/or unusable and/or unsuitable Stock will be deemed to be and treated as constructively totally lost for the purpose of claims under this Policy and any of its Automatic and Optional Extensions.

Claims payable under this Automatic Extension will be net of any realisable salvage value of the reduced value and/or unusable and/or unsuitable Stock.

30 REFRIGERATED PROPERTY

Notwithstanding Exclusions 5(e) and 5(f) or anything in this Policy to the contrary, the Insurer will cover the Insured for:

1. Loss or Damage to Insured Property stored in refrigerated cabinets, chambers or cool stores arising from:
 - accidental breakdown, damage, stoppage or malfunction of refrigerating plant from any cause, including accidental or malicious disconnection of the power supply or disconnection or failure of the public electricity supply by the supply authority; or
 - contamination by the escape of refrigerant gas or liquid into the refrigerated cabinet, chamber or cool store.
2. additional costs and expenses reasonably incurred to avoid or minimise such damage by transferring the threatened property to alternative refrigerated storage or by other means:
provided that:
 - the words Insured Property stored in refrigerated cabinets, chambers or cool stores are deemed to include property anywhere on the Insured's premises which would, but for the Loss or Damage, have been placed in the refrigerated cabinets, chambers or cool stores,
 - this Automatic Extension only covers Loss or Damage arising from the disconnection of the public power supply by the supply authority where less than 24 hours prior notice of the disconnection has been given to the Insured.

The most the Insurer will pay under this Automatic Extension per Event is the Special Limit for 'Refrigerated Property' shown in the Schedule.

31 REINSTATEMENT OF AMOUNT OF INSURANCE

In the event of any claim under this Policy, and in the absence of written notice by the Insurer or the Insured to the contrary, the amount of insurance reduced or cancelled by such claim will be automatically reinstated from the date the Insured Property is repaired, replaced or reinstated.

The Insured agrees to pay such pro-rata premium at the rate applicable to the item(s) concerned as may be required by the Insurer for the reinstatement.

However, if the Loss or Damage is caused by Natural Disaster Perils, the amount of insurance reduced or cancelled by such claim will not be reinstated unless agreed to by the Insurer.

32 REINSTATEMENT OF AMOUNT OF INSURANCE ONCE REPAIRED

If an item of Insured Property referred to in the Reduction of Amount of Insurance for Unrepaired Items Automatic Extension:

1. is covered under this Policy during the repair, replacement or reinstatement of it, the amount of insurance reduced or cancelled by that Automatic Extension is progressively added back to the Sum Insured for that Insured Property at the

- rate it is progressively repaired, replaced or reinstated during the Period of Insurance, or
2. is not covered under this Policy during the repair, replacement or reinstatement of it, the amount of insurance reduced or cancelled by that Automatic Extension is only added back to the Sum Insured once the repair, replacement or reinstatement of that Insured Property has been completed during the Period of Insurance.

Provided however, if the Loss or Damage is caused by Natural Disaster Perils, the amount of insurance cancelled by that Loss or Damage will not be reinstated unless agreed to by the Insurer.

33 RENEWAL TERMS

If the Insurer intends to refuse renewal of this Policy, or to offer renewal on any terms less favourable to the Insured than those applying during the current Period of Insurance, the Insurer must give the Insured or the Insured's insurance broker notice of that intention. The notice must be received by the Insured or the Insured's insurance broker not less than 30 days before the expiry of the current Period of Insurance. If the notice is not received by that time, the Insurer will, if so required by the Insured, extend the current Period of Insurance so that it will expire not less than 30 days after the notice is received by the Insured or the Insured's insurance broker. The Insured undertakes to pay a pro-rata proportion of the annual premium for the period of any such extension.

34 RENTED PREMISES

This Policy extends to cover the Insured for Loss or Damage to all internal and external glass, mirrors, wash basins, lavatory pans (including the cost of temporary shuttering and/or hiring of a security service to protect Insured Property pending replacement glass, replacement signwriting or ornamentation or burglar alarm tape and the like on glass, replacement heat reflecting, tinting, security material or process on the glass; removing and refixing window and show case frames and fittings) and Loss or Damage to landlord's fixtures and fittings for which the Insured is responsible.

35 REPAIRS AND MAINTENANCE

The carrying out of any repairs to and/or maintenance on any Insured Property will not prejudice the cover provided by this Policy.

36 REPAIR OR REINSTATEMENT BY THE INSURED

Following Loss or Damage to Insured Property that is covered under this Policy, the Insurer will allow the Insured to undertake any repair, reinstatement or replacement work in relation to the Loss or Damage and due allowance shall be made for a reasonable margin of profit, provided both the following conditions are met:

1. the Insured has the required qualifications and capability to undertake such work,
2. the charges or costs are competitive.

37 REWARDS

The Insurer will cover the Insured for a reasonable financial reward that the Insured offers and pays to successfully secure the return of Insured Property that suffers Loss or Damage covered by this Policy provided the Insured has the Insurer's prior approval to offer the reward.

A reward will only be paid in accordance with applicable laws, subject to the Insurer's reasonable satisfaction that appropriate due diligence has been conducted on the Insured's behalf in relation to any payment and will be paid under the direction of, and be subject to, the notification of any relevant criminal enforcement or other authority.

38 SALE OF INSURED PROPERTY

This Policy extends to cover Loss or Damage to any Insured Property covered by this Policy which is for sale and where an agreement to sell has not been fully completed, provided the said Insured Property is not otherwise fully insured by or on behalf of the purchaser against such Loss or Damage.

39 SPONTANEOUS COMBUSTION

Notwithstanding Exclusion 5(d), the Insurer will cover the Insured for Loss or Damage to any Insured Property caused by its own spontaneous combustion or fermentation or natural heating.

40 SUSTAINABLE REBUILDING COSTS

The Insurer will cover the Insured for the reasonable costs the Insured incurs to upgrade Insured Property with Sustainable Products following Loss or Damage covered by this Policy, provided that all of the following conditions are met:

1. the Insured Property is Destroyed,
2. the Reinstatement Optional Extension applies to the Insured Property,
3. the Insured Property is replaced,
4. prior approval from the Insurer is obtained before purchasing the Sustainable Products.

No payment will be made under the 'Redundant Plant' Automatic Extension for any undamaged or salvaged All Other Property or spare parts that are rendered redundant solely because the Insured Property has been upgraded with Sustainable Products. This applies to:

- a) All Other Property forming part of the same interdependent system or line,
- b) spare parts held exclusively for the Destroyed All Other Property or other All Other Property in that system or line.

For the purpose of this Automatic Extension Sustainable Products means products (including rebuilding materials) that, compared to products used in the Destroyed Insured Property, are more sustainable in any of the following ways:

1. increasing the efficiency relating to the use of energy or water,
2. reducing emissions or pollutants or greenhouse gases,
3. using more recycled materials,
4. reducing environmental impacts,

Sustainable products do not include the following:

- (a) fire protection devices or systems,
- (b) security devices or systems,
- (c) natural hazard protection.

The most the Insurer will pay under this Automatic Extension per Event is the sublimit for 'Sustainable Rebuilding Costs' shown in the Schedule.

41 TEMPORARY REMOVAL

The Insurer will cover the Insured for sudden Loss or Damage to All Other Property and Stock while Temporarily Removed from the Specified Situation to another location within New Zealand, including while in transit.

There is no cover under this Automatic Extension for Portable Electronic Equipment covered under the Portable Equipment in Transit Automatic Extension.

There is no cover under this Automatic Extension for Portable Tools of Trade.

The most the Insurer will pay under this Automatic Extension per Event for Portable Electronic Equipment are the sub-limits specified in the Schedule.

In all cases, the most the Insurer will pay under this Automatic Extension per Event is

the All Other Property sum insured declared on the Schedule and the Stock sum insured declared on the Schedule for the particular Specified Situation from which it was Temporarily Removed.

42 UNDAMAGED/UNHARMED PROPERTY

Notwithstanding "Special Provision 1 (b) of the Reinstatement Optional Extension" or anything in this Policy to the contrary, the Insurer will cover the Insured for the following costs, which are included in the Sums Insured specified in the Schedule:

- Costs actually incurred in the demolition, damage/destruction, removal and subsequent repair and reinstatement of otherwise undamaged/unharmful property (including additional costs necessary to comply with any Act of Parliament or any regulations made under or in pursuance of any such Act or with any By-Laws of any Local Authority) necessary to enable reinstatement of any Insured Property following its Loss or Damage covered by this Policy.

43 UNLAWFUL SUBSTANCES

The Insurer will cover the Insured for:

1. sudden and accidental Methamphetamine contamination of Buildings and All Other Property, where the Methamphetamine contamination happens and is discovered during the Period of Insurance and is caused by the manufacture, storage or distribution of Methamphetamine subject to the following.
2. Where the Methamphetamine contamination occurs to the Building or any part of the Building in connection with a single tenancy, lease or occupancy of more than 90 days, the cover in this Extension is extended to include accidental Methamphetamine contamination that is caused by the consumption of Methamphetamine subject to the following.

Provided that there is no cover for Methamphetamine contamination:

- a) unless the Landlord Obligations have been complied with,
- b) caused by or in connection with the Insured or their family, or a unit proprietor or their family. For the purposes of this exclusion the Insured includes any trustee or beneficiary of the trust if the Insured Property or Residential Unit is owned by a trust, or any director or shareholder of the Insurer if the Insured Property or Residential Unit is owned by a company; or
- c) where any Methamphetamine contamination existed or occurred prior to the current Period of Insurance there is no cover under this Automatic Extension unless the existence of the pre-existing contamination was disclosed to the Insurer and accepted by the Insurer in writing. However, if the Insured Property has been insured with the Insurer continuously since the earlier period when the contamination first occurred, then the Insurer will waive the requirement for the Methamphetamine contamination to have first occurred in the current Period of Insurance.

The indemnity provided by this Automatic Extension will only apply when the level of Methamphetamine contamination exceeds the guideline level for acceptable indoor surface residues contained in the NZ Standard NZ8510 at the time the claim is notified to the Insurer.

This Automatic Extension will only cover the cost of decontamination to the extent required to reduce the level of Methamphetamine to below the guideline level for acceptable indoor surface residues contained in the NZ Standard NZ8510.

This means that the insurer will not pay to remove all traces or methamphetamine contamination and will not restore the insured property to its condition when it was new.

Landlord's Obligations:

Where any part of the Building is a residential property the Insured or person responsible for managing the residential property must:

- 1) Exercise reasonable care in the selection of tenant(s) by obtaining at least satisfactory verbal or written references, and
- 2) Inspect vacant residential property or units on a monthly basis, and
- 3) keep written records of the pre-tenancy checks conducted for each adult tenant, and provide a copy of these to the Insurer if requested, and
- 4) complete an internal and external inspection of the residential parts of the Building at a minimum of 3-monthly intervals and upon every change of tenants, and
- 5) keep photographs and a written record of the outcome of each inspection, and provide a copy of these to the Insurer if requested, and
- 6) Make application to the Tenancy Tribunal for vacant possession in accordance with the provisions of the Residential Tenancies Act 1986, if:
 - (a) the Insured or unit proprietor becomes aware of any illegal activity by the occupant(s) at the Residential Unit, or
 - (b) intentional damage to the Residential Unit is caused by one of its occupant(s).

Where the Building includes non-residential property the Insured or person responsible for managing the Building must:

- 1) Exercise reasonable care in the selection of tenant(s), and
- 2) Complete an external and internal inspection of the property at a minimum of six-monthly intervals and upon the change of every tenant(s), and
- 3) Keep a written record of the outcome of each inspection and provide a copy to the Insurer if a copy is requested.

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

The most the Insurer will pay under this Automatic Extension per Event and for the Period of Insurance, is the Special Limit for 'Unlawful Substances' shown in the Schedule.

A Deductible of \$2,500 per unit (or the Deductible specified in the Schedule if it is higher) will apply to claims under this Automatic Extension.

44 WAIVER OF RECOVERY RIGHTS

This Policy will not be invalidated or prejudiced by reason of the Insured having waived any right of recovery or claim they may have against any other party to a contract or agreement with the Insured in the ordinary course of business, but only where:

- the contract or agreement is not for the supply of goods or services by the Insured; and
- the waiver was made in writing before the loss occurred.

45 WAIVER OF RECOVERY RIGHTS (GROUP COMPANIES)

Where the Insured is a company forming part of a group, this Policy will not be invalidated or prejudiced if the Insured waives any right of recovery or claim they may have against any other associated or affiliated company named in the Schedule or any other related company.

For the purpose of this Automatic Extension related company has the meaning set out in the Companies Act 1993.

OPTIONAL EXTENSIONS

The following Optional Extensions will apply only when specified in the Schedule

01 BOILER EXPLOSION

Notwithstanding Exclusion 6(a), this Policy extends to cover explosion, rupture, bursting, cracking, leakage, collapse or overheating of any steam boiler, economiser, pipe or any other vessel being Insured Property due to generated or applied fluid pressure within or without.

The Insurer will not be liable under this Optional Extension for:

1. Loss or Damage caused by rust, corrosion, boiler scale or oxidation of any kind; or
2. the cost of carrying out alterations, additions, improvements, overhauls or maintenance.

The most the Insurer will pay under this Optional Extension, in respect of any one Event, is the Special Limit for 'Boiler Explosion' shown in the Schedule.

02 DRONE

Notwithstanding Exclusion 1(f), the Insurer will cover the Insured for sudden Loss or Damage to a Drone weighing 25 kilograms or less, anywhere in New Zealand.

There is no cover when the Drone is being flown or operated.

The most the Insurer will pay under this Optional Extension are the Special Limits for 'Drone' shown in the Schedule. For each Event under this Optional Extension, a Deductible as shown in the Schedule applies.

03 CAPITAL ADDITIONS

The Insurer will cover the Insured for:

1. Loss or Damage to any Buildings, or All Other Property (but not Stock) acquired by the Insured or which otherwise becomes the responsibility of the Insured,
2. the appreciation in value of any Building or All Other Property (but not Stock) that is Insured Property where the appreciation is solely due to a physical alteration, physical addition, or physical improvement,

at any location in New Zealand, provided that:

- the Insured will give particulars to the Insurer as soon as reasonably possible thereafter, but no later than 30 days of the last day of each Period of Insurance during which any extension of cover becomes operative. Following notification of the particulars, the Insured will pay the appropriate additional premium on the property, retrospective to the date on which the cover became operative,
- the provisions of this Optional Extension will be fully reinstated following notification of particulars in accordance with the above paragraph,
- cover under this Optional Extension will be deemed to have become operative upon the date on which the risk in or responsibility for the property to which this Optional Extension applies passes to the Insured,
- this Optional Extension will not apply to any appreciation in value of the Insured Property which is not consequent upon any acquisition, alteration, addition or improvement covered by this Optional Extension,
- if any Reinstatement Extension is incorporated in this Policy, and in the absence of written notice by the Insurer or the Insured to the contrary, the insurance on property covered by this Optional Extension will be subject to that Reinstatement Extension.

The liability of the Insurer, at any one time under this Optional Extension, will not exceed the amount specified in the Schedule for Capital Additions.

04 MACHINERY BREAKDOWN

Notwithstanding Exclusion 6(b), the Insurer will cover the Insured for Machinery Breakdown of a Machine being Insured Property, with no reduction being made for parts replaced where damage is repaired.

For Insured Property that is uneconomic to repair the basis of settlement will be the replacement cost at the time of its replacement if less than 10 years old, or its Indemnity Value if more than 10 years old.

The Insurer will not be liable under this Optional Extension for:

- (a) damage to belts, ropes, wires, chains, tyres, dies, exchangeable tools, engraved cylinders, glass components, porcelain components, ceramics, refractories, felts, sieves, fabrics, jointing, packaging and operating media (except loss of refrigerant or insulating oil),
- (b) wasting or wearing away or wearing out of any part caused by or naturally resulting from ordinary use or working, gradual deterioration, damage due to cavitation, scratching of painted or polished surfaces,
- (c) the cost of carrying out alterations, additions, improvements, overhauls or maintenance.

The most the Insurer will pay under this Optional Extension per Event is the Special Limit for 'Machinery Breakdown' shown in the Schedule.

05 NATURAL DISASTER DAMAGE

Notwithstanding Exclusion 2(c), the Insurer will cover the Insured for Loss or Damage to Insured Property caused by and arising from:

- 1) Natural Disaster Perils, or
- 2) measures taken under proper authority, following any Event covered by this Optional Extension to:
 - avoid its spreading, or
 - reduce its consequences.

provided that this cover applies only in excess of any cover provided under the NHI Act (including any excess payable thereunder).

06 PROPERTY IN THE COURSE OF CONSTRUCTION

Notwithstanding Exclusion 1(b), the Insurer will cover the Insured for Loss or Damage to any Insured Property covered by this Policy which is undergoing:

- 1) demolition, or
- 2) installation, construction, or erection, or
- 3) testing and commissioning following 2 above.

Provided that:

- the property is owned, will be owned, or will be occupied by the Insured, and
- the expected value or contract price is limited to the amount specified in the Schedule for Property in the Course of Construction.

07 REINSTATEMENT

In the event of any Insured Property to which this Optional Extension applies being lost, damaged or Destroyed, the basis on which the amount payable under this Policy is to be calculated will be the cost of Reinstatement of the property, subject to the special provisions of this Optional Extension.

Definitions:

In this Optional Extension, and unless the context otherwise requires:

- (a) **Reinstatement** means:
 - (i) where property is lost or Destroyed, its replacement by Equivalent Property,
 - (ii) where property is damaged but not lost or Destroyed, the repair of the damage and 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, but incorporating such alterations as are necessary to comply with any Act of Parliament or Regulation.
- (b) **Equivalent Property** (if the property is neither All Other Property nor Stock) means:
 - (i) new property which is as nearly as is practicable the same as the property lost or Destroyed, using currently equivalent materials and techniques and incorporating such alterations as are necessary to comply with any Act of Parliament or Regulation,
 - (ii) where, no property which falls within the scope of paragraph (b) (i) above can be constructed; property which is designed to perform a purpose or function which is the same as or equivalent to that performed by the property lost or Destroyed,
 - (iii) where, no property which falls within the scope of paragraph (b) (i) above is suitable to the requirements of the Insured, then property which is designed to perform a purpose or function suitable to the requirements of the Insured (including a change in the nature and use of the property).
- (c) **Equivalent Property** (if the property is All Other Property) means any new plant or equipment which is as nearly as practicable the same as or equivalent to the plant or equipment lost or Destroyed, having regard to the current state of technology, and having an equivalent capacity to that of the lost or Destroyed plant or equipment, but not greater capacity unless plant or equipment with an equivalent capacity is not available and the replacement plant or equipment is the nearest to an equivalent capacity, and incorporating such alterations as are necessary to comply with any Act of Parliament or Regulation.
- (d) **Site** means any parcel of land.
- (e) **Regulation(s)** means building or other regulations made under or framed in pursuance of any Act of Parliament or regulation or by-law or rule or order or directive or condition of consent of any Municipal or Local or similar Authority or Body.
- (f) **Undamaged** means not damaged physically and directly by a contingency covered by this Policy.

Special Provisions

1. The amount payable under this Optional Extension will include the cost incurred in Reinstatement which is necessary to comply with any Act of Parliament or Regulation, provided that the amount payable will not include the cost incurred in work necessary to comply with any Act, Regulations or By-Laws:
 - (a) to the extent to which such work had already been required of the Insured by notice served prior to the happening of the Loss or Damage or Destruction, or
 - (b) in respect of Undamaged property or Undamaged portions of property, or
 - (c) solely for the purpose of seismically strengthening Insured Property to a performance level greater than its performance level prior to the Loss or Damage.
2. Where property is lost or Destroyed, the work of Reinstatement shall be carried out on the original location at the same Site unless:
 - (a) Reinstatement on the original location at the same Site is not permissible by reason of any Act, Regulations or By-Laws, or
 - (b) Reinstatement on the original location at the same Site is not suitable to the Insured's requirements,

- in which case, the Reinstatement may be carried out on another location on the same Site or on any other Site or Sites.
3. Where the work of Reinstatement is carried out in the terms of Definition (b) (ii) or (b) (iii), or on another location on the same Site or on any other Site or Sites, the liability of the Insurer in respect of the cost of Reinstatement will not exceed the cost that would have been incurred had Reinstatement been carried out in the terms of Definition (b) (i) and on the original location at the same Site.
 4. Where any property covered under this Optional Extension is damaged but not Destroyed, the Insurer's liability shall not exceed the amount the Insurer could have been called upon to pay for Reinstatement if such property had been Destroyed.
 5. In any of the following circumstances, no payment will be made beyond the amount which would have been payable had this Optional Extension not applied to the Insured Property,
 - (a) if the Insured elects not to Reinsure the property,
 - (b) if the work of Reinstatement is not commenced and carried out with reasonable dispatch,
 - (c) until the cost of Reinstatement has actually been incurred or agreed between the Insurer and the Insured.
 6. Where required by the Insurer, the Insured shall, at the commencement of such insurance and/or when required, provide the Insurer with a certificate from a valuer approved by the Insurer specifying the estimated cost of Reinstatement of any Insured Property to which this Optional Extension applies.

08 SEASONAL STOCK INCREASES

The Sum Insured on Stock specified in the Schedule is automatically increased during the months of October, November and December or any other period specified in the Schedule.

The liability of the Insurer, in respect of any one loss is limited to the percentage specified in the Schedule for Seasonal Stock Increase

09 STOCK DECLARATION

The premium charged for cover on Stock is provisional and represents 75% of the full premium payable for the Sum Insured specified in the Sums Insured Schedule. It is adjustable at the end of the current Period of Insurance in accordance with the following conditions:

- (a) Declarations of the actual value of Stock held on the last day of each month within the Period of Insurance will be made to the Insured's insurance broker.
- (b) The Sum Insured on Stock specified in the Sums Insured Schedule is the limit of the Insurer's liability in respect of that property. If any monthly declaration exceeds that amount, then in calculating the average of the monthly declarations, the Sum Insured specified will be included in place of the actual declaration for that month.
- (c) If no declaration is received for any one month, the Sum Insured on Stock specified in the Schedule will apply in place of the declaration for that month.
- (d) The average of these monthly declarations will be calculated 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 specified in the Sums Insured Schedule, whichever is greater.
- (e) The Insurer will refund to the Insured the amount by which the provisional premium paid exceeds the actual premium payable as calculated above. Alternatively, the Insured will pay to the Insurer the amount by which the provisional premium paid falls short of the actual premium.

DEFINITIONS

Whenever these words appear in this Policy, they have the following meanings:

ALL OTHER PROPERTY

Contents of buildings, chattels in the open or under shelter, tenant's improvements, plant and equipment, Proof Materials and Records, and all other Insured Property not more specifically described under 'Buildings' and 'Stock'.

BUILDINGS

Buildings, other structures, and their appurtenances including but not restricted to the plant, fixtures, fittings (including landlord's property, fixtures and fittings provided not otherwise included under 'All Other Property'), pipes and cables pertaining to any of them and located in or about the premises. Buildings also extends to include lights, aerals, signs and lettering, tanks, poles, power lines and their supports, walls, gates, fences, Landscaping, roads, paths, yards and the like.

BURGLARY

Theft accompanied by violence or threat of violence to any person or violent and forcible entry to or exit from any enclosed building, Enclosed Yard, or vehicle.

For the purpose of this definition "Enclosed Yard" means a yard fully enclosed by a security fence of no less than two metres in height with security gates having a suitable locking device.

Burglary also includes theft following the forcible removal of any fixture, fitting, structure and/or item permanently affixed to or forming part of any building.

COMMON SITE

A common physical location where the Insured Property is linked to achieve a common business purpose at that location.

COMPUTER SYSTEM

Any computer, hardware, Software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller and including any similar system or configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

DESTROYED

So physically damaged by insured Loss or Damage that the property, by reason only of that Loss or Damage, cannot be repaired or the cost of repair is uneconomic.

DRONE

Any of the following, including their accessories and parts, as specified in the Schedule:

1. Remotely Piloted Aircraft System (RPAS),
2. an Unmanned Aerial Vehicle (UAV),
3. an Unmanned Aerial System (UAS),
4. an aircraft weighing 25 kilograms and under, without a human pilot on board.

EVENT

Any one or more occurrence of covered Loss or Damage during the Period of Insurance arising from one source or original cause or related causes.

FUSION

The process of fusing or melting together of windings or wiring following damage to the insulating material as a result of overheating.

INDEMNITY VALUE

The value of Insured Property at the time of Loss or Damage, sufficient to place the Insured back in the same financial position to that immediately prior to the Loss or Damage.

INSURED

The person(s) or entity named as 'Insured' in the Schedule. Where the 'Insured' in the Schedule is a body corporate, then 'Insured' refers to the body corporate and each individual proprietor of that body corporate, for their respective rights and interests.

INSURED PROPERTY

All tangible property of every kind and description shown in the Schedule,

1. the Insured's own, or
2. held by them
 - Jointly; or
 - in trust; or
 - on commission; or
 - on consignment; or
 - sold but not delivered; or
 - for which they are responsible or have assumed responsibility.

Insured Property also includes:

- (a) Personal Effects and Tools
directors', partners', executive officers', consultants', employees' and visitors' personal effects (including Money) and tools are deemed to be property for which the Insured has assumed responsibility for the purpose of this insurance, but only whilst the personal effects and tools are at any Specified Situation whilst being worn, kept, carried or used by directors, partners, executive officers, consultants, employees and visitors acting in the course of their employment or on behalf of the Insured.
- (b) Proof Materials and Records
the expression 'tangible property' includes proof materials (which shall include but not be limited to print blocks, plates, lettering, films (positive and negative), artwork, typeset and/or paste-up), documents, manuscripts, securities, deeds, plans, business and office books and records, technical drawings, designs, specifications, valuations, card indexes, models, books of account, microfilm and any and all other materials, documents and records of a similar nature and description.
- (c) Social Club Property
the property of any pension fund, social club, sports club, or similar entity, whose activities are principally for the benefit of the Insured's employees, is deemed to be property for which the Insured has assumed responsibility for the purpose of this Insurance.

INSURER

The Insurance Company(s) or underwriter(s) named in the Schedule.

LANDSCAPING

Permanently sited live plants, trees, shrubs, hedges, grass, sand or bark including rock work, paving and ornamentation used to adorn or improve the grounds at the Specified Situation and within immediate proximity of the insured buildings used for the business, except if any of these items are Stock of the Insured's business.

LOSS OR DAMAGE

Physical loss or physical damage unintended and unforeseen by the Insured.

MACHINE

Any device that converts and directs motion or energy, performs any electronic process, including any protective component connected with that device.

MACHINERY BREAKDOWN

1. Any mechanical, hydraulic, electrical or electronic:
 - (a) breakdown or failure,
 - (b) cessation of function,
 - (c) malfunction,
 - (d) derangement.

MONEY

Current coin, bank and currency notes, cheques, postal notes, travellers cheques, bank drafts, money orders, phone cards, unused postage and revenue stamps, franking machine credits, tickets, credit card vouchers, redeemable vouchers and tokens, and any other tangible negotiable instruments provided they are associated solely with the Insured's business operations.

NATURAL DISASTER PERILS

Earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity, or fire occasioned by or through or in consequence of any of these.

NHI ACT

Natural Hazards Insurance Act 2023 and any Act in substitution of that Act.

NH Cover

An amount payable by the Natural Hazards Commission Toka Tū Ake (NHC) for Loss or Damage to the Insured Property that would have been payable except that any of the following happens:

1. the Insured fails to correctly notify a claim to the NHC or its agent within the time required under the NHI Act,
2. the NHC or its agent declines a claim or limits their liability for the loss in whole or in part and for any reason,
3. an act or omission by the Insured, the Insured's agent, or the NHC affects or limits the NHI Cover available.

PERIOD OF INSURANCE

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

PORTABLE ELECTRONIC EQUIPMENT

Mobile phones, video data projectors, digital cameras, other audio-visual equipment, portable computing devices and portable data storage devices.

PRE-1935 BUILDING RISKS

1. A Building; or

2. All Other Property and/or Stock located in any building, constructed prior to 1935.

PRODUCTION PROCESS

Means any process of producing, making, treating or servicing goods

RESIDENTIAL UNIT

Each self-contained part of the Building(s) designated for separate residential occupancy.

SCHEDULE

The most current schedule (including any endorsements) issued to the Insured for this Policy.

SITE DEDUCTIBLE AMOUNT

The percentage specified in the Schedule applied to the Total Sum Insured of Insured Property covered under this Policy at the Common Site.

SPECIFIED SITUATION

The location or locations referred to in the Schedule

SOFTWARE

Programs, procedures and routines associated with the operation of a Computer System.

STOCK

Stock and materials in trade.

TEMPORARILY REMOVED

All Other Property or Stock that the Insured has removed from their original location for a particular purpose, and that the Insured intends to return to their original location, once that purpose has been served.

