

# PremierCare Insurance Policy Document

Please keep this document in a safe place. It contains all the information you need to know about your insurance cover, including:

- What you are (and are not) covered for
- The conditions you have to meet in order to be covered under the policy
- How to make a claim.

Please read your policy document and schedule carefully, to ensure the protection included in this policy covers your requirements.

If you have any questions or concerns, please contact the PremierCare team immediately on 0800 808 618.

PremierCare Insurance is underwritten by IAG New Zealand Limited and is not an obligation of the distributor, BNZ. BNZ does not guarantee the obligations of IAG New Zealand Ltd. BNZ arranges PremierCare as an agent for IAG New Zealand Ltd and receives a commission on any policies arranged through it. The availability of any insurance cover is subject to approval of a completed application. Terms, conditions and exclusions do apply.

## Welcome to PremierCare

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It's a good feeling to know you've got protection for your valuable assets and against injuring anyone else or damaging their property. And it's even better when you've chosen an insurance package that's been tailored to your needs.

You've made an excellent choice with PremierCare Insurance. It offers you the simplicity and convenience of being able to take out one or more of home, contents, vehicle and pleasurecraft cover under the one insurance package. You'll also benefit from

PremierCare's range of package discounts and claim-free entitlements.

At BNZ, we see providing insurance as part of helping Kiwis be good with money. That's why we've chosen to partner with IAG as the underwriter of this insurance for over two decades. You can relax in the knowledge that you're covered.

Thank you for choosing PremierCare.



## Fly Buys

With PremierCare, you can collect 1 Fly Buys point for every \$20 premium you pay.

## How to...

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Check your cover and premiums

**Apart from this document, you can also view your key policy information on your BNZ Internet Banking.**

Pay premiums automatically

**Set up “BNZ insurances-PremierCare” as a payee on your Internet Banking, adding your PremierCare customer number as a reference.**



Get a copy of the policy document

**View it on [bnz.co.nz](https://www.bnz.co.nz)**

Buy more insurance

**It's easy on [bnz.co.nz](https://www.bnz.co.nz)**

## Where to go if you need help

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To make a claim or for general enquiries call

**0800 808 618**  
**(+64 9 985 0103)**



Call Roadside Rescue

**0800 269 767**

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## Some important things to note

Please read this policy document and the schedule carefully, to ensure the protection included in this policy covers your requirements. If you have any questions or concerns, please contact the PremierCare team immediately on 0800 808 618.

# Introduction

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## About this policy

**Your** PremierCare policy consists of:

1. this policy document, and
2. the **schedule**, and
3. the information **you** have provided in the **application** and any subsequent information **you** provide.

This policy only covers **you** for the sections shown in the **schedule**.

## Your duty of disclosure

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

1. whether to accept or decline **your** insurance, or
2. the cost or terms of the insurance, including the **excess**.

**You** also have this duty every time **your** insurance renews and when **you** make any changes to it.

If **you** breach this duty, **we** may treat **your** policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

## Changing your mind

If **you** are not happy with this policy, **you** are welcome to change **your** mind, provided **you** tell **us** within 15 days of the date this policy started. **We** will treat **your** policy as being of no effect and to have never existed and refund in full any premium **you** have paid. This does not apply if **you** have made a claim on **your** policy.

## Reading this policy

Some of the words in this policy are in **bold**. This is because they have a special meaning. If a word is shown in bold in one section only, it will be listed in the 'Definitions' section of that specific section. Words that are shown in bold in common parts of this policy are listed in the last section of this policy called 'Policy definitions that apply to all parts of this policy'. To make it easy for **you** to understand this policy, **we** have included some examples or comments in *italics*. The words in italics do not affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy are designed to help **you** find **your** way around. They should not be used when interpreting this policy wording.

## Our agreement

**We** have an agreement with **you**. **You** agree to pay **us** the premium. In exchange, **we** promise to cover **you** as set out in this policy document.



# Section 1

## Home Insurance

You are covered under this section if it is shown in the **schedule**.

### Part one – cover for your home

#### What you are covered for

You are covered for sudden and **accidental loss** to the **home** that occurs during the **period of insurance**.

#### What you are not covered for

##### 48 Hour restriction

You are not covered for **loss** that occurs during the first 48 hours of this 'Section 1 – Home Insurance', caused by storm, flood or landslip. This only applies when **you** first take the policy out with **us**.

However, this exclusion does not apply where:

1. this 'Section 1 – Home Insurance' started immediately following another policy that also insured the same property against the risks of storm, flood and landslip, or
2. this 'Section 1 – Home Insurance' was taken out at the time **you** purchased the **home**.

##### Vacant homes

If **you**, or a person authorised by **you**, have not been living at the **home** for a period of more than 60 consecutive days, **we** will only pay for **loss** that is:

1. caused by fire, explosion or lightning, or
2. covered under the 'Natural disaster' automatic additional benefit.

This restriction applies unless:

- a. **you** have notified **us** and **we** have agreed in writing to cover the **home** while unoccupied. **We** may, at this time, change the terms of **your** policy.
- b. **we** have the **home** recorded as a holiday home, and the following criteria are met:
  - i. the **home** is inspected inside and outside by **you** or a nominated person at least every 60 days, and
  - ii. the **home** and its grounds are adequately maintained, and
  - iii. mail is cleared regularly, and
  - iv. the water supply is turned off, and
  - v. all doors are locked, and all windows secured.

This restriction will end as soon as **you**, or a person authorised by **you**, is living in the **home** again.

##### Causes of loss not covered

**You** are not covered for **loss** to the **home** connected in any way with:

1. structural additions or structural alterations, unless:
  - a. **we** have been notified of the additions or alterations beforehand and **we** have agreed in writing to cover this, or
  - b. cover is provided under the 'New building work' automatic additional benefit, or
2. water in any form (including hail and snow) entering the **home** because any roofing material, exterior cladding, window or door has been removed by:
  - a. **you**, or
  - b. any other person who is acting on **your** authority, or
3. insects, rodents or vermin (other than possums), or
4. an animal owned by anyone living in the **home**, if the **home** is occupied by a tenant, or
5. hydrostatic pressure to swimming pools or spa pools, unless the **loss** is as a result of earthquake, storm or flood, or
6. **natural disaster**, unless cover is provided under the 'Natural disaster' automatic additional benefit.

However, exclusions 3., 4. and 5. apply only to the property directly affected. They do not apply to resultant sudden and **accidental loss** to other parts of the **home**.

##### Types of loss not covered

**You** are not covered for:

1. repairing or replacing floor coverings that are not in the room(s) where the **loss** occurred, or
2. repairing or replacing undamaged parts of a bathroom suite or kitchen suite that have not suffered the **loss**, or
3. **loss** to fuses, protective devices or lighting or heating elements caused by electricity, or
4. **loss**, cost or expense arising from any fault, defect, error or omission in:
  - a. design, plan or specification, or
  - b. workmanship, construction or materials.



However, this exclusion 4. applies only to the property directly affected. It does not apply to resultant sudden and **accidental loss** to other parts of the **home**, or

5. the breakdown, failure or wearing out of any mechanical or electrical equipment or any part thereof, unless burning out occurs as a result of an **accidental** and external force.

#### Gradual damage not covered

**You** are not covered for:

1. wear and tear, depreciation, corrosion or rust, or
2. rot or mildew, or
3. gradual deterioration, except for **loss** covered by the 'Hidden gradual damage' automatic additional benefit, or the 'Hidden gradual damage' section of the 'Landlord's protection' optional additional benefit.

#### Intentional acts not covered

**You** are not covered for **loss** that is intentionally caused by:

1. a tenant, or
2. any guest of a tenant, or

3. any person who occupies the **home**, except where the **loss** is:

- a. a result of fire or explosion, provided the fire or explosion was not intentionally caused by **you** or **your partner**, or
- b. covered by the 'Methamphetamine contamination' automatic additional benefit or the 'Landlord's protection' optional additional benefit.

### Important

Please also read 'Exclusions that apply to all parts of this Section 1 – Home Insurance' and 'Policy exclusions that apply to all parts of this policy'







## What we will pay

### The most we will pay

#### Home sum insured

1. The most **we** will pay for **loss** to the **home** exclusive of **special features** for any **event** that occurs during the **period of insurance** is the **home sum insured**. This includes:
  - a. compliance costs,
  - b. professional and other fees,
  - c. demolition and removal costs,
  - d. all automatic and optional additional benefits unless stated otherwise.
2. However, within the **home sum insured**, the most **we** will pay in total for any **event** that occurs during the **period of insurance** for **loss** to:
  - a. all retaining walls is \$20,000, and
  - b. all **recreational features** is \$40,000,
 unless an increased limit is shown in the **schedule**, in which case that increased limit is the most **we** will pay for the respective property.

#### Special feature sum insured

3. The most **we** will pay for **loss** to any **special feature** for any **event** that occurs during the **period of insurance** is its **special feature sum insured**. This includes:
  - a. compliance costs,
  - b. professional and other fees,
  - c. demolition and removal costs.

#### Total sum insured

4. The most **we** will pay for **loss** under 'Section 1 – Home Insurance' 'Part one – cover for your home' in total for any **event** that occurs during the **period of insurance** is the **total sum insured**. This includes:
  - a. the **home sum insured**,
  - b. any **special feature sums insured**,
  - c. all automatic and optional additional benefits unless stated otherwise.

#### Reduction of sums insured

5. Following **loss** to the **home** or any **special feature** for which a claim is payable under this 'Section 1 – Home Insurance' or under the **EQC Act**, the **total sum insured** and the relevant sum insured or policy limit is reduced from the time of the **loss** by the amount required to repair the **loss**.  
*For example, if a retaining wall suffers loss, the total sum insured and the home sum insured and the retaining wall limit is reduced by the amount of that loss.*

6. If, at the commencement of the current **period of insurance**, the **home** or any **special feature** has any pre-existing **loss** that was covered:
  - a. in a previous **period of insurance**, or
  - b. under any other policy, or
  - c. under the **EQC Act**,
 and such **loss** remains unrepaired at the start of the current **period of insurance**, the **total sum insured** and the relevant sum insured or policy limit is reduced from the start of this **period of insurance** by the amount required to repair that pre-existing **loss**.

#### Reinstatement of sums insured

7. When, and to the extent that any payment is applied to repair the **home** or any **special feature**, the **total sum insured** and the relevant sum insured or policy limit that was reduced by 'Reduction of sums insured' above is reinstated.

Need higher limits for your retaining walls or recreational features, or cover for any special features on your property? Just get in touch with us on 0800 808 618!

## Make up of Total Sum Insured



#### If your home is economic to repair

If, in **our** opinion, it is economic to repair the **loss** to the **home**, **we** may choose to:

1. pay the reasonable cost to repair the part of the **home** that suffered the **loss**, or
2. pay **you** the estimated reasonable cost to repair the part of the **home** that suffered the **loss**.

#### If your home is uneconomic to repair

1. If, in **our** opinion, it is uneconomic to repair the **loss** to the **home**, **you** may choose one of the following:
  - a. Rebuild on the same site: **We** will pay the reasonable cost incurred to rebuild the part of the **home** that suffered the **loss** to an equivalent size and specification on its original site, or
  - b. Rebuild on another site: **We** will pay the reasonable cost incurred to rebuild the part of the **home** that suffered the **loss** to an equivalent size and specification on another site that **you** provide anywhere in New Zealand. The cost must not be greater than the reasonable cost of rebuilding the part of the **home** that suffered the **loss**





on its original site less demolition and removal costs incurred, or

- c. Buy another home: **We** will pay the reasonable cost incurred to buy another home anywhere in New Zealand, including reasonable and necessary legal and associated fees. However, **we** will not pay more than the estimated reasonable cost that would have been payable if the part of the **home** that suffered the **loss** had been rebuilt within a reasonable timeframe on the original site less demolition and removal costs incurred. Compliance costs, and professional and other fees are not included in the estimated rebuilding costs as these are only incurred when rebuilding occurs, or
  - d. Accept a cash payment with **our** consent: At **our** sole discretion, **we** will pay **you** the estimated reasonable cost to rebuild the part of the **home** that suffered the **loss** less demolition and removal costs incurred. Compliance costs, and professional and other fees are not included in the estimated rebuilding cost as these are only incurred when rebuilding occurs.
2. If, in **our** opinion, it is uneconomic to repair the **loss** to the **home**, and **you** sell the **home** before the rebuilding begins, the most **we** will pay is the lesser of:
- a. the **total sum insured**, and
  - b. the difference between the market value of the **home** immediately before and immediately after the **loss**, plus demolition and removal costs **we** determine are necessary, less any costs covered by this policy which have been met by **us** up to the date on which the sale settles.

### Settlement of your loss

The following clauses are subject to the provisions outlined above in 'What we will pay – The most we will pay'.

### Standard of repair or rebuild

**We** will pay the reasonable cost to repair or rebuild the part of the **home** that suffered the **loss** to a condition as similar as possible to when it was new, using current industry accepted building materials and construction methods, but excluding additional materials, work and expense required solely to comply with government or local authority bylaws and regulations, design, engineers', surveyors' and building consultants' fees, and consents and other associated legal fees.

### Compliance costs

1. If **you** are repairing or rebuilding the **home**, **we** will also include the reasonable costs of additional materials, work and expense required solely to comply with government or local authority bylaws and regulations. **We** will only pay these costs of compliance:
  - a. if the **home** complied with all requirements that existed at the time it was originally built and at the time of any alteration, and
  - b. for the part of the **home** that has suffered **loss** covered by this policy.

2. **We** will not pay any costs of compliance if notice of non-compliance had already been served before the **loss** occurred.
3. These costs are not payable when **you** buy another home or accept a cash payment as settlement of **your** claim, as described in 1. c. or d. of 'If your home is uneconomic to repair' above.

### Professional and other fees

1. If **you** are repairing or rebuilding the part of the **home** that suffered **loss**, **we** will also include the reasonable costs of:
  - a. design, engineers', surveyors' and building consultants' fees, and
  - b. consents and associated legal fees.
2. These costs must be necessary to repair or rebuild the part of the **home** that has suffered **loss**, and approved by **us** before they are incurred.
3. These costs are not payable when **you** buy another home or accept a cash payment as settlement of **your** claim, as described in 1. c. or d. of 'If your home is uneconomic to repair' above.

### Demolition and removal costs

1. If **we** accept a claim for **loss** to the **home**, **we** will also pay the reasonable costs of:
  - a. demolition of the part of the **home** that suffered the **loss** that is necessary to effect the repair or rebuild of that **loss**, and the removal of debris associated with that, and
  - b. removing **your** household contents when this is required to enable the **home** to be repaired or rebuilt, but not the cost of storing them or returning them to the **home**.
2. These costs must be necessary and approved by **us** before they are incurred.
3. If **we** pay to demolish any part of the **home**, this gives **us** the choice to take the debris and dispose of it as **we** see fit and retain any salvage obtained.

### Costs not covered

**We** will not pay for any costs that are incurred for:

1. any part of the **home** that has not suffered **loss** unless this is necessary to repair or rebuild the **loss** covered, or
2. stabilising, supporting or restoring land, earth or fill, or
3. anyone **you** engage to prepare, advise on or negotiate a claim made under this 'Section 1 – Home Insurance'.

*We will not pay these costs. You will have to meet these.*



You get these **BONUS COVERS** automatically!

# Part one – automatic additional benefits

These benefits are subject to the terms of this policy, except where the terms are varied in the benefit. The amounts shown in these benefits are included in the **total sum insured** unless expressly stated otherwise.



Cover under this benefit ends on the earlier of the date on which **we**:

- a. settle **your** claim for **loss** or **contamination damage**, or
- b. have paid **you** 12 months’ alternative accommodation costs.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of the estimated costs to repair or **remediate**, **we** will cover the cost of temporary alternative accommodation for the reasonable estimated period that it would take to repair or **remediate** the part of the **home** that suffered the **loss** or **contamination damage**.

The most **we** will pay under this benefit is \$20,000 for each residential dwelling shown in the **schedule** as covered by this ‘Section 1 – Home Insurance’ per **event** or **contamination claim**. **We** will pay these costs in addition to the **total sum insured**.

If **you** have alternative accommodation cover under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total for each residential dwelling per **event** or **contamination claim** is the highest applicable limit.

## Electronic programs

Notwithstanding the ‘Electronic data and programs’ exclusion in ‘Policy exclusions that apply to all parts of this policy’, **you** are covered for the reasonable cost of restoring, re-setting or re-programming programs, software and other coded instructions necessary to operate any electronic equipment covered under this ‘Section 1 – Home Insurance’ as part of the **home** where that electronic equipment has suffered **loss** covered by this ‘Section 1 – Home Insurance’. **You** are not covered for loss of any data stored on any of that electronic equipment.

## Alternative accommodation

This ‘Section 1 – Home Insurance’ is extended to cover the reasonable additional cost of temporary alternative accommodation (of a similar standard to the **home**) for **you**, any family member who permanently resides with **you**, and **your** domestic pets, if the **home** is **your** principal residence and cannot be lived in due to **loss** or **contamination damage** to the **home** that occurs during the **period of insurance** that:

- 1. is covered by this ‘Section 1 – Home Insurance’, or
- 2. would have been covered by this ‘Section 1 – Home Insurance’, but is covered by the **EQC Act** instead.

## Glass breakage

An **excess** of \$250 per **incident** applies to a claim that is solely for sudden and **accidental** breakage of:

- 1. glass in any:
  - a. windows, or
  - b. doors, or
  - c. screens
 of the **home**, or
- 2. sinks, baths, wash basins, toilet bowls, shower cabinets, bidets, fixed glass lampshades, permanently fixed mirrors or glass in built-in furniture in the **home**.

**Your** no claim discount will not be affected.



## Hidden gradual damage

If **you** occupy the **home**, this 'Section 1 – Home Insurance' is extended to cover:

1. **hidden gradual damage** to the **home** that occurs and that **you** discover during the **period of insurance**, and
2. any other part of the **home** that is not directly affected but must be damaged or destroyed to locate the cause of the **hidden gradual damage**, provided **we** have first given **our** permission.

The most **we** will pay during an **annual period** is \$3,000.

## Keys and locks

If any key (including electronic keys or swipe cards or any equivalent device) or combination that gives access:

1. to the **home**, or
  2. to any safe or strongroom in the **home**,
- is lost, damaged, stolen or believed on reasonable grounds to have been duplicated without **your** permission, during the **period of insurance**, **we** will pay the cost of:
- a. replacing any key to the **home** and altering or replacing the locks that the key was for, or
  - b. opening any safe or strongroom.

The most **we** will pay during an **annual period** is \$1,000.

If **you** have keys and locks cover under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total during an **annual period** is \$1,000.

**You** will not have to pay an **excess** and **your** no claim discount will not be affected for this benefit.

## Landscaping

This 'Section 1 – Home Insurance' is extended to cover the reasonable costs to restore or reconstruct the garden or lawn within the residential boundaries of the **home**, provided:

1. the garden or lawn suffered **loss** as a result of the **home** being repaired or rebuilt following **loss** covered by this 'Section 1 – Home Insurance', or
2. the garden or lawn suffered **loss**, and a claim is payable for **loss** to the **home** from the same **event**.

The most **we** will pay is \$2,500 for any **event**. **We** will pay these costs in addition to the **total sum insured**.

## Loss of rent

This 'Section 1 – Home Insurance' is extended to cover the amount of any rent **you** have lost, if the **home** cannot be lived in due to **loss** or **contamination damage** to the **home** that occurs during the **period of insurance** that:

1. is covered by this 'Section 1 – Home Insurance', or
2. would have been covered by this 'Section 1 – Home Insurance', but is covered by the **EQC Act** instead, while the **home** is a residential rental property and this is shown in the **schedule**.

Cover under this benefit ends on the earlier of the date on which **we**:

- a. settle **your** claim for **loss** or **contamination damage**, or
- b. have paid **you** 12 months' loss of rent.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of the estimated costs to repair or **remediate**, **we** will cover the amount of rent lost for the reasonable estimated period that it would take to repair or **remediate** that part of the **home** that suffered the **loss** or **contamination damage**.

The most **we** will pay under this benefit is \$20,000 for each residential dwelling shown in the **schedule** as covered by this 'Section 1 – Home Insurance' per **event** or **contamination claim**.

**We** will pay these costs in addition to the **total sum insured**.

If **you** have loss of rent cover under the 'Landlord's protection' optional additional benefit or under any other policy with **us**, the most **we** will pay under all policies in total for each residential dwelling per **event** or **contamination claim** is the highest applicable limit.

## Methamphetamine contamination

This 'Section 1 – Home Insurance' is extended to cover **contamination damage** to:

1. the **home**, or
  2. **landlord's contents** at the **home**,
- that first occurs and that **you** discover during the **period of insurance**, subject to the following:

There is no cover for any **contamination damage** where any contamination existed or occurred prior to the current **period of insurance** unless the pre-existing contamination was disclosed to and accepted by **us** in writing. If **you** have insured the **home** with **us** (or any other brand underwritten by **us**) continuously since the earlier period when the **contamination damage** first occurred, **we** will waive the requirement for the **contamination damage** to have first occurred during the current **period of insurance**.



### Damage by you and certain others not covered

You are not covered for any **contamination damage** that is caused or contributed to, directly or indirectly, by or in connection with **you, your partner**, or any member of **your** or their family.

For the purposes of this exclusion, **you** includes any trustee or beneficiary of the trust if the **home** is owned by the trust, any director or shareholder of the company if the **home** is owned by the company, or any unit title holder.

### Where you do not live in the home

Where the **contamination damage** occurs in connection with any tenancy or occupancy of:

1. more than 90 days, there is no cover unless **you**, or the person who manages the tenancy on **your** behalf, have fully met the 'Landlord's obligations' under 'Conditions that apply to all parts of this Section 1 – Home Insurance', or
2. 90 days or less, there is no cover unless the **contamination damage** was caused by an **accidental incident** in connection with the manufacture, distribution or storage (but only where the storage is in connection with supply or distribution) of **methamphetamine** at the **home**.

### What we will pay

1. Where there is cover under this benefit, **we** will:
  - a. reimburse **you** for the reasonable costs **you** have incurred during the **period of insurance** for testing, provided:
    - i. the testing is carried out in accordance with New Zealand Standard NZS 8510 or by an operator approved by **us**, and
    - ii. the testing confirms **contamination damage** to the **home**, and
  - b. pay to **remediate** that part of the **home** that suffered **contamination damage** subject to the provisions below.  
*Please note, the definition of remediate means that we will not pay to remove all traces of methamphetamine contamination and will not restore the home to its condition when it was new.*
2. **We** may choose to:
  - a. pay the reasonable costs to **remediate** the part of the **home** that suffered the **contamination damage**, or
  - b. pay **you** the estimated reasonable cost to **remediate** the part of the **home** that suffered the **contamination damage**.
3. The most **we** will pay under this benefit is \$30,000 for each residential dwelling shown in the **schedule** as covered by this 'Section 1 – Home Insurance', per **contamination claim**.
4. An **excess** of \$2,500 or the **excess** shown in the **schedule**, whichever is greater, will apply per **contamination claim** under this benefit for each residential dwelling shown in the **schedule** as covered by this 'Section 1 – Home Insurance'.

## Natural disaster

This 'Section 1 – Home Insurance' is extended to cover sudden and **accidental loss** to the **home** that occurs during the **period of insurance** caused by **natural disaster**, subject to the following:

### Where EQC cover applies

1. If that **loss** is covered under the **EQC Act**, or would have been but for:
  - a. the application of an excess under the **EQC Act**, or
  - b. a failure by **you** to correctly notify a claim to the Earthquake Commission within the time required under the **EQC Act**, or
  - c. a decision by the Earthquake Commission to decline a claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever, or
  - d. any act or omission on **your** part, the part of **your** agent, or the part of the Earthquake Commission, and the cost to repair or rebuild the part of the **home** that suffered the **loss** exceeds **your** maximum entitlement available (or that would have been available but for the reasons in 1. a. to d. above), for that **loss** under the **EQC Act** (plus the excess under that Act), **we** will pay the difference between that maximum entitlement (plus that excess) and the cost to repair or rebuild the part of the **home** that suffered the **loss**.
2. The most **we** will pay under this benefit for any **event** is the difference between that maximum entitlement (plus the excess) under the **EQC Act** and the **total sum insured**.

### Where no EQC cover applies

3. Where **your** claim for **loss** to the **home** under this benefit is for, or includes, any part of the **home** that is not covered under the **EQC Act**, then the **excess** will be the higher of:
  - a. \$5,000, and
  - b. the **excess** otherwise applicable to the claim under this policy.

*Some examples of parts of the home not covered under the EQC Act are any:*

- › gate or fence,
- › driveway,
- › patio, path, paving, tennis court or other artificial surface,
- › swimming pool or spa pool.



## New building work

This 'Section 1 – Home Insurance' is extended to cover sudden and **accidental loss** that occurs during the **period of insurance** to:

1. any new structure being built within the residential boundaries of the **home**, if **you** own it (or if **you** are responsible for it while it is being built), provided it will be covered by this 'Section 1 – Home Insurance' when complete, and
2. any materials within the residential boundaries of the **home** that are to be included in the new structure, but only if the **loss** was caused by:
  - a. fire, explosion or lightning,
  - b. storm or flood, but not exposure to normal weather conditions,
  - c. riot or labour disturbance,
  - d. aircraft or other aerial or spatial device, or articles dropped from them,
  - e. impact by any **motor vehicle** or animal.

### What is not covered

**We** do not cover any structure:

1. where the expected value of the completed work, or the price of the contract including materials, is more than \$10,000, or
2. that involves alteration to any part of the existing **home**, or
3. that involves excavation more than 1 metre deep, or
4. that has not been granted a building consent or similar if one is required.

### What we will pay

The most **we** will pay during an **annual period** is \$10,000.

## Post-event inflation protection

**We** may, at **our** sole discretion, increase the cover available under this 'Section 1 – Home Insurance' if:

1. a **natural disaster**, flood or storm has occurred in the vicinity of the **home** causing widespread **loss** and, as a direct result of this widespread **loss**, building costs have increased due to a statistically significant increase in demand in **our** opinion, and
2. the **home** has suffered sudden and **accidental loss** that is covered by this 'Section 1 – Home Insurance' and **your** claim in respect of that **loss** is settled on the basis of an actual repair or rebuild of the **home**, and

3. the actual cost to repair or rebuild:

- a. the **home** is higher than the **home sum insured**, or
- b. any retaining wall or **recreational feature** is higher than its corresponding limit shown in this 'Section 1 – Home Insurance', or
- c. any **special feature** is higher than its corresponding **special feature sum insured**, solely due to the increase in building costs described in paragraph 1. above.

The most **we** will pay, in total, for all increases in cover is the amount calculated by applying the percentage of the statistically significant increase in demand to:

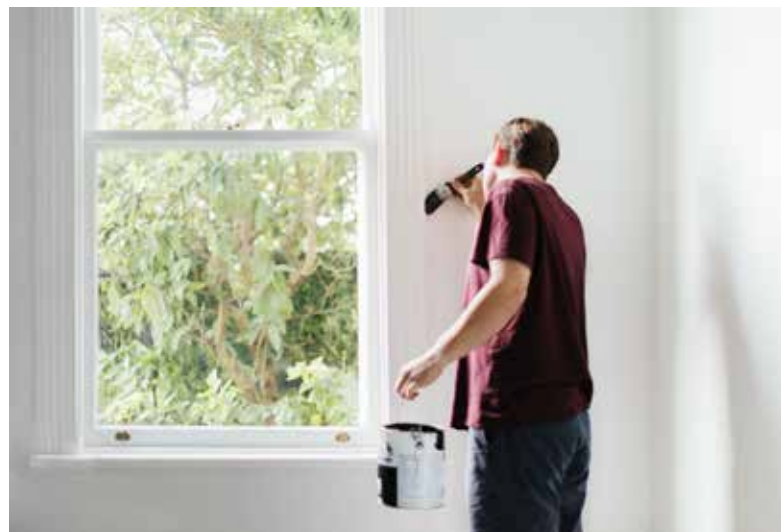
- i. the **home sum insured**, and
- ii. the corresponding limit for any retaining wall or **recreational feature** shown in this 'Section 1 – Home Insurance', and
- iii. the **special feature sums insured**,

up to a maximum of 10% more than those respective sums insured or limits.

However, under no circumstances will **we** pay more than an additional 10% of the **home sum insured** in total for i. and ii. under this clause.

*For example:*

*An earthquake causes damage to a large number of homes in your town and substantially damages your home. As a result of all of the homes needing to be repaired/rebuilt, the cost of building materials and labour increases sharply. If your total sum insured of \$300,000 is no longer adequate because of the increased costs, we may pay up to \$330,000 to rebuild or repair your home and any retaining walls or recreational features.*







## Sale and purchase

Where **loss** occurs after **you** have entered into a contract to sell the **home**, the purchaser is covered by this 'Section 1 – Home Insurance' for that **loss** up until the final settlement, or until they take possession of the **home**, whichever occurs first, provided:

1. they meet all the same conditions of this policy that **you** must meet, and
2. they have not otherwise insured the **home** at the time of the **loss**.

## Stress payment

If, in **our** opinion, it is uneconomic to repair the **loss** to the **home**, **we** will also pay **you** \$2,000 for the stress caused by the **loss**.

If **you** have stress payment cover under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total for any **event** is \$2,000.

**We** will pay these costs in addition to the **total sum insured**.

## Sustainability upgrade

If, in **our** opinion, it is uneconomic to repair the **loss** to the **home**, **we** will also pay up to \$15,000 to upgrade the **home** with **sustainable products**, provided:

1. **you** rebuild the **home** (on the same site or on another site), and
2. **you** occupy the **home** as **your** principal residence at the time of the **loss** (or **you** have purchased the 'Landlord's protection' optional additional benefit), and
3. the **sustainable products** are approved by **us**.

**We** will pay these costs in addition to the **total sum insured**.

## Water or sewage blockage

**We** will pay the reasonable costs towards clearing a blockage in an underground water or sewage pipe, provided the blocked pipe is within the residential boundaries of the **home**.

This benefit only covers the costs of clearing the blockage, and does not cover any other maintenance costs.

The most **we** will pay during an **annual period** is \$500.

**You** will not have to pay an **excess** and **your** no claim discount will not be affected for this benefit.

# Part one – optional additional benefit

EXTRA COVER  
you can purchase

The following benefit is an optional additional benefit. Cover applies only if **you** have purchased the benefit and it is shown in the **schedule**. This benefit is subject to the terms of this policy, except where the terms are varied in the benefit. The amounts payable under this benefit are included in the **total sum insured** unless expressly stated otherwise within the benefit.

## Landlord's protection

### Contents

This 'Section 1 – Home Insurance' is extended to cover sudden and **accidental loss** to **landlord's contents** at the **home** during the **period of insurance**, while the **home** is a rental property.

**We** will at **our** option pay:

1. the **present value** of the **loss**, or
2. the cost to repair the item as near as possible to the same condition it was in immediately before the **loss** occurred.

The most **we** will pay is \$7,500 for any **event**. **We** will pay these costs in addition to the **total sum insured**.

### Intentional acts and rent protection

This 'Section 1 – Home Insurance' is extended to cover:

1. sudden and **accidental loss** during the **period of insurance** to the **home** or **landlord's contents**, caused by:
  - a. an intentional act, or
  - b. vandalism, or
  - c. theft,
 by:
  - i. a tenant, or
  - ii. any guest of a tenant, or
  - iii. any person who occupies the **home**.

The most **we** will pay is \$25,000 per **event**. The **excess** shown in the **schedule** applies to any **incident**.

2. loss of rent where the tenant can legally stop paying rent under the tenancy agreement because of:
  - a. prevention of access, or
  - b. accidental failure of public utilities,
 to the **home** during the **period of insurance**.  
The most **we** will pay is 6 weeks' rent for any **event**.



An **excess** equivalent to 1 week's rent, or \$250 (whichever is the greater) applies to any **incident**.

3. loss of rent following the tenant vacating the **home** without giving the required notice during the **period of insurance**.

The most **we** will pay is 6 weeks' rent for any **event**, less any amount recoverable by **you** from rent paid in advance.

An **excess** equivalent to 1 week's rent, or \$250 (whichever is the greater) applies to any **incident**.

4. loss of rent following eviction of the tenant for non-payment of rent during the **period of insurance**.

The most **we** will pay is 12 weeks' rent for any **event**, less any amount recoverable by **you** from rent paid in advance.

An **excess** equivalent to 1 week's rent, or \$250 (whichever is the greater) applies to any **incident**.

5. loss of rent due to the **home** being left unable to be lived in as a result of any **loss** covered under 1. above.

The most **we** will pay is 52 weeks' rent for any **event**.

## Important

Please also read 'Landlord's obligations' under 'Conditions that apply to all parts of this Section 1 – Home Insurance'.

### Hidden gradual damage

This 'Section 1 – Home Insurance' is extended to cover:

1. **hidden gradual damage** to the **home** that occurs and that **you** discover during the **period of insurance**, and
2. any other part of the **home** that is not directly affected but must be damaged or destroyed to locate the cause of the **hidden gradual damage**, provided **we** have first given **our** permission.

The most **we** will pay during an **annual period** is \$3,000.

### Sustainability upgrade

If, in **our** opinion, it is uneconomic to repair the **loss** to the **home**, **we** will also pay up to \$15,000 to upgrade the **home** with **sustainable products**, provided:

1. **you** rebuild the **home** (either on the same site or on another site), and
2. the **sustainable products** are approved by **us**.

This is in addition to any payment under the **total sum insured**.

### Tenant's pets

This 'Section 1 – Home Insurance' is extended to cover sudden and **accidental loss** to the **home** or **landlord's contents** during the **period of insurance** that is caused by an animal owned by anyone living in the **home**.





## Part two – your legal liability

### What you are covered for

#### Legal liability

You are covered for **your** legal liability for:

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else,

occurring during the **period of insurance** in New Zealand, caused by or through or in connection with **your** ownership of the **home** or its grounds, or the **landlord's contents**.

#### Defence costs

You are also covered for defence costs **you** necessarily and reasonably incur, with **our** prior approval, in relation to liability arising under the items above.

#### Reparation

You are covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of insurance** in connection with **your** ownership of the **home** or its grounds, or the **landlord's contents**, provided:

1. **you**, or any other person entitled to cover under this benefit, tell **us** immediately if **you** or they are charged with any offence in connection with **your** ownership of the **home** or its grounds, or the **landlord's contents** that resulted in **loss** of property or **bodily injury** to another person, and
2. **we** give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 ('the Act'), or would be covered but for:

- a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or
- b. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, or
- c. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

### What you are not covered for

You are not covered for:

1. liability, including liability for **reparation**, connected in any way with:
  - a. any business (other than renting the **home** as a residence), trade, profession or sponsorship, or
  - b. any contract or agreement, unless **you** would have been liable even without a contract or agreement, or
  - c. the ownership or use of any **motor vehicle** (other than any domestic garden appliance), trailer, caravan, watercraft, or aircraft or other aerial device, or
  - d. any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during the **period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**.
2. punitive or exemplary damages or fines.

#### Important

Please also read 'Exclusions that apply to all parts of this Section 1 – Home Insurance' and 'Policy exclusions that apply to all parts of this policy'.

### What we will pay

#### Legal liability

The most **we** will pay is \$1,000,000 for any **event**. This is in addition to the **total sum insured**.

#### Defence costs

Defence costs covered by this 'Section 1 – Home Insurance' will be paid in addition to the **total sum insured** and 'Legal liability' limit (above).

#### Settlement of any claim

**We** may pay the full amount under this part of 'Section 1 – Home Insurance', or any lesser amount for which the liability can be settled plus defence costs incurred, and this will meet all **our** obligations under this part of this 'Section 1 – Home Insurance'.



# Exclusions that apply to all parts of this Section 1 – Home Insurance

## Consequential loss

**You** are not covered for any kind of consequential loss other than as specifically provided for under the 'Alternative accommodation' and 'Loss of rent' automatic additional benefits.

*For example, you are not covered for financial loss that occurs as a result of physical loss or physical damage that is covered by the policy.*

## Earth movements

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with:

1. subsidence or erosion, or
2. settling, warping or cracking caused by earth or other movements. This exclusion 2. does not apply to **loss** covered by the 'Natural disaster' automatic additional benefit.

## Excess

For each **incident**, the relevant **excess** will be deducted from the amount of **your** claim unless stated otherwise under an additional benefit.

If **you** have more than one dwelling covered under this 'Section 1 – Home Insurance', the **excess** applies individually to each dwelling.

If **we** insure both the **home** and its contents (at the same address) and **you** claim under both for **loss** caused by the same **incident**, only one excess will apply, being the highest applicable excess.

Where an **incident** occurs that results in a claim under more than one benefit (or sub-section of a benefit) of this 'Section 1 – Home Insurance', only one **excess** will apply, being the highest applicable **excess**.

The **excess** is deducted after any policy limits have been applied.

*For example, if a limit of \$1,000 applies and an excess of \$400 is payable by you, the amount we will pay is \$600.*

## Unlawful substances

**You** are not covered for any loss, damage, cost, expense, prosecution or liability in connection with the presence at the **home** of any 'controlled drug' as defined in the Misuse of Drugs Act 1975.

This exclusion does not apply to:

1. loss covered by the 'Alternative accommodation', 'Loss of rent' or 'Methamphetamine contamination' automatic additional benefits, or
2. **loss** caused by the **accidental** spread of fire or explosion, or
3. liability for **accidental loss** to anyone else's property as a result of **your** being a residential landlord and caused by, through or in connection with **your** ownership of the **home** or **landlord's contents**, provided:
  - a. **you**, or the person who manages the tenancy on **your** behalf, have fully met the 'Landlord's obligations' under 'Conditions that apply to all parts of this Section 1 – Home Insurance', and
  - b. **you**, or the person who manages the tenancy on **your** behalf, have tested for the presence of **methamphetamine** before and after each tenancy of the **home**, such testing having been completed in accordance with the New Zealand Standard NZS 8510 or by an operator approved by **us**, and such testing confirmed that **methamphetamine** contamination at the **home** does not exceed the **contamination level** for a **methamphetamine** manufacturing laboratory.



# Conditions that apply to all parts of this Section 1 – Home Insurance

## Assignment

Except as outlined in ‘Other parties with a financial interest’ under ‘Policy conditions that apply to all parts of this policy’, **you** must not otherwise transfer any of **your** entitlements or benefits under this ‘Section 1 – Home Insurance’ to any person or entity without **our** prior written consent.

It is not possible to assign the entitlements or benefits of ‘If your home is uneconomic to repair, 1.’ under this ‘Section 1 – Home Insurance’. If, in **our** opinion, it is not economic to repair the **loss** to the **home**, the provisions of ‘If your home is uneconomic to repair, 2.’ will apply to the entitlement that is transferable.

It is not possible to assign this ‘Section 1 – Home Insurance’ policy to another person or entity.

## Cancellation

If, in **our** opinion it is uneconomic to repair the **loss** to the **home**, this ‘Section 1 – Home Insurance’ will be automatically cancelled from the date **we** pay **your** claim or the date on which rebuilding commences, whichever occurs first. **We** will not refund **you** any premium for the unused portion of the **period of insurance**.

*This means that you will need to make new insurance arrangements on any replacement home.*

## Landlord’s obligations

If the **home** is tenanted, **you**, or the person who manages the tenancy on **your** behalf, must:

1. exercise reasonable care in the selection of the tenant(s) by at least obtaining satisfactory identification and written or verbal references for each adult tenant and when a reasonable landlord would consider it appropriate also check their credit and Tenancy Tribunal history, and
2. keep written records of the pre-tenancy checks conducted for each adult tenant, and provide to **us** a copy of these if **we** request it, and
3. collect a total of 3 weeks’ rent in any combination of rent in advance and bond that will be registered with Tenancy Services, and
4. complete an internal and external inspection of the **home** at a minimum of 3 monthly intervals and the relevant residential dwelling upon every change of tenant(s), and

5. keep photographs and a written record of the outcome of each inspection, and provide to **us** a copy of these if **we** request it, and
6. monitor rents on a weekly basis with written notification being sent to the tenant(s) whenever rent is 14 days in arrears, together with a personal visit to determine if the tenant(s) remains in residence, and
7. make application to the Tenancy Tribunal for vacant possession in accordance with the provisions of the Residential Tenancies Act 1986 if:
  - a. the rent is 21 days in arrears, or
  - b. **you** become aware of any illegal activity by the occupant(s) at the **home**, or
  - c. intentional damage to the **home** is caused by the occupant(s).

If the **home** is provided to and occupied by **your** employee as part of their employment package with **you**, then obligations 3., 6. and 7.a. do not apply.





# Definitions

The definitions apply to the plural and any derivatives of the words in this 'Section 1 – Home Insurance'.

*For example, the definition of 'accident' also applies to the words 'accidents', 'accidental' and 'accidentally'.*

There are other defined words used in this section as well as other sections of this policy. **You** can find out the meaning of these other defined words by referring to 'Policy definitions that apply to all parts of this policy' on page 53.

## accident

unexpected and unintended by **you**.

## contamination claim

**contamination damage** arising out of or attributable to an **event** or multiple **events** regardless of the number of acts, persons, tenancies, occupancies or **incidents** involved.

## contamination damage

**loss** caused by **methamphetamine** contamination that exceeds the **contamination level**.

## contamination level

the relevant guideline value for indoor surface contamination as set out in the most recent version of the New Zealand Standard NZS 8510.

## EQC Act

Earthquake Commission Act 1993 and any Act in substitution of that Act.

## hidden gradual damage

hidden rot, hidden mildew or hidden gradual deterioration, caused by water leaking from any internal:

- › tank that is plumbed into the water reticulation system of the **home** and is permanently used to store water, or
- › water pipe, or
- › waste disposal pipe,

installed at the **home**.

## home

the residential dwelling(s) that **you** own at the Situation of Property shown in the **schedule** including any of the following used at all times solely for domestic use:

- › outbuildings within the residential boundaries of the situation on which the residential dwelling(s) is situated. This includes any fixed domestic: garage, carport, glasshouse, animal shelter,

- › fixtures and fittings permanently attached to the residential dwelling(s) or its outbuildings. This includes: kitchen stove, hob or range hood, any other home appliance that is permanently wired, permanently plumbed or permanently built-in,
- › kitchen oven permanently attached or not,
- › fitted floor coverings (including glued, smooth edge or tacked carpet and floating floors) of the residential dwelling(s) or its outbuildings included above,
- › driveway of permanent construction that provides direct access to the residential dwelling(s) or any outbuilding included above,
- › patio, paths and paving of permanent construction, deck, steps, gate or fence, provided they are on or within the residential boundaries within which the residential dwelling(s) is situated,
- › walls including garden and retaining walls,
- › **recreational features**,
- › public utility services supplying the residential dwelling(s) or any of its outbuilding(s) included above, including, but not limited to, power and telephone lines, data cables, supply and waste water pipes,
- › permanently sited water storage tank, septic tank or heating oil tank and its associated equipment (excluding its contents),
- › solar power and solar water heating systems.

It also includes any of the following at the Situation of Property shown in the **schedule** that **you** own primarily for domestic use but that may also have limited use for rural lifestyle purposes:

- › outbuildings for the storage of:
  - a. tools,
  - b. animal feed,
  - c. uninstalled equipment, or
  - d. machinery and vehicles,
- › private utility plant and associated equipment, including, but not limited to, wind or water mills, or diesel generators, provided the replacement cost is \$10,000 or less,
- › bridge, culvert, permanent ford or dam, provided the replacement cost is \$15,000 or less,
- › well or bore hole including its pump, lining or casing, provided the replacement cost is \$10,000 or less.



It does not include any of the following unless it is shown in the **schedule** as a **special feature** with a corresponding **special feature sum insured**:

- › private utility plant and associated equipment, including, but not limited to, wind or water mills, or diesel generators, with a replacement cost of more than \$10,000,
- › cable car and its associated equipment,
- › bridge or culvert, permanent ford or dam, with a replacement cost of more than \$15,000,
- › wharf, pier, landing or jetty,
- › well or bore hole including its pump, lining or casing, with a replacement cost of more than \$10,000.

It does not include any of the following:

- › any part of the home that is used for business or commercial purposes except where:
  - a. it is rented out as a residential property, or
  - b. it is used solely as a home office for clerical purposes by **you** or **your** tenant,
- › any part of the home that is built for or used for farming or rural lifestyle purposes whether commercial or not, including, but not limited to, stables, barns or other farm buildings that provide animal shelter, or outbuildings that are solely used to store animal feed or machinery,
- › any part of the home being constructed, de-constructed or undergoing alterations and not suitable for permanent residential use or occupation, unless cover is provided by the 'New building work' automatic additional benefit,
- › gravel or shingle, including a gravel or shingle: driveway, path, patio, or paving,
- › loose floor covering including: mats, rugs or runners,
- › temporary structure,
- › fittings that are not permanently attached, including, but not limited to, curtains and blinds,
- › appliances that are not permanently wired, permanently plumbed or permanently built-in other than a kitchen oven,
- › household goods and personal effects, unless cover is provided under the 'Landlord's protection' optional additional benefit,
- › live plants, including any: tree, shrub, hedge or grass, other than the cover provided under the 'Landscaping' automatic additional benefit,
- › land, earth or fill,
- › structure or property not at the Situation of Property shown in the **schedule**.

### **home sum insured**

the amount shown in the **schedule** of the same name. This includes any increased limits for retaining walls and **recreational features**.

### **incident**

something that occurs at a particular point in time, at a particular place and in a particular way.

### **landlord's contents**

any of the following:

- › fixture or fitting including drapes and light fittings,
- › household goods, including, but not limited to, washing machines, dryers, refrigerators, freezers, dishwashers and heaters,
- › domestic garden appliance (including its parts and accessories),

that are owned by or hired to **you** (provided **you** are legally liable under the hire agreement), and provided by **you** for use by the tenant.

It does not include any:

- › personal effects, or
- › livestock, domestic pet or other creature, or
- › fitted floor covering (including glued, smooth edge or tacked carpet or floating floors) of the dwelling or its domestic outbuildings, or
- › watercraft or outboard motor and their parts and accessories that are in them or attached to them, or
- › **motor vehicle**, trailer or caravan and their parts and accessories that are in them or attached to them, or
- › aircraft or other aerial device and their parts and accessories that are in them or attached to them.

### **methamphetamine**

the Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975 or any of their precursor chemicals and by-products.

### **motor vehicle**

any type of machine on wheels, or caterpillar tracks, that is made or intended to be propelled by its own power, as well as anything towed by the machine.

### **natural disaster**

an earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or natural disaster fire, as defined in the **EQC Act**.



### recreational features

any tennis court or permanently fixed swimming pool or permanently fixed spa pool including its ancillary equipment and pump(s).

### remediate

to reduce the level of **methamphetamine** contamination to below the **contamination level**.

*Please note, the definition of remediate means that we will not pay to remove all traces of methamphetamine contamination and will not restore the home to its condition when it was new.*

### reparation

an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.

### special feature

any item that is listed in the **schedule** with a corresponding **special feature sum insured**.

### special feature sum insured

the Sum Insured amount shown in the **schedule** that corresponds with the **special feature**.

### sustainable products

sustainable products are:

- › products that increase the efficiency of the **home** relating to **your** use of energy or water, and
- › rebuilding materials that reduce environmental impacts.

Sustainable products include:

- › solar water heating system,
- › home sprinkler system,
- › heat pump(s),
- › rainwater collection tank,
- › 'best practice' insulation (as recommended by Standards New Zealand),
- › environmentally friendly paint,
- › pellet burner(s).

### total sum insured

the amount shown in the **schedule** of the same name inclusive of:

- › the **home sum insured**, which includes any limits for retaining walls and **recreational features**, and
- › any **special feature sums insured**, and
- › automatic and optional additional benefits unless stated otherwise within such benefit(s).

### you

the person(s) or entity shown as the Policy Owner in the **schedule**.

## Important

Please also read 'Policy definitions that apply to all parts of this policy'.

# Section 2

## Contents Insurance



You are covered under this section if it is shown in the **schedule**.

### Part one – cover for your contents

#### What you are covered for

You are covered for sudden and **accidental loss** to **contents** that occurs during the **period of insurance** while they are in New Zealand:

1. at the **home**, or
2. in **your** possession while in transit from the place where **you** acquired them to the **home**, or
3. **temporarily removed** from the **home**.

#### What you are not covered for

##### 48 Hour restriction

You are not covered for **loss** that occurs during the first 48 hours of this ‘Section 2 – Contents Insurance’, caused by storm, flood or landslip. This only applies when **you** first take this ‘Section 2 – Contents Insurance’ out with **us**.

However, this exclusion does not apply where this ‘Section 2 – Contents Insurance’ started immediately following another policy that also insured the same property against the risks of storm, flood and landslip.

##### Vacant homes

If **you**, or a person authorised by **you**, have not been living at the **home** for a period of more than 60 consecutive days, **we** will only pay for **loss to contents** that is:

1. caused by fire, explosion or lightning, or
2. covered under the ‘Natural disaster’ automatic additional benefit.

This restriction applies unless:

- a. **you** have notified **us** and **we** have agreed in writing to cover the **contents** while the **home** is unoccupied. **We** may, at this time, change the terms of **your** policy.
- b. **we** have the **home** recorded as a holiday home, and the following criteria are met:
  - i. the **home** and **contents** are inspected inside and outside by **you** or a nominated person at least every 60 days, and
  - ii. the **home**, its grounds and the **contents** are adequately maintained, and
  - iii. mail is cleared regularly, and

- iv. the water supply is turned off, and
- v. all doors are locked, and all windows secured.

This restriction will end as soon as **you**, or a person authorised by **you**, is living in the **home** again.

##### Causes of loss not covered

You are not covered for **loss to contents** connected in any way with:

1. structural additions or structural alterations to the **home**, unless **we** have been notified of the additions or alterations beforehand and **we** have agreed in writing to cover this, or
2. water in any form (including hail and snow) entering the **home** because any roofing material, exterior cladding, window or door has been removed by:
  - a. **you**, or
  - b. any other person who is acting on **your** authority, or
3. insects, rodents or vermin (other than possums), or
4. **natural disaster**, unless cover is provided under the ‘Natural disaster’ automatic additional benefit.

However, exclusions 1., 2. and 3. apply only to **contents** directly affected. They do not apply to resultant sudden and **accidental loss** to other **contents**.

##### Types of loss not covered

You are not covered for:

1. repairing or replacing undamaged parts of a complete pair or a set, or
2. **loss** to fuses, protective devices or lighting or heating elements caused by electricity, or
3. **loss**, cost or expense arising from any fault, defect, error or omission in:
  - a. design, plan or specification, or
  - b. workmanship, construction or materials.

However, this exclusion 3. applies only to **contents** directly affected. It does not apply to resultant sudden and **accidental loss** to other **contents**, or

4. the breakdown, failure or wearing out of any mechanical or electrical equipment, or any part thereof, unless burning out occurs as a result of an **accidental** and external force.





### Gradual damage not covered

You are not covered for:

1. wear and tear, depreciation, corrosion or rust, or
2. rot or mildew, or
3. gradual deterioration, except for **loss** covered by the 'Hidden gradual damage' automatic additional benefit.

### Intentional acts not covered

You are not covered for **loss** that is intentionally caused by:

1. a tenant, or
2. any guest of a tenant, or
3. any person who occupies the **home**,

except where the **loss** is a result of fire or explosion, provided the fire or explosion was not intentionally caused by a person shown as the Policy Owner in the **schedule** or their **partner**.

### Important

Please also read 'Exclusions that apply to all parts of this 'Section 2 – Contents Insurance' and 'Policy exclusions that apply to all parts of this policy'.

## What we will pay

### Contents covered for repair or replacement

For any **replacement cover item**, we will at **our** option pay:

1. the cost to repair the item, where in **our** opinion it is economical to do so, or
2. the cost to replace the item as nearly as possible equal to its condition when new, where the item cannot be repaired.

### Contents covered for sustainability upgrade

For any whiteware appliance less than 10 years of age, we will at **our** option pay:

1. the cost to repair the appliance, where in **our** opinion it is economical to do so, or
2. the cost to replace the appliance as nearly as possible equal to its condition when new, where the appliance cannot be repaired.

If a comparable model appliance that has more energy-efficient features is available, we will pay for that model.

### All other contents

For any other item of **contents**, we will at **our** option pay:

1. the cost to repair the item as nearly as possible to the same condition it was in immediately before the **loss** occurred, or
2. its **present value**.

### Maximum payment for specific types of contents

Unless the item is shown as a **specified item**, the most we will pay for any **event**, for any of the following is:

1. \$3,000 for any single:
  - a. pair of earrings, or
  - b. item of jewellery, watch, **collection**, **camera** or **camera accessory**, and
2. \$2,000 for any: surfboard, windsurfer, paddleboard, kite surfer, surf ski, dinghy, kayak or canoe (including their parts and accessories that are in them or attached to them), and
3. \$3,000 for any remotely piloted aircraft (including its parts and accessories that are in it or attached to it), and
4. \$10,000 for any: ornament, painting, picture or work of art, and
5. \$2,500 for any bicycle, and
6. \$1,000 in total for: money, bullion, unset precious stones, credit and debit cards, and stamps not being part of a **collection**, and
7. \$2,500 in total for all parts and accessories of any:
  - a. **watercraft**, or
  - b. **motor vehicle**, trailer or caravan, or
  - c. aircraft or other aerial device, that are not in them or attached to them.

### Maximum payment – for multiple items of unspecified jewellery and watches

Unless a different maximum payment amount is shown in the **schedule**, the most we will pay for any **event** for multiple items of jewellery and watches that are not **specified items** is \$20,000.

*For example, if you lose 10 pieces of jewellery, each with a value of \$3,000, the most we will pay is \$20,000 unless we have previously agreed to increase the limit to \$30,000.*

### Maximum payment – specified items

The most we will pay for any **event** for a **specified item** is its **specified sum insured**.

### Maximum payment

Except as otherwise stated in this 'Section 2 – Contents Insurance', the most we will pay under 'Part one – cover for your contents' for any **event** is the Sum Insured as shown in the **schedule**.

### Need higher limits than this?

Just get in touch with our team on 0800 808 618 or go to [www.bnz.co.nz/contentsinsurance](http://www.bnz.co.nz/contentsinsurance)



## Part one – automatic additional benefits

You get these  
**BONUS COVERS**  
automatically!

These benefits are subject to the terms of this 'Section 2 – Contents Insurance', except where the terms are varied in the benefit.



### Alternative accommodation

This 'Section 2 – Contents Insurance' is extended to cover the reasonable additional costs:

1. of temporary alternative accommodation (of a similar standard to the **home**) for **you** and **your** domestic pets, and
2. to move **your contents** to the alternative accommodation and return them to the **home**, and
3. to move **your contents** to a secure storage facility, for storage while **you** are in alternative accommodation, and to return them to the **home**,

if the **home** is **your** principal residence and cannot be lived in due to **loss** to the **home** or to **your contents** at the same **home** that occurs during the same **period of insurance** where the **loss**:

- a. is covered by:
  - i. this 'Section 2 – Contents Insurance', or
  - ii. any home policy, or
  - iii. the **EQC Act** but would have been covered by i. or ii. above, or
- b. is to the **home** in which **you** are the tenant and that would have been covered under a home policy if **we** had insured that property, or would have been but is covered by the **EQC Act** instead.

If **you** occupy the **home** as a tenant, cover under this benefit ends on the date that:

1. **your** tenancy agreement ends, or
  2. **you** move to another rental property,
- whichever occurs first.

The most **we** will pay is \$20,000 for any **event**.

**We** will pay these costs for a maximum of 12 months for any **event**.

This benefit is in addition to any payment under 'What we will pay' of 'Part one – cover for your contents'.

If **you** have alternative accommodation cover under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total for any **event** is the highest applicable limit.

### Children living away from home

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** that occurs during the **period of insurance** to **contents** of any **family** member who is a student attending a school, polytechnic or university and living away from **home** during the **period of insurance**.

However, if they are not living in a hostel or other accommodation run by or for that school, polytechnic or university:

1. **You** are not covered for **loss** arising from **contents** being:
  - a. stolen, unless the theft follows forceful and violent entry to any building, or
  - b. lost or misplaced.
2. The most **we** will pay for any **event** is:
  - a. \$500 for any one item of **contents**, and
  - b. \$5,000 in total.

### Contents in storage

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** to **contents** while they are stored in a building, provided the **loss** occurs during the **period of insurance** and:

1. they are in storage in a safe deposit box at a bank or commercial vault anywhere in New Zealand, or
2. **you** have notified **us** of the storage arrangement and **we** have approved it, provided the **loss** was caused by:
  - a. fire, lightning or explosion, or
  - b. theft following forceful and violent entry to the storage building, or
  - c. storm or flood (but not if the water originates from inside the building), or
  - d. water that leaks, overflows, or is discharged from a water system installed at the storage building, or
  - e. **natural disaster**, or
  - f. aircraft or other aerial or spatial device, or articles dropped from them, or
  - g. impact by **motor vehicle**.



## Contents in transit

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** to **contents** while in transit from the **home** to any permanent residence in New Zealand, provided:

1. the **loss** is caused by any of the following:
  - a. fire, lightning or explosion, or
  - b. theft following forceful and violent entry to a **motor vehicle** or building, or
  - c. storm or flood, or
  - d. **natural disaster**, or
  - e. aircraft or other aerial or spatial device, or an article dropped from them, or
  - f. **motor vehicle** collision, and
2. the **loss** occurs during the **period of insurance**.

## Credit cards

**We** will pay the irrecoverable amount **you** have lost, if **your** credit cards or debit cards are lost or stolen and used fraudulently during the **period of insurance** by any person who is:

1. not related to **you**, and
2. not living at the **home**, and
3. not a person whose **contents** are covered by this 'Section 2 – Contents Insurance',

provided **you** have complied with the terms and conditions of **your** credit card or debit card.

The most **we** will pay during an **annual period** is \$1,000.

This is in addition to any payment under 'What we will pay' of 'Part one – cover for your contents'.

## Electronic data and programs

Notwithstanding the 'Electronic data and programs' exclusion in 'Policy exclusions that apply to all parts of this policy', this 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** that occurs during the **period of insurance** to **contents** consisting of:

1. licensed computer software (including gaming software) and programs, or
2. digital data (including audio and video files), in any format, provided:
  - a. **you** legally owned the software, programs or digital data, and
  - b. it was on **your** own storage device which suffered **loss** covered by this 'Section 2 – Contents Insurance', and
  - c. it was at the **home**, or **temporarily removed** from the **home** for use anywhere else in New Zealand.

**We** will not pay for any of the following:

- i. the cost of re-installing, re-setting or recreating the software, program or digital data, or

- ii. **loss** caused directly or indirectly, or in connection with a **computer virus**.

**We** will only pay the **present value** of the **loss**.

## Frozen food

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** to **contents** that occurs during the **period of insurance** caused by a refrigerator or freezer suddenly stopping or breaking down or the power supply being **accidentally** disconnected (including by an electricity supply company).

**We** will pay the reasonable cost to:

1. replace the perished items in **your** refrigerator or freezer (other than items kept by **you** in connection with any business), and
2. repair **loss** to **contents** caused by the perished items.

**We** will not pay for **loss** to **contents** caused by the power supply being disconnected because of any failure to pay a power bill.

## Hidden gradual damage

This 'Section 2 – Contents Insurance' is extended to cover:

1. **hidden gradual damage** to **contents** that occurs and that **you** discover during the **period of insurance**, and
2. any other **contents** that are not directly affected but must be damaged or destroyed to locate the cause of the **hidden gradual damage**, provided **we** have first given **our** permission.

The most **we** will pay during an **annual period** is \$3,000.

## Home office

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** to **your** office furniture and office equipment used for earning income that occurs during the **period of insurance**.

The most **we** will pay for any **event** is:

1. \$10,000 when the **loss** occurs at the **home**, or
2. \$1,500 when the **loss** occurs when **temporarily removed** from the **home**.

## Keys and locks

If any key (including electronic keys or swipe cards or any equivalent device) or combination that gives access to:

1. the **home**, or
2. any safe or strongroom in the **home**,

is lost, damaged, stolen or believed on reasonable grounds to have been duplicated without **your** permission, during the **period of insurance**, **we** will pay the cost of:

- a. replacing any key to the **home** and altering or replacing the locks that the key was for, or
- b. opening any safe or strongroom.



The most **we** will pay during an **annual period** is \$1,000. If **you** have keys and locks cover under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total during an **annual period** is \$1,000.

**You** will not have to pay an **excess** and **your** no claim discount will not be affected for this benefit.

## Natural disaster

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** to **contents** that occurs during the **period of insurance** caused by **natural disaster**.

However, if that **loss** is covered under the **EQC Act**, or would have been but for:

1. the application of an excess under the **EQC Act**, or
2. a failure by **you** to correctly notify a claim to the Earthquake Commission within the time required under the **EQC Act**, or
3. a decision by the Earthquake Commission to decline a claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever, or
4. any act or omission on **your** part, the part of **your** agent, or the part of the Earthquake Commission,

and the cost to repair or replace **contents** that suffered the **loss** exceeds **your** maximum entitlement available (or that would have been available but for the reasons in 1. to 4. above), for that **loss** under the **EQC Act** (plus the excess under that Act), **we** will pay the difference between that maximum entitlement (plus that excess) and the cost to repair or replace **contents** that suffered the **loss**.

The most **we** will pay under this benefit for any **event** is the difference between that maximum entitlement (plus the excess) under the **EQC Act** and the Sum Insured shown in the **schedule**.

## Overseas travel

This 'Section 2 – Contents Insurance' is extended to cover sudden and **accidental loss** to **your** clothing, personal effects, suitcases, bags and jewellery, while **you** are in transit to and from, and travelling in, Australia or the South Pacific Islands during the **period of insurance**, provided **your** entire trip does not exceed 3 weeks in total.

The most **we** will pay for any one trip is \$5,000.

## Spectacles, contact lenses, hearing aids and dentures

If **you** are over 55 years of age and **your** claim is only for sudden and **accidental loss** to **your** spectacles, contact lenses, hearing aids or dentures, **you** will not have to pay an **excess** and **your** no claim discount will not be affected.

## Stress payment

Whenever **we** settle a claim for **contents** as a total loss, **we** will also pay **you** \$2,000 for the stress caused by the **loss**.

If **you** have stress payment cover under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total for any **event** is \$2,000.

This is in addition to any payment under 'What we will pay' of 'Part one – cover for your contents'.





## Part two – your legal liability

### What you are covered for

#### Legal liability

You are covered for **your** legal liability (but not as a property owner) for:

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else, occurring during the **period of insurance** in New Zealand.

#### Defence costs

You are also covered for defence costs **you** necessarily and reasonably incur, with **our** prior approval, in relation to liability arising under the items above.

#### Reparation

You are covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of insurance**, provided:

1. **you**, or any other person entitled to cover under this benefit, tell **us** immediately if **you** or they are charged with any offence that resulted in **loss** of property or **bodily injury** to another person, and
2. **we** give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 ('the Act'), or would be covered but for:

- a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or
- b. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, or
- c. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

### What you are not covered for

You are not covered for:

1. liability, including liability for **reparation**, connected in any way with:
  - a. any business, trade, profession or sponsorship, or
  - b. any contract or agreement, unless **you** would have been liable even without a contract or agreement, or
  - c. the ownership or use of any:

- i. **motor vehicle** (other than an electric wheelchair, domestic garden appliance, mobility scooter, golf cart or children's motorbike not exceeding 50cc used only off road), trailer or caravan, or
- ii. aircraft or other aerial device, unless it is a remotely piloted aircraft as defined by the Civil Aviation Authority, or
- iii. watercraft, unless the **watercraft** is covered under this 'Section 2 – Contents Insurance', or
- d. any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during the **period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**.

2. punitive or exemplary damages or fines.

#### Important

Please also read 'Exclusions that apply to all parts of this 'Section 2 – Contents Insurance' and 'Policy exclusions that apply to all parts of this policy'.

### What we will pay

#### Legal liability

The most **we** will pay is \$1,000,000 for any **event**. This is in addition to any payment under 'What we will pay' of 'Part one – cover for your contents'.

#### Defence costs

Defence costs covered by this 'Section 2 – Contents Insurance' will be paid in addition to the 'Legal liability' limit (above).

#### Settlement of any claim

**We** may pay the full amount under this part of this 'Section 2 – Contents Insurance', or any lesser amount for which the liability can be settled plus defence costs incurred, and this will meet all **our** obligations under this part of this 'Section 2 – Contents Insurance'.





## Exclusions that apply to all parts of this Section 2 – Contents Insurance

### Consequential loss

**You** are not covered for any kind of consequential loss other than as specifically provided for under the ‘Alternative accommodation’ automatic additional benefit.

*For example, you are not covered for financial loss that occurs as a result of physical loss or physical damage that is covered by the policy.*

### Earth movements

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with:

1. subsidence or erosion, or
2. settling, warping or cracking caused by earth or other movements. This exclusion 2. does not apply to **loss** covered by the ‘Natural disaster’ automatic additional benefit.

### Excess

For each **incident**, the relevant **excess** will be deducted from the amount of **your** claim unless stated otherwise under an additional benefit.

If **we** insure both the **contents** and the **home** (at the same address) and **you** claim under both for **loss** caused by the same **incident**, only one excess will apply, being the highest applicable excess.

Where an **incident** occurs that results in a claim under more than one benefit (or sub-section of a benefit) of this ‘Section 2 – Contents Insurance’, only one **excess** will apply, being the highest applicable **excess**.

The **excess** is deducted after any policy limits have been applied.

*For example, if a limit of \$1,000 applies and an excess of \$250 is payable by you, the amount we will pay is \$750.*



### Remotely piloted aircraft

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with the use of a remotely piloted aircraft outside of the Civil Aviation Authority rules.

### Unlawful substances

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with contamination from any ‘controlled drug’ as defined in the Misuse of Drugs Act 1975. This exclusion does not apply to **loss** caused by the **accidental** spread of fire or explosion.

#### Important

Please also read ‘Policy exclusions that apply to all parts of this policy’.

## Conditions that apply to all parts of this Section 2 – Contents Insurance

### Cancellation

If **we** settle **your** claim as a total loss, this ‘Section 2 – Contents Insurance’ will be automatically cancelled. **We** will not refund **you** any premium for the unused portion of the **period of insurance**.



# Definitions

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The definitions apply to the plural and any derivatives of the words in this 'Section 2 – Contents Insurance'.

*For example, the definition of 'accident' also applies to the words 'accidents', 'accidental' and 'accidentally'.*

There are also other defined words used in this 'Section 2 – Contents Insurance' as well as other Sections of this policy.

**You** can find out the meaning of these other defined words by referring to 'Policy definitions that apply to all parts of this policy' on page 53.

## accident

unexpected and unintended by **you**.

## camera

the camera body (film, video or digital) and the standard lens that would normally be supplied with that body at the time of the original purchase. Any additional lenses and accessories are separate items.

## collection

any collection of: stamps, medals or coins.

## contents

any of the following:

- › household goods and personal effects,
- › loose floor covering including: mats, rugs or runners,
- › **watercraft** (including its parts and accessories in it or attached to it),
- › electric wheelchair, mobility scooter, domestic garden appliance, golf cart or children's motorbike not exceeding 50cc that is used only off road (including their parts and accessories),
- › portable swimming pool or portable spa pool,
- › parts or accessories of any:
  - a. **watercraft**, or
  - b. **motor vehicle**, trailer or caravan, or
  - c. aircraft or other aerial device,that are not in them or attached to them,

that are owned by or hired to **you** (provided **you** are legally liable under the hire agreement) but that are not used at any time for earning income except office furniture and office equipment covered by the 'Home office' automatic additional benefit, and

it includes:

- › gifts belonging to other people being kept at the **home**, and
- › contents that are owned by any of **your** children that are left with **you** while they live outside New Zealand.

It does not include any of the following:

- › livestock, domestic pet or other creature,

- › fitted floor covering (including glued, smooth edge or tacked carpet, or floating floors) of the dwelling or its domestic outbuildings,
- › **motor vehicle**, trailer or caravan and their parts and accessories that are in them or attached to them,
- › aircraft or other aerial device and their parts and accessories that are in them or attached to them, unless it is a remotely piloted aircraft as defined by the Civil Aviation Authority.

## EQC Act

Earthquake Commission Act 1993 and any Act in substitution of that Act.

## family

any member of **your** family who:

- › permanently resides with **you**, or
- › is a student attending a school, polytechnic or university and living away from **home** while attending the school, polytechnic or university.

## hidden gradual damage

hidden rot, hidden mildew or hidden gradual deterioration, caused by water leaking from any internal:

- › tank that is plumbed into the water reticulation system of the **home** and is permanently used to store water, or
- › water pipe, or
- › waste disposal pipe,

installed at the **home**.

## home

the buildings and grounds at the Insured Location shown in the **schedule**. It does not include any land or earth or fill.

## incident

something that occurs at a particular point in time, at a particular place and in a particular way.

## motor vehicle

any type of machine on wheels, or caterpillar tracks, that is made or intended to be propelled by its own power, as well as anything towed by the machine.

## natural disaster

an earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or natural disaster fire, as defined in the **EQC Act**.





### reparation

an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.

### replacement cover item

an item of **contents** other than any:

- › book, or
- › clothing or footwear, or
- › audio, video or optical storage media, including, but not limited to, records, tapes, CDs, DVDs or Blu-ray discs, or
- › licensed computer and gaming software (including gaming cartridges) and programs, or
- › digital data (including audio and video files), or
- › camping equipment, or
- › **watercraft** and its parts and accessories, or
- › parts and accessories of any **motor vehicle** (other than a mobility scooter), trailer or caravan that are not in them or attached to them, or
- › remotely piloted aircraft over 2 years of age (including its parts and accessories that are in it or attached to it), or
- › parts and accessories of any aircraft or other aerial device that are not in them or attached to them, or
- › household linen, or
- › sports equipment (but not golf clubs or golf bags), or
- › bicycle, or
- › item that **you** choose not to repair or replace, or
- › item that cannot be replaced in New Zealand.

### specified item

any item that is listed in the **schedule** with a corresponding **specified sum insured**.

### specified sum insured

the amount shown in the **schedule** that corresponds with the **specified item**.

### temporarily removed

**contents** temporarily removed for a particular reason or purpose, with the intention that they will be returned to the **home**. This includes taking items to **your** place of work or on holiday.

It does not include any **contents**:

- › permanently removed from the **home**, or
- › removed from the **home** to any place for storage, sale or exhibition, or
- › removed during the course of moving house or household removal, or
- › owned by or in the custody of any **family** member who is a student and:
  - a. is living away from **home**, and
  - b. is attending a school, polytechnic or university,

unless cover is provided under the 'Children living away from home', 'Contents in storage' or 'Contents in transit' automatic additional benefits.

### watercraft

any of the following:

- › surfboard, windsurfer, paddleboard, kite surfer, surf ski, dinghy, kayak or canoe (including their parts and accessories),
- › any other watercraft powered by motor or sail, with a **present value** of no more than \$2,000 including its parts and accessories.

### you

- › the person(s) or entity shown as the Policy Owner in the **schedule**, and
- › that person's **partner**, and
- › that person's **family**.

## Important

Please also read 'Policy definitions that apply to all parts of this policy'.



# Section 3

## Motor Vehicle Insurance

You are covered under this section if it is shown in the **schedule**.

### Use of your vehicle

#### When cover applies

This 'Section 3 – Motor Vehicle Insurance' applies only when any **vehicle** is being **used** in New Zealand (including in transit between places in New Zealand) during the **period of insurance** for any personal or business purposes not excluded below.

#### When cover does not apply

This 'Section 3 – Motor Vehicle Insurance' does not apply when any **vehicle** is being **used**:

1. in connection with the following occupations or businesses:
  - a. salesperson or commission agent,
  - b. insurance agent or insurance broker,
  - c. land or real estate agent,
  - d. stock or station agent,
  - e. courier driver or delivery person,
2. in connection with the motor trade,
3. to carry fare-paying passengers, e.g. as a taxi (other than private, not-for-profit car pooling or car sharing) or for hire,
4. to carry any goods or samples in connection with any trade or business other than farming,
5. in any race, competitive trial or speed test,
6. on any race track, e.g. in driver training or track days,
7. to tow for financial gain or reward.

### Type of cover that applies

#### Cover options

There are three cover options:

- SC** 1. Supreme
- TPFT** 2. Third Party, Fire and Theft
- TPO** 3. Third Party Only

The type of cover that applies will be shown in the **schedule**.

**You** will note that **we** have used symbols for each cover option. **We** have used these symbols throughout this policy to help **you** know if a benefit applies to **you** or not.

#### **SC** Supreme

1. If the **schedule** shows: 'Policy Type: Supreme', then **you** are fully covered under:
  - a. 'Part one: Event A – cover for your car', and
  - b. 'Part one: Event A – automatic additional benefits', and
  - c. 'Part two: Event B – legal liability', and
  - d. 'Part two: Event B – automatic additional benefits'.

#### **TPFT** Third party, fire and theft

2. If the **schedule** shows: 'Policy Type: Third party, fire and theft', then **you**:
  - a. have limited cover under 'Part one: Event A – cover for your car'. It only covers sudden and **accidental loss** to the **car** caused by:
    - i. fire, or
    - ii. theft or attempted theft, or unlawful conversion, or
    - iii. **natural disaster**, and
  - b. are fully covered under the following 'Part one: Event A – automatic additional benefits':
    - i. 'Accidental death and permanent disablement', and
    - ii. 'Medical expenses', and
    - iii. 'Methamphetamine contamination' and
    - iv. 'Protection against uninsured drivers', and
    - v. 'Towing costs', and
    - vi. 'Transport costs', and



- c. are fully covered under 'Part two: Event B – legal liability', and
- d. are fully covered under 'Part two: Event B – automatic additional benefits'.

**TPO Third party only**

3. If the **schedule** shows: 'Policy Type: Third party only', then **you**:

- a. have no cover under 'Part one: Event A – cover for your car', and
- b. are fully covered under:
  - i. 'Part one: Event A – automatic additional benefits' – 'Protection against uninsured drivers', and
  - ii. 'Part two: Event B – legal liability', and
  - iii. 'Part two: Event B – automatic additional benefits'.

## Part one Event A – cover for your car

### What you are covered for

#### Accidental loss

**SC** THIS SECTION APPLIES IF 'SUPREME' COVER IS SHOWN IN THE SCHEDULE.

**You** are covered for sudden and **accidental loss** to the **car** that occurs during the **period of insurance** in New Zealand (including in transit between places in New Zealand).

**TPFT** THIS SECTION APPLIES IF 'THIRD PARTY, FIRE AND THEFT' COVER IS SHOWN IN THE SCHEDULE.

**You** are covered for sudden and **accidental loss** to the **car** caused by:

- a. fire, or
- b. theft or attempted theft, or unlawful conversion, or
- c. **natural disaster**,

that occurs during the **period of insurance** in New Zealand (including in transit between places in New Zealand).

**TPO** THIS SECTION APPLIES IF 'THIRD PARTY ONLY' COVER IS SHOWN IN THE SCHEDULE.

**You** are not covered under this 'Accidental loss' benefit.

### What you are not covered for

#### Types of loss not covered

**You** are not covered for:

1. depreciation, or
2. wear and tear, rust or corrosion, or
3. loss of use, or
4. gradual deterioration, or
5. consequential loss, unless provided for under an additional benefit.

*For example, you are not covered for any loss in value of the vehicle following an accident.*

#### Breakdown or failure not covered

**You** are not covered for damage or failure that is:

1. mechanical, or
2. electrical, or
3. electronic.

However, this exclusion does not apply:

- a. to the above types of loss to the **car** where it results from: fire, collision, overturning, immersion in water, flood, malicious damage, theft or illegal conversion, earthquake, volcanic eruption, hydrothermal activity or tsunamis, or
- b. to the extent that cover is provided by the 'Electrical or electronic hardware or system' automatic additional benefit or the 'Roadside rescue' optional additional benefit.

#### Tyres

**You** are not covered for:

1. damage to tyres caused by braking, or
2. punctures, cuts or bursts to **your** tyres.

However, this does not apply to punctures, cuts or bursts that result in or from:

- a. fire,
- b. collision,
- c. overturning,
- d. malicious damage,
- e. theft or illegal conversion, or
- f. **natural disaster**.

### Important

Please also read 'Exclusions that apply to all parts of this 'Section 3 – Motor Vehicle Insurance' and 'Policy exclusions that apply to all parts of this policy'.



## What we will pay

### Repairable damage

If **we** consider the **car** is economic to repair, **we** have the option to:

1. arrange to repair the **car** to basically the same condition as it was in before the **loss** occurred, or
2. pay **you** the cost of repairs as estimated by **our** assessor.

### Total loss

If the **car** is a **total loss** in **our** opinion, **we** have the option to:

1. pay **you** the **sum insured** if the **car** was in a good and well maintained condition in **our** opinion when the **loss** occurred, or
2. pay **you** the **market value** up to the **sum insured** if the **car** was not in a good and well maintained condition in **our** opinion when the **loss** occurred, or

3. replace the **car** with a new vehicle of the same model and specification, provided:

- a. the **loss** occurred within 12 months of **you** purchasing the **car** new, and
- b. the model and specification is available in New Zealand.

The applicable **excess** will be deducted before **we** make any claim payment.

### Availability of parts

If any new parts, **accessories** or tools are unobtainable in New Zealand, **we** will pay up to the last known selling or list price in New Zealand plus the reasonable cost of fitting.

### Repair guarantee

**We** will give **you** a quality guarantee on all repairs to the **car** undertaken through **our** Approved Repairer Network following **loss** covered by this 'Section 3 – Motor Vehicle Insurance' while **you** own the **car**.

## Part one Event A – automatic additional benefits

You get these  
**BONUS COVERS**  
automatically!

These benefits are subject to the terms of this 'Section 3 – Motor Vehicle Insurance', except where the terms are varied in the benefit.

### Accidental death and permanent disablement

SC TPFT

If **you**, **your partner** or any member of **your family** suffers **injury** as a result of **loss** covered by this 'Section 3 – Motor Vehicle Insurance' during the **period of insurance**, **we** will pay the amounts below if **you** or they suffer any or a combination of the events below within 90 days from the date of **injury**.

| Event                                      | Amount   |
|--|----------|
| 1. Death                                   | \$10,000 |
| 2. Permanent total loss of sight of an eye | \$5,000  |
| 3. Permanent total loss of use of a hand   | \$5,000  |
| 4. Permanent total loss of use of a foot   | \$5,000  |

If **you**, **your partner** or any member of **your family** suffers from a combination of Events 2., 3. or 4., the amount payable under each Event will be cumulative to a maximum of \$10,000 during the **period of insurance**.

If **you** have cover for Event 1. under any other section of this policy or under any other policy with **us**, the most **we** will pay under all policies in total is \$10,000.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

This benefit also provides cover for **you**, **your partner** or any member of **your family** when **you** drive any other motorcar with the owner's permission, provided this **use** meets all the requirements that **you** would have to meet for this 'Section 3 – Motor Vehicle Insurance' to cover **loss** involving the **car**.

**We** will not pay for death resulting from suicide, or any self-inflicted **injury**.

### Accommodation costs

SC

**We** will pay the reasonable additional costs of accommodation for **you**, **your** passengers and domestic pets in the **car**, if the **car** cannot be driven following **loss** covered by this 'Section 3 – Motor Vehicle Insurance'.

The most **we** will pay is \$750 for any **event**.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

### Electrical or electronic hardware or system

SC

Notwithstanding the 'Electronic data and programs' exclusion in 'Policy exclusions that apply to all parts of this policy', where any electrical or electronic hardware component or system (excluding **electronic data**) of the **car** has suffered **loss** covered by this 'Section 3 – Motor Vehicle Insurance', **we** will pay for the necessary and reasonable cost of restoring, re-setting or re-programming:

1. software, programs and other coded instructions to restore manufacturer's settings, and



- where work is required on any hardware component or system as part of repairing **loss** to other parts of the **car**.

**We** will not pay any cost or expense incurred for any data stored on any hardware component or system (this includes data affected as part of any repair to the **car**).

If the electrical or electronic hardware or system is a key or a lock, the most **we** will pay is \$1,000 as per the 'Keys and locks' automatic additional benefit.

## Excess and no claim discount protection

SC

- If the **car** suffers **loss** covered by this 'Section 3 – Motor Vehicle Insurance' caused by a driver of another vehicle, **you** will not have to pay an **excess** and **your** no claim discount will not be affected, provided **you** give **us**:
  - enough information to establish that the driver of the other vehicle was completely at fault, and
  - the correct registration number of the other vehicle or information **we** need to positively identify the driver (including name and address), and
  - reasonable help to recover costs incurred through **your** claim.
- You** will not have to pay an **excess** and **your** no claim discount will not be affected if the **loss** to the **car** results from actual or attempted theft or illegal conversion while it had a manufacturer-installed or professionally-fitted, activated electronic immobiliser.

## Contents of the caravan

If the **car** shown in the **schedule** is a caravan, this 'Section 3 – Motor Vehicle Insurance' is extended to cover any:

- fixture, fitting or furnishing that would normally be expected to be sold with the caravan, and

- utensils, supplies, appliances and personal effects in the caravan belonging to **you**, **your partner** or any member of **your family**.

**We** can choose to either pay the cost of repairing the item as nearly as possible to the same condition it was in immediately before the **loss** occurred, where in **our** opinion it is economical to do so, or pay **you** its **present value**.

For any claim for **your** caravan and its contents, the most **we** will pay is the **sum insured**.

## Keys and locks

SC

Notwithstanding the 'Electronic data and programs' exclusion in 'Policy exclusions that apply to all parts of this policy', if any of the keys to the **car** are **lost**, stolen or believed on reasonable grounds to have been duplicated without **your** permission during the **period of insurance**, **we** will pay the reasonable cost of replacing the keys and their locks.

The most **we** will pay during the **period of insurance** is \$1,000.

**You** will not have to pay an **excess** and **your** no claim discount will not be affected for this benefit.

## Medical expenses

SC

TPFT

**We** will pay the reasonable costs of medical, surgical, therapeutic, dental and nursing treatment (including x-rays) for **you** or **your** passengers in the **car** following **injury** as a result of **loss** covered by this 'Section 3 – Motor Vehicle Insurance'.

The most **we** will pay is \$500 for any **event**.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

**We** will not pay for any expenses that can be claimed from any other source.





The 'Other insurance' 'Policy condition' does not apply to this benefit.

## Methamphetamine contamination

SC TPFT

This 'Section 3 – Motor Vehicle Insurance' is extended to cover **contamination damage** to the **car**, provided such **contamination damage** occurred in connection with the theft or illegal conversion of the **car** during the **period of insurance**.

There is no cover for any **contamination damage** that is caused or contributed to, directly or indirectly, by or in connection with **you**, **your partner**, or any member of **your** or their family (including the theft or illegal conversion by any of them).

For the purposes of this exclusion, **you** includes any trustee or beneficiary of the trust if the **car** is owned by the trust, or any director or shareholder of the company if the **car** is owned by the company.

**We** will at **our** option:

1. arrange to **remediate** the **car**, or
2. pay **you** the reasonable costs to **remediate** the **car** as estimated by **our** assessor.

The most **we** will pay is the **sum insured** for any **event**.

If the cost of **remediation** will put the **car** in a substantially better condition, **you** may be required to make an appropriate contribution towards this cost if **we** ask **you** to.

## Protection against uninsured drivers

TPFT TPO

If the **schedule** shows that **you** have 'Third party, fire and theft' cover or 'Third party only' cover, then this 'Section 3 – Motor Vehicle Insurance' is extended to cover sudden and **accidental loss** to **your car** during the **period of insurance** caused by an uninsured driver of another vehicle.

If **we** consider the **car** is economic to repair, **we** will at **our** option:

1. arrange to repair the **car** to basically the same condition as it was in before the **loss** occurred, or
2. pay **you** the cost of repairs as estimated by an assessor appointed by **us**.

If **we** consider the **car** is a **total loss**, **we** will pay **you** its **market value**, provided **you** give **us**:

- a. enough information to establish that the driver of the other vehicle was completely at fault, and
- b. the correct registration number of the other vehicle or information **we** need to identify the driver (including name and address), and
- c. reasonable help to recover costs incurred through **your** claim.

The most **we** will pay is \$3,000 for any **event**.

**You** will not have to pay an **excess** and **your** no claim discount will not be affected for this benefit.

## Replacement vehicle

SC

When **you** buy a replacement car for the **car**, **we** will automatically provide cover for that replacement car under this 'Section 3 – Motor Vehicle Insurance' from the date of purchase, provided:

1. **you** notify **us** within 30 days of the date of purchase, and
2. the purchase price does not exceed \$100,000, and
3. the purchase price will be the sum insured, and
4. **you** pay any additional premium that is required.

## Road clearing costs

SC

**We** will pay the reasonable cost of removing debris from any road or adjacent area, following **loss** covered by this 'Section 3 – Motor Vehicle Insurance'.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

## Temporary repairs

SC

**We** will pay the reasonable cost of temporary repairs to the **car** needed to make it roadworthy, to enable **you** to get to **your** destination or to a repairer following **loss** covered by this 'Section 3 – Motor Vehicle Insurance'.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

## Towing costs

SC TPFT

**We** will pay the necessary and reasonable towing and rescue costs to move the **car** to the nearest repairer or place of security if the **car** cannot be driven following **loss** covered by this 'Section 3 – Vehicle Cover'.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

## Trailer cover

SC

This 'Section 3 – Motor Vehicle Insurance' is extended to cover sudden and **accidental loss** to any **trailer** during the **period of insurance**.

**We** will at **our** option pay:

1. the cost of repairs, or
2. the **market value**.

The most **we** will pay during the **period of insurance** is \$1,000.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

A \$100 **excess** applies to this benefit.

**Your** no claim discount will not be affected for this benefit.



## Transport costs

SC TPFT

We will pay the reasonable costs of:

1. transport for **you, your** passengers and domestic pets in the **car**, from the place where the **loss** occurred to **your** home or to **your** nearest immediate destination, and
2. returning the **car** to **your** home or to another place **you** and **we** agree, after the **car** has been repaired,

if the **car** cannot be driven following **loss** covered by this 'Section 3 – Motor Vehicle Insurance'.

If the **car** is recovered following theft or conversion, **we** will pay the reasonable costs incurred to return the **car** to the place from where it was stolen or to another place that **you** and **we** agree.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

## Trauma

SC

We will pay the reasonable costs incurred by **you** for **you** or members of **your family** to attend counselling with a registered counsellor following a claim which is payable under the 'Accidental death and permanent disablement' automatic additional benefit.

The most **we** will pay is \$500 for any **event**.

The 'Other insurance' 'Policy condition' does not apply to this benefit.

## Windows

SC

Where a claim is only for sudden and **accidental loss** to windscreens, windows, sunroofs, or driving lights of the **car, you** will not have to pay an **excess** and **your** no claim discount will not be affected. Driving lights include headlights, fog lights, spot lights and reversing lights but exclude indicator lights, stop lights and decorative lights.

## Part one Event A – optional additional benefit

**EXTRA COVER**  
you can purchase

This following benefit is an optional additional benefit. Cover applies only if **you** have purchased the benefit and it is shown in the **schedule**.

The benefit is subject to the terms of this 'Section 3 – Motor Vehicle Insurance', except where the terms are varied in the benefit.

## Roadside Rescue

SC

This 'Section 3 – Motor Vehicle Insurance' is extended to provide Roadside Rescue for the **car** during the **annual period**.

1. Roadside Rescue will:
  - a. fit the **car's** spare tyre if it has a flat tyre, and
  - b. access the **car** if its keys are locked inside, and
  - c. provide 5 litres of fuel if the **car** is out of fuel, and
  - d. jump-start the **car** if it has a flat battery.
2. Roadside Rescue will arrange to tow the **car** to the nearest approved repairer or place of safety if it suffers mechanical or electrical damage or failure and:
  - a. cannot be easily mobilised at the roadside, or
  - b. needs replacement parts.

3. Roadside Rescue will not assist where the **car**:
  - a. has been left unattended, or
  - b. needs specialised salvage equipment, or
  - c. is not within easy access of a public road accessible by a two wheel drive vehicle, or
  - d. cannot be accessed due to extreme conditions such as snow, ice, flooding, road slips or the like, or
  - e. was being **used** for competitions or off-road activity, or
  - f. was involved in an **accident** or collision, or
  - g. was being misused.

4. Roadside Rescue will not assist:
  - a. for towed vehicles such as boats, trailers and caravans, or
  - b. for **cars** exceeding 3,000 kg.

**You** are entitled to six call outs during the **annual period**. Extra call outs can be made, however, these will be charged to **you** at **our** standard fee and further assistance is at **your** expense.

**You** will not have to pay an **excess** and **your** no claim discount will not be affected following **your** use of the service.





## Part two

# Event B – legal liability

SC TPFT TPO

## What you are covered for

### Your legal liability

You are covered for **your** legal liability and defence costs arising from:

1. **accidental loss** to anyone else's property (including loss of use), or
2. **bodily injury** to anyone else, occurring during the **period of insurance**, caused by **your use** of a **vehicle**, or **trailer**, or caravan attached to it, in New Zealand (including in transit between places in New Zealand).

### General average

You are covered for General Average or salvage charges that **you** must legally pay as a result of the **car** being carried by ship between places in New Zealand during the **period of insurance**.

*'General Average' is a marine term that describes how the cost of losses will be shared between those persons with property on the ship.*

### Reparation

You are covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of insurance** in connection with **your use** of a **vehicle**, or any **trailer**, or any caravan attached to it, in New Zealand (including in transit between places in New Zealand), provided:

1. **you**, or any other person entitled to cover under this benefit, tell **us** immediately if **you** or they are charged with any offence in connection with such **use** that resulted in **loss** of property or **bodily injury** to another person, and
2. **we** give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 ('the Act'), or would be covered but for:

- a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or
- b. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, or
- c. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

### Other person's liability

We will cover the legal liability, including legal liability to pay **reparation**, of any other person caused by or through or in connection with their **use** of the **car**, occurring during the **period of insurance**, in the same manner as **we** cover **you**, provided:

1. such **use** has **your** permission, and
2. their liability is not covered by any other insurance, and
3. they meet the terms of this 'Section 3 – Motor Vehicle Insurance'.

### Vicarious liability

This 'Section 3 – Motor Vehicle Insurance' is extended to cover **your** employer's vicarious liability while **your car** is being **used** for the business of **your** employer by **you**, or by any other employee who has **your** permission, provided:

1. the liability is not covered by any other insurance, and
2. they meet the terms of this 'Section 3 – Motor Vehicle Insurance', and
3. the **use** of the **car** meets all the same terms of this policy that **you** must meet.

*Vicarious liability means that your employer may be held responsible for injury or damage, even if they were not actively involved in the incident.*

## What you are not covered for

You are not covered for:

1. liability, including liability for **reparation**, for **loss** to any property:
  - a. owned by or in the care of **you** or anyone **we** cover under this 'Section 3 – Motor Vehicle Insurance', other than for:
    - i. a disabled vehicle being towed without charge by any **vehicle**, or
    - ii. personal effects being carried by and belonging to any passenger in any **vehicle**, or
  - b. being carried by or loaded into or unloaded from any **vehicle** or a caravan or **trailer** attached to any **vehicle** other than specified under a. ii. above.
2. liability connected in any way with any contract or agreement unless **you** would have been liable even without a contract or agreement.
3. any fine, penalty, or punitive or exemplary damages.
4. legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any regulations, rules or bylaws made under any Act of Parliament.



5. liability connected in any way with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during the **period of insurance** and is caused by a sudden **accidental event** that occurs during the **period of insurance**.

### Important

Please also read 'Exclusions that apply to all parts of this 'Section 3 – Motor Vehicle Insurance' and 'Policy exclusions that apply to all parts of this policy'.

## What we will pay

### Amount payable for property damage

We will pay for:

1. liability, including liability for **reparation**, for **loss** to property, and
2. reasonable legal costs and expenses incurred with **our** approval, and
3. costs awarded against **you** by a court.

The most **we** will pay is \$20,000,000 for any **event**.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

### Amount payable for bodily injury

We will pay for:

1. liability, including liability for **reparation**, for **bodily injury**, and
2. reasonable legal costs and expenses incurred with **our** approval, and
3. costs awarded against **you** by a court.

The most **we** will pay is \$1,000,000 for any **event**.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

### Amount payable for a claim for bodily injury and property damage

The most **we** will pay for property damage and **bodily injury** resulting from one **event** is \$20,000,000.

This is in addition to any payment under 'What we will pay' of 'Part one: Event A – cover for your car'.

### Settlement of any claim

We may pay the full amount under this part of this 'Section 3 – Motor Vehicle Insurance', or any lesser amount for which the liability can be settled plus defence costs incurred, and this will meet all **our** obligations under this part of this 'Section 3 – Motor Vehicle Insurance'.

## Part two Event B – automatic additional benefits

You get these **BONUS COVERS** automatically!

These benefits are subject to the terms of this 'Section 3 – Motor Vehicle Insurance', except where the terms are varied in the benefit.

### Manslaughter defence costs

SC TPFT TPO

We will pay for:

1. legal defence costs and expenses necessarily and reasonably incurred to defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death, and
2. costs necessarily and reasonably incurred for legal representation at any inquiry or coroner's inquest in connection with a death,

resulting from:

- a. **you** or **your partner** driving the **car**, or
- b. any member of **your family** driving the **car** with **your** permission, or

c. **you** or **your partner** driving any **vehicle** that **you** or **your partner** do not own and are not purchasing, provided **you** or **your partner** has the owner's permission to drive the **vehicle**,

during the **period of insurance**.

'Part two: Event B – legal liability' 'What you are not covered for' – clause 4 (defence costs) does not apply to this benefit.

The most **we** will pay is \$10,000 during the **period of insurance**.

**You** will not have to pay an **excess** for this benefit.

### Towing

SC TPFT TPO

We will cover **you** while the **car** is being **used** for towing, provided such towing is not for financial gain or reward (financial gain does not include the reimbursement of normal running costs of the **car**).



## Exclusions that apply to all parts of this Section 3 – Motor Vehicle Insurance

### Alcohol, drugs and other intoxicating substances

There is no cover under this 'Section 3 – Motor Vehicle Insurance' if the driver of, or the person **using** the **vehicle**:

1. has a breath alcohol or blood alcohol concentration that exceeds the legal limit, or
2. refuses to undergo a breath or blood test after an accident, when legally required to do so, or
3. is under the influence of a drug or any other intoxicating substance to such an extent as to be incapable of having proper control of the **vehicle**, or
4. fails or refuses to stop, or remain at the scene, following an accident (as required by law).

This exclusion does not apply if the driver of the **vehicle** has stolen or illegally converted it, provided **you** lay a complaint with the police.

### Excess

For each **incident**, the relevant **excess** will be deducted from the amount of **your** claim unless stated otherwise under an additional benefit.

If **you** have multiple vehicles covered under this 'Section 3 – Motor Vehicle Insurance', the **excess** applies individually to each vehicle.

The **excess** is deducted after any policy limits have been applied.

*For example, if a limit of \$1,000 applies and an excess of \$400 is payable by you, the amount we will pay is \$600.*

### Modified vehicle

There is no cover under this 'Section 3 – Motor Vehicle Insurance' if the **car** has been **modified**, unless details of all the **modifications** have been given to **us** and **we** have agreed to those **modifications** in writing.

### Other use of your vehicle

**You** are not covered for any loss, damage, cost, expense, prosecution or liability where the **vehicle** or anything attached to the **vehicle** is not being **used** in accordance with the description in 'Use of your vehicle'.



### Unlawful substances

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with contamination from any 'controlled drug' as defined in the Misuse of Drugs Act 1975. However, this exclusion does not apply to **loss** covered by the 'Methamphetamine contamination' automatic additional benefit.

### Unlicensed drivers

There is no cover under this 'Section 3 – Motor Vehicle Insurance' if the driver of any **vehicle**:

1. does not comply with all the conditions of their driver licence, or
2. is not legally allowed to drive in New Zealand.

This exclusion does not apply if the driver of the **vehicle** has stolen or illegally converted it, provided **you** lay a complaint with the police.

### Unsafe or unroadworthy

**You** are not covered if the **vehicle** is being **used** in an unsafe or unroadworthy condition, and:

1. the condition of the **vehicle** contributed to **loss** or liability, and
2. the driver should have been aware of that condition and that the condition could result in damage to the **vehicle**.

### Important

Please also read 'Policy exclusions that apply to all parts of this policy'.



## Conditions that apply to all parts of this Section 3 – Motor Vehicle Insurance

### Salvage

**You** must not abandon the **car** to **us**. However, after the **car** is declared a **total loss**, **we** may keep the **car** and retain the salvage.

### Total loss

If **we** have paid **your** claim for a **car** that is a **total loss**:

1. this 'Section 3 – Motor Vehicle Insurance' is automatically cancelled, and
2. the **car** will become **our** property, and
3. **we** will credit any unused premium towards insurance arranged with **us** on a replacement car. If **you** do not arrange insurance for a replacement car with **us**, **we** will not refund any premium.



## Definitions

The definitions apply to the plural and any derivatives of the words in this 'Section 3 – Motor Vehicle Insurance'.

*For example, the definition of 'accident' also applies to the words 'accidents', 'accidental' and 'accidentally'.*

There are other defined words used in this section as well as other sections of this policy. **You** can find out the meaning of these other 'defined' words by referring to 'Policy definitions that apply to all parts of this policy' on page 53.

### accessory

a part of the **car** not directly related to its function as a vehicle, including any:

- › radio, audio equipment or other in-vehicle entertainment and communication equipment forming an integral part of the **car**, and
- › portable telephone that connects to a power source in the **car**, and
- › car seat covers, floor mats or child car seats.

### accident

unexpected and unintended by **you** and anyone **using** the **car** or any **vehicle**.

### car

the **vehicle** described in the **schedule**, and including any:

- › standard tool supplied by the **vehicle's** manufacturer or a similar substitute tool, and
- › **accessory** or spare part whilst in or on the **vehicle**, and
- › **accessory** that has been temporarily removed from the **vehicle** for security purposes, cleaning or servicing.

### contamination damage

**loss** caused by **methamphetamine** contamination that exceeds the **contamination level**.

### contamination level

the relevant guideline value for indoor surface contamination as set out in the most recent version of the New Zealand Standard NZS 8510.

### family

any member of **your** family who permanently resides with **you**.

### incident

something that occurs at a particular point in time, at a particular place and in a particular way.



### **injury**

a bodily injury caused solely and directly by violent, accidental, external and visible means.

### **market value**

the reasonable cost of replacing **your car** with one of the same make, model, year, specification and condition at the time of the **loss**.

### **methamphetamine**

the Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975 or any of their precursor chemicals and by-products.

### **modification**

any change to the **car** that is different to the manufacturer's original specification or recommendations.

*Examples include:*

- › changes to the engine, steering, performance, suspension, chassis, or
- › body kits, paintwork, interior modifications, or
- › tyres or wheels of the car, or
- › a changed sound system valued at over \$1,000.

We do not consider a conversion of the **car** to run on CNG, LPG or Bio Gas is a **modification**, provided the **car** has a current Warrant of Fitness and a current Alternative Fuel Inspection Certificate.

### **natural disaster**

an earthquake, natural landslide, volcanic eruption, hydrothermal activity, tsunami or natural disaster fire, as defined in the EQC Act.

### **remediate**

to reduce the level of **methamphetamine** contamination to below the **contamination level**.

*Please note, the definition of remediate means that we will not pay to remove all traces of methamphetamine contamination and will not restore the car to its condition when it was new.*

### **reparation**

an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.

### **sum insured**

the Sum Insured shown in the **schedule**.

### **total loss**

the **car** is:

- › uneconomic or unsafe to repair, or **remediate**, or
- › stolen and not recovered.

### **trailer**

any general use trailer:

- › owned by **you** or in **your** care, and
- › that is not covered by any other insurance, and
- › **used** in accordance with 'Use of your vehicle' (as described in this 'Section 3 – Motor Vehicle Insurance').

It does not include:

- › a caravan, boat trailer, camper trailer or horse float, or
- › the contents, equipment or accessories of any trailer.

### **use**

includes the driving, parking, garaging or storing of the **car** or **trailer**.

### **vehicle**

- › the **car** or **trailer** when being **used** by **you** or anyone else with **your** permission, and
- › any other motorcar that is not owned by **you**, being **used** by **you** provided **you** have the owner's permission to **use** it and the liability is not covered by any other insurance.

### **you**

the person(s) or entity shown as the Policy Owner in the **schedule**.

## **Important**

Please also read 'Policy definitions that apply to all parts of this policy'.

# Section 4

## Pleasurecraft Insurance

You are covered under this section if it is shown in the **schedule**.

### Part one

#### Event A – cover for your craft

##### What you are covered for

###### Accidental loss

You are covered for sudden and **accidental loss** to **your craft** that occurs during the **period of insurance** in **New Zealand**.

##### What you are not covered for

###### Causes not covered

You are not covered for **loss** to:

1. **your craft** caused by any of the following:
  - a. faulty:
    - i. design or manufacture, or
    - ii. construction or assembly, or
  - b. latent defect, or
  - c. wear and tear, osmosis, gradual deterioration, marine and non-marine infestations or weathering.
2. electrical or electronic equipment, fuses, protective devices, or lighting or heating elements caused by electrical current.

However, exclusions 1. and 2. only apply to the part of **your craft** first affected. They do not apply to resultant sudden and **accidental loss** to other parts of **your craft**.

###### Losses not covered

You are not covered for rot, corrosion, rust, mildew, delamination, electrolysis or fouling.

However, this exclusion only applies to the part of **your craft** first affected. It does not apply to resultant sudden and **accidental loss** to other parts of **your craft**.

###### Theft of unsecured property

You are not covered for **loss** to **your craft** caused by theft of **your** property while **your craft** is unattended, that would otherwise be covered under this 'Section 4 – Pleasurecraft Insurance' if the property is not:

1. locked securely within **your craft**, or
2. securely attached to **your craft**, or

3. removed from **your craft** and stored in a locked and secure vehicle or building.

###### Breakdown or failure not covered

You are not covered for:

1. mechanical or electrical breakdown or failure. However, **we** will pay for **loss** which breakdown or failure causes to any other part of **your craft** or if the breakdown or failure is a direct result of the following:
  - a. fire, collision or impact to **your craft**, or
  - b. malicious act.
2. **loss** to the motors or electrical equipment of **personal watercraft** caused by water ingestion.

###### Sails, masts, spars and rigging

You are not covered for **loss** to sails, masts, spars or rigging occurring while **your craft** is racing, unless the **loss** is caused by:

1. fire, swamping, stranding, sinking or collision, or
2. contact with an external object (ice included) other than water, or
3. malicious acts,

not otherwise excluded by this 'Section 4 – Pleasurecraft Insurance'.

This clause does not apply to **social yacht racing**.

###### Recreational gear in use

You are not covered for **loss** to fishing, diving, water skiing gear or other personal effects while in use.

### Important

Please also read 'Exclusions that apply to all parts of this 'Section 4 – Pleasurecraft Insurance' and 'Policy exclusions that apply to all parts of this policy'.





## What we will pay

### Repairable damage

If **we** consider **your craft** is economic to repair, **we** will at **our** option:

1. arrange to repair **your craft** to substantially the same condition as it was in before the **loss** occurred, or
2. pay **you** the cost of repairs as estimated by **our** assessor.

### Total loss

If **we** consider **your craft** is **uneconomic to repair**, **we** will:

1. pay **you** the **sum insured**, or
2. replace **your craft** with a new craft of the same model and specification, provided:
  - a. the **loss** occurred within 3 years of **you** purchasing **your craft** new, and
  - b. it is available in **New Zealand**, and
  - c. it is not a 'one-off' or custom build craft, and
  - d. **your craft** costs no more than \$1,000,000 to replace.

### Sails, outboard motors and protective covers

The most **we** will pay for **loss** to:

1. sails, or
2. outboard motors, or
3. protective covers, over 3 years' of age is **present value**.

### Recreational gear

The most **we** will pay for **loss** to:

1. fishing equipment, or
  2. diving equipment, or
  3. water skiing equipment,
- is the **sum insured** for that item.

### Theft of an unsecured craft trailer

Where the **loss** arises from theft of **your craft** trailer and:

1. **your craft** trailer is not contained within a locked and secure building, or
2. **your craft** trailer is:
  - a. not fitted with a suitable anti-theft device, or
  - b. not physically attended by **you**,

then an additional \$2,000 **excess** applies.

This additional **excess** does not apply where the theft is accompanied by violence or threat of violence to **you**.

### Specified items

The most **we** will pay for any **event** for a specified item is its specified sum insured.

### Maximum payment

The most **we** will pay in total for any **event** is the **sum insured**.

*(Unless the total loss new craft replacement provision above applies).*

You get these  
**BONUS COVERS**  
automatically!

## Part one – automatic additional benefits

These benefits are subject to the terms of this 'Section 4 – Pleasurecraft Insurance', except where the terms are varied in the benefit.

### Additional expenses

**We** will pay expenses incurred by **you**, **your partner** or **family** member of up to \$250 per day to attend:

1. court proceedings, or
2. any other statutory enquiry,

in connection with **loss** to **your craft** that is covered by this 'Section 4 – Pleasurecraft Insurance'.

The most **we** will pay in total during the **annual period** is \$10,000.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

### Additions

**We** will insure any additional property **you** purchase, during the **period of insurance**, in connection with or for use on **your craft**, provided:

1. the most **we** will pay is the lesser of:
  - a. 25% of the **sum insured**, and
  - b. \$25,000 in total, and
2. **you** give **us** receipts and invoices.

**You** must tell **us** of any additions prior to **your** next renewal date.

*Any adjustments to premium or sum insured will be completed upon renewal.*

### Emergency towing

**We** will pay the reasonable costs incurred by **you** to remove **your craft** from anywhere in **New Zealand** to the nearest place of repair, following the mechanical or electrical breakdown of **your craft** while afloat, during the **period of insurance**.



The most **we** will pay for any **event** is \$2,000.

The most **we** will pay in total in any **annual period** is \$4,000.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

## Medical expenses

**We** will pay the reasonable medical expenses, including surgical, ambulance, hospital and other associated services that arise as a result of **bodily injury** to any person when on board, boarding or leaving **your craft**.

The most **we** will pay is \$5,000 for any **event** regardless of the number of persons who suffer **bodily injury** arising from the **event**.

The **excess** does not apply to this automatic additional benefit.

## Personal effects

This 'Section 4 – Pleasurecraft Insurance' is extended to cover sudden and **accidental loss** to **your** personal effects while on **your craft**.

For the purpose of this automatic additional benefit, personal effects include any articles of wearing apparel, watches, cameras, binoculars and possessions that would normally be used on a boat. Personal effects do not include any money, travellers' cheques, papers and documents, jewellery or fashion accessories.

**We** will pay the **present value** or the **sum insured**, whichever is the lesser.

The most **we** will pay is \$10,000 for any **event**.

## Prevention of loss to your craft

**We** will pay:

1. the reasonable costs incurred by **you** in trying to prevent or minimise imminent **loss** that is or would be covered by this 'Section 4 – Pleasurecraft Insurance', and
2. the cost of having to replenish, refill or replace safety flares or fire extinguishers that were used in trying to prevent or minimise **loss** that is or would be covered by this 'Section 4 – Pleasurecraft Insurance'.

The most **we** will pay is 25% of the **sum insured** for any **event**.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.





## Replacement craft

When **you** buy a replacement craft of a similar type, **we** will automatically provide cover for 30 days for that replacement craft under this 'Section 4 – Pleasurecraft Insurance' from the date of purchase, provided:

1. the purchase price will be the sum insured, and
2. the purchase price does not exceed \$1,000,000, and
3. **you** pay any additional premium that is required, and
4. after the 30 day period **we** retain the right to accept or reject **your** application for cover and determine the terms upon which that cover is offered.

## Rescue costs

**We** will pay the reasonable costs for the rescue of **you, your** passengers or members of **your** crew from anywhere in **New Zealand** during the **period of insurance**.

The most **we** will pay is \$25,000 for any **event**.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

## Salvage costs

**We** will pay the reasonable costs incurred by **you** to remove **your craft** from anywhere in **New Zealand** to the nearest place of repair following **loss** covered by this 'Section 4 – Pleasurecraft Insurance'.

The most **we** will pay for any **event** is the **sum insured** for the lost item.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

## Social yacht racing

**We** will insure **you** for sudden and **accidental loss** to **your craft** during the **period of insurance** while it is being used for **social yacht racing** in **New Zealand**.

## Temporary accommodation

**We** will pay the reasonable costs of temporary accommodation that **you, your partner, your family** and domestic pets have incurred as a result of being unable to return to **your** usual place of residence following **loss** to **your craft** that is covered by this 'Section 4 – Pleasurecraft Insurance'.

The most **we** will pay is \$2,000.

The **excess** does not apply to this automatic additional benefit.

## Transportation costs

**We** will pay the reasonable costs of transport for **you, your partner, your family** and domestic pets in **your craft**, from the place where the **loss** occurred to **your** home or **your** nearest immediate destination at **our** option, if **your craft** can no longer be used following **loss** covered by this 'Section 4 – Pleasurecraft Insurance'.

The most **we** will pay per **event** is \$500 per person (or domestic pet) up to \$2,000 in total.

This is in addition to the 'Maximum payment' under 'What we will pay'.

## Wreckage removal

**We** will pay the reasonable costs incurred by **you** to remove **your craft** from any place **you** own or occupy in **New Zealand**, to a landfill or similar disposal site, following **loss** covered by this 'Section 4 – Pleasurecraft Insurance', provided **your craft** is **uneconomic to repair**.

The most **we** will pay is 10% of the **sum insured** for any **event**.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.



## Part two

# Event B – your legal liability

### What you are covered for

#### Your legal liability

You are covered for **your** legal liability and necessary and reasonable defence costs, for:

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else,

occurring during the **period of insurance**, arising in connection with **your** use of **your craft**, in **New Zealand**.

#### Reparation

You are covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of insurance** in connection with **your** use in **New Zealand** of **your craft** or another craft used for pleasure purposes, provided that **you** had the owner's permission to use their craft.

Provided:

1. **you**, or any other person entitled to cover under this benefit, tell **us** immediately if **you** or they are charged with any offence in connection with the use of **your craft** or another craft used for pleasure purposes, which resulted in **loss** of property or **bodily injury** to another person, and
2. **we** give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 ('the Act'), or would be covered but for:

- a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or
- b. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, or
- c. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

#### Other person's liability

**We** will insure the legal liability and necessary and reasonable defence costs, and legal liability to pay **reparation**, of any other person arising in connection with their use of **your craft**, or engaged in water skiing or any other similar water sport involving being towed by **your craft**, in the same manner as **we** cover **you**, for:

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else,

occurring during the **period of insurance** in **New Zealand**, provided:

- a. such use of **your craft** has **your** permission, and
- b. their liability is not covered by any other insurance, and
- c. the person using **your craft** meets all the same terms of this policy that **you** must meet.





## What you are not covered for

### Liability and costs not covered

You are not covered for:

1. liability, including liability for **reparation**, or defence costs for **loss** to any property:
  - a. owned by **you** or anyone **we** cover and who claims under this 'Section 4 – Pleasurecraft Insurance', or
  - b. in **your** care or in the care of anyone **we** cover under this 'Section 4 – Pleasurecraft Insurance' other than for:
    - i. a craft being towed without charge by **your craft**, or
    - ii. clothing, personal effects and luggage being carried by and belonging to any passenger on **your craft**,
  - c. being carried by, loaded into or unloaded from **your craft** or any dinghy or similar craft attached to **your craft** other than specified under b.ii. above.
2. liability or defence costs:
  - a. arising while **your craft** is in transit by road while it is attached to a car or vehicle, or
  - b. arising out of a contract or agreement, unless **you** would have been liable even without a contract or agreement.
3. liability, including legal liability for **reparation**, or defence costs for **bodily injury** to:
  - a. **you**, **your partner** or **family**, or
  - b. any other person or persons **we** cover under this policy.
4. any fine or penalty.
5. any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any regulations, rules or bylaws made under any Act of Parliament.

6. liability or defence costs in any way connected with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during the **period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**.

### Important

Please also read 'Exclusions that apply to all parts of this Section 4 – Pleasurecraft Insurance' and 'Policy exclusions that apply to all parts of this policy'.

## What we will pay

### Amount payable

The most **we** will pay under 'Part two: Event B – your legal liability', including defence costs and punitive and exemplary damages, is \$5,000,000 for any **event**.

### Punitive or exemplary damages

The most **we** will pay for punitive or exemplary damages is \$250,000 for any **event**.

### Settlement of any claim

**We** may pay the full amount under this 'Part two: Event B – your legal liability', or any lesser amount that the legal liability can be settled for plus defence costs to date, and this will meet all **our** obligations under this part of this 'Section 4 – Pleasurecraft Insurance'.

## Part two – automatic additional benefits

You get these **BONUS COVERS** automatically!

These benefits are subject to the terms of this 'Section 4 – Pleasurecraft Insurance', except where they are varied in the benefit.

### Manslaughter defence costs

**We** will pay the legal defence costs necessarily and reasonably incurred to defend a charge of manslaughter resulting from:

1. **you** or **your partner** using **your craft**, and
2. any member of **your family** using **your craft** with **your** permission, and
3. **you** or **your partner** using any other craft that **you** or **your partner** do not own and are not purchasing, provided **you** or **your partner** have the owner's permission to use the craft, in **New Zealand** during the **period of insurance**.

'Part two: Event B – your legal liability' 'What you are not covered for' – clause 5 (offences) does not apply to this benefit.

The most **we** will pay in total during the **annual period** is \$10,000.

The **excess** does not apply to this benefit.

### Raising and removing the craft

**We** will pay the costs necessarily and reasonably incurred by **you** in raising and removing **your craft** during the **period of insurance** in **New Zealand**, where **you** are instructed to do so by a legally authorised statutory authority.





# Exclusions that apply to all parts of this Section 4 – Pleasurecraft Insurance

## Excess

For each **event**, the **excess** will be deducted from the amount of **your** claim unless stated otherwise under an additional benefit.

Where an **event** occurs that results in a claim under more than one section or benefit (or sub-section of a benefit) of this 'Section 4 – Pleasurecraft Insurance', **we** will apply only the highest applicable **excess**.



## Losses not covered

**You** are not covered for **loss** or legal liability:

1. arising while **your craft** is on hire or charter or is being used, other than for private pleasure purposes, unless used for search and rescue work, by or on behalf of the police, coastguard or other authority, or
2. caused by **your craft** being in an unsafe or unseaworthy condition, where **you** were aware, or with any reasonable diligence ought to have been aware, of **your craft** being in that condition, or
3. arising while **your craft** (unless it is a yacht) is engaged in any race or speed test (at a speed in excess of 30 kilometres per hour), or is being tested for any race or speed test, or
4. arising when:
  - a. **you**, while **you** are operating or are in charge of **your craft**, or

- b. any other person, while they are operating or are in charge of **your craft** with **your** permission, are under the influence of alcohol or other intoxicating substance, or
5. arising if at the time of any **event** giving rise to a claim, **your craft** is attached to a motor vehicle that is being driven by or is in the charge of any person who:
    - a. is driving with an excess breath alcohol or blood alcohol concentration in terms of New Zealand Land Transport Law, whether or not a conviction is entered against that person, or
    - b. fails or refuses to permit a breath test or specimen of blood to be taken after having been lawfully required to do so, or
    - c. is under the influence of drugs or other intoxicating substances, or
    - d. fails or refuses to stop, or remain at the scene, following an accident (as required by law)

Clauses 4. and 5. do not apply if the person in charge of **your craft** has stolen or converted **your craft** within the terms of New Zealand criminal law, or

6. arising while **your craft**, if it is a jet-boat, is being used in water not normally navigable by conventional propeller driven craft and is constructed of material other than steel or aluminium, or
7. arising when inboard petrol engine powered craft, excluding sailing yachts or **personal watercraft**, do not have an operating bilge blower or gas detector, or
8. arising when **your craft** is being operated at a speed in excess of 100 kilometres per hour.

## Sanctions

**You** are not covered for any loss, expense or liability to the extent that the provision of such cover or the payment of such claim would contravene any sanction, prohibition or restriction under any United Nations resolution or trade or economic sanctions, laws or regulations of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

## Important

Please also read 'Policy exclusions that apply to all parts of this policy'.





# Conditions that apply to this Section 4 – Pleasurecraft Insurance

## Mooring requirements

- If **your craft** is normally moored, then the mooring must:
1. conform with all licensing and statutory regulations, and
  2. be suitable for the size, displacement and the type of **craft**, and
  3. be regularly maintained and in good order and condition, and
  4. be visually inspected out of the water:
    - a. in accordance with the regulations set down by the controlling authority, or
    - b. at least every two years where no controlling authority applies.

## Salvage

**You** must not abandon **your craft** to **us**. However, after **your craft** is declared **uneconomic to repair**, **we** may keep **your craft** and retain the salvage.

## Uneconomic to repair

- If **we** have paid **your** claim for **your craft** that is **uneconomic to repair**:
1. this 'Section 4 – Pleasurecraft Insurance' is automatically cancelled, and
  2. **we** will not give any refund of premium, and
  3. **your craft** will become **our** property.

*This means that you will need to make new insurance arrangements on any replacement craft.*





# Definitions

The definitions apply to the plural and any derivatives of the words in this 'Section 4 – Pleasurecraft Insurance'.

*For example, the definition of 'accident' also applies to the words 'accidents', 'accidental' and 'accidentally'.*

There are also other defined words used in this section as well as other sections of this policy. **You** can find out the meaning of these other defined words by referring to 'Policy definitions that apply to all parts of this policy' on page 53.

## accident

unexpected and unintended by **you** and anyone using **your craft**.

## craft

the vessel described in the **schedule**, including its: auxiliary, dinghy, trailer and any other equipment or accessories that are either attached to or permanently kept on board the vessel. This also includes **your** fishing, diving and water skiing equipment that are normally kept on board the vessel, provided they are not covered under any other insurance.

## family

any family member who permanently resides with **you**.

## New Zealand

1. afloat on the coastal or inland waterways of New Zealand, and
2. afloat on any area of sea that is not more than 200 nautical miles off the North and South Islands of New Zealand, and
3. during transit in New Zealand, including transit by sea, provided the transit is by a purpose built trailer, transporter, cradle or beach trolley that is designed for transit of **your craft**, and
4. on land in New Zealand, however, not in transit except during slipping, hauling out or re-launching.

However, 1. and 2. above do not apply during the time from when Customs clearance is gained or required to be gained, on departure from New Zealand, until Customs clearance is gained upon return to New Zealand.

## personal watercraft

a craft that is a jet-propelled watercraft that has a fully enclosed hull and does not take on water if capsized. It is designed to be operated by a person standing, sitting astride or kneeling on it, but not seated within it and can carry up to 3 passengers in 'pillion passenger' style.

## reparation

an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002, but subject to any limit of liability under the Maritime Transport Act 1994.

## social yacht racing

yacht racing where the use of a spinnaker and/or extras is not permitted and the race distance is no more than 25 nautical miles.

## sum insured

the Sum Insured shown in the **schedule** for that section or item.

## uneconomic to repair

a total loss because **your craft** is:

- > uneconomic or unsafe to repair, or
- > stolen and not recovered.

## you

the person(s), or entity shown as the Policy Owner in the **schedule**.

## Important

Please also read 'Policy definitions that apply to all parts of this policy'.

# Other **important** policy information

## Policy exclusions that apply to all parts of this policy



### Confiscation

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with confiscation, nationalisation, requisition, acquisition, or destruction of or damage to property by order of government, public or local authority or under any statute or regulation, unless such order is required to prevent or control **loss** that would otherwise have been covered by this policy.



### Electronic data and programs

**You** are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with **electronic data** arising from any cause whatsoever including, but not limited to, a **computer virus**.

This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

However, this exclusion does not apply to physical damage to other covered property that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.



### Intentional or reckless acts

**You** are not covered for any loss, damage, cost, expense, prosecution or liability arising from any intentional or reckless act or omission by **you** or anyone else covered by this policy.



### Nuclear

**You** are not covered for any loss, damage, cost, expense, prosecution or liability of any type in connection with:

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



### Terrorism

**You** are not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.



### War

**You** are not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:

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.



# How to claim under all parts of this policy

## What you must do

If anything occurs that may lead to a claim under this policy, **you** must:

1. do what **you** can to take care of the covered property and to prevent any further loss, expense or liability, and
2. tell **us** as soon as possible, and
3. notify the police as soon as possible if **you** think any **loss** was caused by an illegal act, and
4. allow **us** to examine the covered property before any repairs are started, and
5. send to **us** as soon as possible anything **you** receive from anyone about a claim or possible claim against **you**, and
6. give **us** any information or help that **we** ask for, and
7. consent to **your** personal information, in connection with the claim, being:
  - a. disclosed to **us**, and
  - b. transferred to the Insurance Claims Register Limited, and
8. not destroy or dispose of anything that is or could be part of a claim, and
9. tell **us** immediately if **you** are charged with any offence which resulted in **loss** of property or **bodily injury** to another person.

## What you must obtain our agreement to do

**You** must obtain **our** agreement before **you**:

1. incur any expenses in connection with any claim under this policy, or
2. negotiate, pay, settle, admit or deny any claim against **you**, or
3. do anything that may prejudice **our** rights of recovery, or
4. negotiate, offer to pay or pay any **reparation**, including, but not limited to, offers made as part of any case management conference or sentencing hearing.

## Actions we may take

**We** may take action in **your** name to:

1. negotiate, defend or settle any claim against **you** that is covered by this policy, and
2. recover from any other person anything covered by this policy.

**You** must assist **us** with these actions. **We** will be responsible for the reasonable legal costs of these actions.

## Dishonesty

If **your** claim is dishonest or fraudulent in any way, **we** may at **our** sole discretion:

1. decline **your** claim, either in whole or in part, and
2. declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.





# Policy conditions that apply to all parts of this policy

## Breach of any condition

If:

1. **you**, or
2. any other person **we** cover under any section of this policy, or
3. anyone acting on **your** behalf,

breaches any of the conditions of this policy, **we** may at **our** sole discretion:

- a. decline **your** claim, either in whole or in part, and/or
- b. declare either the insurance **you** have with **us** under any section of this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the breach.

## True statements and answers

True statements and answers must be given (whether by **you** or any other person) in all communications with **us**, including when:

1. this insurance is **applied** for and renewed, and
2. **we** are notified about any change in circumstances, and
3. **you** make any claim under this policy.

## Cancellation

### By you

**You** may cancel this policy or any section of this policy at any time by notifying **us** or BNZ. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium for the used portion of the **period of insurance**.

### By us

**We** may cancel this policy or any section of this policy by giving **you** notice in writing or by electronic means at **your** last known address. Unless otherwise specified in this policy, cancellation will take effect from the 14th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

### Automatically

This policy will be automatically cancelled if **you** do not pay the premium. Cancellation under this clause will be effective from the date to which the policy was paid up to.

## Change of terms

**We** may change the terms of this policy or any section of this policy (including the **excess**) by giving **you** notice in writing or by electronic means at **your** last known address. Unless otherwise specified in this policy, the change in terms will take effect from the 14th day after the date of the notice.

## Changes in circumstances

**You** must notify **us** immediately if, after **we** have accepted **your application** for this policy, there is a material:

1. increase in the risk covered, or
2. alteration in the risk covered.

**We** may change the terms of this policy in response to any material change in circumstances **you** or anyone else advises to **us**. The change in terms will be effective from the date of the change in circumstances.

*Information is 'material' where we would have made different decisions about either:*

*(a) accepting your insurance, or (b) setting the terms of your insurance, including the premium and excess, if we had known that information. If in any doubt, notify us anyway.*

*The 'risk covered' refers to both: (a) the actual property or liabilities covered and (b) you or other persons covered by this policy.*

## Currency

Any amounts shown in this policy or any section of this policy and in the **schedule** are in New Zealand dollars and include Goods and Services Tax.

## Governing law and jurisdiction

The law of New Zealand applies to this policy or any section of this policy and the New Zealand courts have exclusive jurisdiction.

## Joint insurance

If this policy or any section of this policy covers more than one person, then all persons are jointly covered.

*This means that a breach of this policy by any one person affects everyone's ability to claim under this policy.*

## Legislation changes

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

## Other insurance

**You** must tell **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy. This policy does not cover **your loss** or liability at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.



## Other parties with a financial interest

If **we** know of any financial interest over the insured property, **we** may:

1. pay part or all of any claim settlement to that other party and this will go towards meeting the obligations **we** have under this policy for the **loss**, and
2. disclose information about the claim to that other party if required.

Any other party who has a financial interest under this policy is not covered and does not have rights to claim under this policy.

## Reasonable care

**You** must take reasonable care at all times to avoid circumstances that could result in a claim.

**Your** claim will not be covered if **you** are reckless or grossly irresponsible.

Where cover is provided under 'Section 3 – Motor Vehicle Insurance', this condition also applies to anyone who drives **your car** with **your** permission.

Where cover is provided under 'Section 4 – Pleasurecraft Insurance', **you** and anyone using **your craft** with **your** permission must take reasonable care to:

1. protect **your craft** and maintain it in a safe and seaworthy condition, and
2. prevent **loss** or liability.

**You** must go onboard to check the anchor and tackle, and general safety of **your craft**, at least once every 24 hours, while **your craft** is:

1. unattended at anchor, or
2. on a temporary mooring to **you**.







## Policy definitions that apply to all parts of this policy

The definitions apply to the plural and any derivatives of the words used in all parts of this policy.

*For example, the definition of 'we' also applies to the words 'our' and 'us'.*

### **act of terrorism**

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

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

### **annual period**

the **period of insurance**. However, if:

- › **your** premium is paid by instalments other than annual payments, or
- › the **period of insurance** is for more than 12 months,

the annual period is the current 12 month period calculated consecutively from the date this policy first started.

### **application**

the information provided by **you** to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**.

### **bodily injury**

the **accidental** death of, or **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

### **computer virus**

a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes, but is not limited to, 'Trojan horses', 'Worms' and 'Time or logic bombs'.

### **electronic data**

facts, concepts and information converted to a form usable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

### **event**

any one event or series of events arising from one source or original cause.

### **excess**

the first amount of the claim that **you** must pay, which is shown in either the **schedule** or in this policy wording.

### **loss**

physical loss or physical damage.

### **partner**

**your** husband or wife or person with whom **you** are living in the nature of a marriage.

### **period of insurance**

the Period of Insurance shown in the **schedule**.

### **present value**

the estimated reasonable cost to replace an item with an item in New Zealand that is of equivalent age, quality and capability, and is in the same general condition.

### **schedule**

the latest version of the Schedule **we** issued to **you** for this policy.

### **we, us, our**

IAG New Zealand Limited.

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