

# Contractor's Plant & Machinery Policy



## A. INTRODUCTION

### A1. WELCOME

Welcome to New Zealand Insurance. Thank you for selecting us as your insurer.

### A2. POLICY INDEX

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### A3. DEFINED WORDS UNDER THIS POLICY

Certain words in this policy have a specific meaning.

These words are:

- (a) shown in **bold type** throughout this policy, and
- (b) listed and defined in the part below called "B. DEFINITIONS."

The definitions apply to the plural and any derivatives of the bolded words. *For example, the definition of "accident" also applies to the words "accidentally", "accidental" and "accidents."*

**We** have sometimes used examples to make the definitions clearer. These examples, which are printed in *italics*, do not affect or limit the meaning of the definitions.

If **you** are in any doubt about what a definition means, **we** will be happy to explain it to **you**.

### A4. HEADINGS

Headings in this policy are for ease of reference only. They do not form part of the policy.

## B. DEFINITIONS

<b>accessories:</b>	Supplementary items that have been added to the <b>insured item</b> after manufacture, which do not alter the performance or characteristics of the <b>insured item</b> .
<b>accidental:</b>	An event or omission that is unexpected and unintended from <b>your</b> point of view.
<b>agreed total loss:</b>	Where repair costs equal or exceed an <b>insured item's</b> : <ul style="list-style-type: none"><li>(a) market value, or</li><li>(b) <b>sum insured</b> specified in the <b>schedule</b>.</li></ul>
<b>ancillary equipment:</b>	Interchangeable attachments that are normally used with an item of plant (for example - buckets, scoops, blades, pneumatic heads), The value of all ancillary equipment shall not exceed 25% of the total value of the <b>insured item</b> , unless insured as a separate item.
<b>annual period:</b>	The <b>period of insurance</b> , but no more than 12 months. However, if: <ul style="list-style-type: none"><li>(a) <b>you</b> pay the premium monthly or quarterly, or</li><li>(b) the <b>period of insurance</b> is for more than 12 months,</li></ul> the annual period is any one 12 month period calculated from the date this policy first started, and consecutively thereafter.
<b>bodily injury:</b>	The <b>accidental</b> death of, or the <b>accidental</b> bodily injury of any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.
<b>claims event:</b>	A <b>loss</b> or series of <b>losses</b> arising from one source or original cause.
<b>current value:</b>	The <b>new replacement cost</b> of an item, less an allowance for depreciation taking into account its age and use.
<b>data:</b>	Records and information that part of an <b>insured item</b> manipulates and stores to operate or monitor the operation of the said item. This includes any programs and macros developed in-house.

B. DEFINITIONS (continued)

<b>driver:</b>	The person driving the <b>insured vehicle</b> .
<b>excess:</b>	This is the amount of any claim that <b>you</b> must pay. The amount of the excess is shown in either the <b>schedule</b> or in this policy wording.
<b>general average:</b>	General Average and Salvage Charges payable according to Foreign Statement or York-Antwerp Rules, if in accordance with the contract of affreightment or Rules and Regulations and Acts governing the carrier.
<b>insured item:</b>	Any item of plant, machinery, equipment (including self-propelled items) that is specified in the <b>schedule</b> or any <b>insured vehicle</b> . This includes: (a) any <b>ancillary equipment</b> normally used with the <b>insured item</b> , and (b) <b>accessories</b> and spare parts whilst in or on the <b>insured item</b> .
<b>insured vehicle:</b>	any <b>vehicle</b> specified in the <b>schedule</b> .
<b>liability:</b>	Legal responsibility to pay compensation to another person or entity for any of the following: (i) <b>accidental bodily injury</b> to any person, (ii) <b>accidental loss</b> to any property, Occurring in New Zealand during the <b>period of insurance</b>
<b>loss:</b>	Physical loss, physical damage or physical destruction.
<b>market value:</b>	The reasonable cost, immediately before the <b>loss</b> , to purchase an <b>insured item</b> on the retail market which is the same year, make, model and specification as the <b>insured item</b> , has done the same mileage/hours, and is in the same general condition. It includes the value of any fitted equipment that is insured.
<b>new replacement cost</b>	The cost to purchase a new item from the manufacturer via the New Zealand agent of the same make and model including all accessories, attachments and modifications as installed on the <b>insured item</b> and delivery to its normal place of business ready for operation. Where the same model is no longer manufactured the closest replacement model of the same size and capacity shall be substituted.
<b>operator:</b>	The person who is driving or directly operating: (a) the insured machine, or (b) the insured plant including mobile plant, or (c) any appliance or attachment mounted on an <b>insured vehicle</b> or any component there of.
<b>period of insurance:</b>	The period <b>you</b> are insured for. This is shown in the <b>schedule</b> .
<b>schedule:</b>	The most recent Schedule to this policy that <b>we</b> issued to <b>you</b> .
<b>sum insured:</b>	The limit of <b>our</b> liability stated in either this policy or in the <b>schedule</b> .
<b>vehicle:</b>	A motor vehicle or trailer that at the time of <b>loss</b> or <b>liability</b> incurred must be registered for road use.
<b>we:</b>	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words "us", "our" or "company" to describe NZI.</i>
<b>you:</b>	The person(s) or entity named in the <b>schedule</b> as "INSURED". <i>We may also use the word "insured" to describe you.</i>

## C. OUR AGREEMENT TO INSURE

C1. INSURANCE AGREEMENT	<b>You</b> agree to pay <b>us</b> the premium described in the <b>schedule</b> . In exchange, <b>we</b> agree to insure <b>you</b> as set out in this policy.
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## D. WHEN COVER APPLIES

D1. LIMITATIONS	(a) <b>LIMITATIONS ON WHO IS COVERED</b> This policy only provides cover under Part F, Sections One, Two and/or Three, while the <b>insured item</b> is being used by: (i) <b>you</b> , or (ii) any person who has <b>your</b> consent.
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D. WHEN COVER APPLIES (CONTINUED)

(b) **LIMITATIONS ON WHAT USAGE IS COVERED**

This policy only provides cover under Part F, Sections One, Two and/or Three, while the **insured item** is being used:

- (i) in connection with your business, or
- (ii) for private, social or domestic purposes.

D2. LOCATION OF INSURED ITEMS

(a) **UNDERGROUND**

- (i) There is no cover under Section One of this policy for any part(s) of the **insured item**, including **ancillary equipment** and **accessories** located or working under ground at the time of **loss**.
- (ii) There is no cover under this policy where the **insured item(s)** is located or working under ground in tunnels, shafts, drives or similar locations where mining techniques are used.

Unless specifically insured by endorsement.

(b) **FLOATING**

There is no cover under this policy where the **insured item(s)** is located or working on any barge vessel, pontoon or other floating device, unless specifically insured by endorsement. Provided this restriction shall not apply when the **insured item** is there for purely transportation purposes.

(c) **RACING, TRIALS AND OTHER EVENTS**

There is no cover under this policy if an **insured item** is used for racing, pacemaking, reliability trials, hill climbing, speed tests, performance competition, or testing in preparation for any of these.

D3. LENT OUT WITHOUT CHARGE

Any **insured vehicle** temporarily lent out by **you** without charge will be covered under Part F Section One, provided the **vehicle** is used for a purpose comparable with those set out in D1 (b) above.

D4. HIRED OUT ITEMS

This policy only provides cover under Part F, for any **insured items** that are hired out, where:

- (a) the hire terms and agreement specify that **you** will supply the item's **operator**, and
- (b) **your operator** operates the item for the duration of the hire.

## E. POLICY COVER OPTIONS

E1. TYPES OF COVER

The type of cover that will apply under this policy will be either:

(a) **"FULL COVER"**

This means that cover applies in full under Part F Section One, Section Two and could apply under Section Three of this policy.

(b) **"RESTRICTED COVER"**

This means that cover:

- (i) applies in full under Part F Section Two and Section Three of this policy, and
- (ii) will be restricted under Part F Section One, to either:

- **accidental loss** to the **insured item** caused by:

- fire, lightning or explosion, or
- theft, or illegal conversion, or attempt thereof.

This will appear as "FIRE, THEFT, ILLEGAL CONVERSION & THIRD PARTY ONLY" in the **schedule**, or

- no cover at all.

This will appear as "THIRD PARTY ONLY" in the **schedule**.

If anything other than "FULL COVER" applies, it will be shown in the **schedule**.

## F. WHAT YOU ARE INSURED FOR

### SECTION ONE – LOSS TO INSURED ITEM

#### F1. LOSS TO AN INSURED ITEM

**We** will indemnify **you** against **accidental loss** to an **insured item**, provided that:

- (a) the **loss** occurs anywhere in New Zealand, and
- (b) the **loss** occurs during the **period of insurance**,

PROVIDED THAT the requirements of Part D (*When cover applies*) are met.

#### F2. AUTOMATIC POLICY EXTENSIONS

*In addition to the cover under Part F1 (above), we also provide extra cover for additional items and additional costs.*

*The following Parts F2 (a) to 0 detail this extra cover.*

*You need to check what type of cover applies. See Part E. POLICY COVER OPTIONS.*

##### (a) INSURED ITEMS IN TRANSIT

Where “FULL COVER” applies to an **insured item** in transit between places in New Zealand, then the indemnity under this policy includes the costs of **general average**.

##### (b) DAMAGE CAUSED BY AN UNINSURED THIRD PARTY

###### WHEN COVER APPLIES

This Part F2 (b) only applies if the **insured item** is insured for “RESTRICTED COVER” as described in Part E above.

###### INDEMNITY

**We** will indemnify **you** for **accidental loss** to an **insured item**, occurring during the **period of insurance**, where:

- a third party is involved in an **accident** with the **insured item**, and
- the third party has no liability insurance for damage to the **insured item**, and
- the driver of the third party vehicle is more at fault than **you**, and
- **you** can supply the correct registration number of the third party vehicle together with sufficient information to identify the driver of the third party vehicle (*such as their name and address*).

###### HOW MUCH WE WILL PAY

The most **we** will pay under Part F2 (b), for any one **insured item** is:

- the **market value** of the **insured item**, or
- \$3,000,

which ever is the lesser.

##### (c) INVALIDATION

###### INDEMNITY

Where **we** would have covered a loss under Part F1:

- If a provision of Exclusion G12 had not applied, and
- The **loss** is greater than the **excess**,

**We** will indemnify only **you** as the person(s) or entity named in the schedule, without any others included by way of an extension or endorsement, for **accidental loss** to an **insured item**, that occurs:

- anywhere in New Zealand, and
- during the **period of insurance**,

PROVIDED THAT the relevant circumstances excluded by G12 were without your knowledge.

###### RESTRICTIONS

The following restrictions apply to the Part F2(c):

- **You** shall subrogate to **us** any legal rights and remedies to invoke proceedings, in **your** name against the **operator**, and/or any other party responsible for the **loss**.

###### HOW MUCH WE WILL PAY AND EXCESS

The most **we** will pay under Part F2(c), in total, is \$100,000 for any one **loss**.

F. WHAT YOU ARE INSURED FOR - SECTION ONE (continued)

An **excess** of \$1,000, or any higher amount if specified in the **schedule**, applies to this Part F2(c).

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(d) **OPERATORS PERSONAL EFFECTS**

**INDEMNITY**

**We** will indemnify **you** for **accidental loss** to the personal property of the **operator**, occurring during the **period of insurance**, PROVIDED THAT

- **Loss** of the property is caused by the same event that causes **loss** to an **insured item**, and
- **We** have accepted a claim, or would accept a claim but for the **excess**, for the **loss** to the **insured item**, and
- The property is not covered under any other insurance policy.

**HOW MUCH WE WILL PAY**

The most **we** will pay under Part F2 (d) is:

- For any one **operator** is \$2,000, and
  - For all **losses** in total is \$5,000.
- 

(e) **PROPERTY IN TRANSIT**

**INDEMNITY**

**We** will indemnify **you** for **accidental loss** to **your** property while the property is being conveyed in, or on, any **insured item**, PROVIDED THAT:

- The **loss** to property is caused by the **insured item**:
  - Catching fire, or
  - Overturning, or
  - Being involved in a collision, and
- the **loss** occurs during the **period of insurance**.

**HOW MUCH WE WILL PAY AND EXCESS**

The most **we** will pay under Part F2(e), in total, is \$5,000 for any one **loss**.

An additional **excess** of \$100, applies to this Part F2(e).

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(f) **REMOVAL OF DEBRIS**

**INDEMNITY**

Where:

- **we** have accepted a claim under Part F1 (above), and
- the **loss** is greater than the **excess**,

**we** will indemnify **you** for:

- costs incurred in the removal of debris, of an **insured item** and/or articles transported thereby, and
- costs of recovery, reloading or trans-shipping any property carried by the **insured item** (as a load), to the nearest place of safety.

PROVIDED THAT the costs are necessarily and reasonably incurred.

**FINES AND PENALTIES NOT COVERED**

This part F2 (f) DOES NOT include any fines or penalties payable by **you**.

**HOW MUCH WE WILL PAY**

The most **we** will pay for costs under Part F2 (f), in total, is \$5,000 for any one **loss**.

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(g) RETURN HOME COVER

INDEMNITY

Where:

- **we** have accepted a claim under Part F1 (above), and
- the **loss** is greater than the **excess**, and
- the **insured item** is unable to be operated,

**we** will indemnify **you** for costs incurred in:

- the **operator** either completing the journey or returning to the place where he or she is normally based, and
- returning the **insured item** to the premises following its repair or, in the event of theft or conversion, its recovery.

PROVIDED THAT the costs are necessarily and reasonably incurred.

HOW MUCH WE WILL PAY

The most **we** will pay for costs under this Item F2(g), in total, is:

- \$2,000 for any one **loss**, and
  - \$5,000 in the aggregate for an **annual period**
- 

(h) SAFETY OF THE INSURED ITEM

INDEMNITY

Where:

- **we** have accepted a claim under Part F1 (above), and
- the **loss** is greater than the **excess**,

**we** will indemnify **you** for costs incurred by **you** in ensuring the safety of the **insured item**,

PROVIDED THAT the costs are necessarily and reasonably incurred.

HOW MUCH WE WILL PAY

Payment of these costs are included within the **sum insured** for the **insured item**.

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(i) SALVAGE COSTS

INDEMNITY

Where:

- **we** have accepted a claim under Part F1 (above), and
- the **loss** is greater than the **excess**,

**we** will indemnify **you** for costs incurred in salvaging or recovering an **insured item** and the delivery of it to a place of repair or inspection, PROVIDED THAT the costs are necessarily and reasonably incurred.

HOW MUCH WE WILL PAY

Payment of these costs are included within the **sum insured** for the **insured item**.

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(j) TARPAULINS, SHEETS, ROPES or CHAINS

INDEMNITY

Where **we** have accepted a claim under Part F1 (above), **we** will indemnify **you** for **accidental loss** to:

- tarpaulins or sheets,
- ropes, or chains,

while they are in or on the **insured item**.

HOW MUCH WE WILL PAY AND EXCESS

The most **we** will pay under Part F2 (j), in total, is \$2,000 for any one **loss**.

An additional **excess** of \$50, applies to this Part F2 (j).

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(k) **TYRES**

**INDEMNITY**

**We** will indemnify **you** for **accidental loss** of tyres, occurring during the **period of insurance**, caused by staking or spiking.

**HOW MUCH WE WILL PAY**

The most **we** will pay for costs under this Item F2(k), in total, is:

- \$5,000 for any one **loss**, and
- \$10,000 during an annual period of insurance.

**EXCESS**

An **excess** of \$1,000, or any higher amount if specified in the **schedule**, applies to this Part F2 (k).

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F3. OPTIONAL EXTENSIONS  
(SECTION ONE)

*In addition to the cover under Parts F1 and F2 (above), we also offer some additional optional policy extensions. The following Parts F3 (a) to F3 (c) detail these optional policy extensions.*

Cover under Parts F3(a) to F3(c) only apply where the extension is shown in the **schedule** and up to the **sum insured** for that item.

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(a) **ADDITIONS and DELETIONS**

All items coverable by this policy acquired by **you** during the **period of insurance** shall be included in the **schedule** from the date of acquisition. All items sold during the **period of insurance** shall be deleted from the **schedule** from the date of disposal.

**You** shall notify **us** as soon as practicable following any addition(s) or deletion(s).

Adjustments of premium shall be calculated as a proportion of the annual premium and shall be adjusted at the end of each **period of insurance**.

The **sum insured** for each additional item is deemed to be the purchase price of that item, subject to a maximum of \$100,000 UNLESS advised to **us**.

Provided that the maximum limit above will be increased to \$1,000,000 for a maximum period of 14 days from the date of purchase.

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(b) **LOSS OF USE**

**INDEMNITY**

If an **insured item** sustains **accidental loss** which is covered under Section One of this policy and which exceeds the **excess**, this policy is extended to cover the reasonable costs of hiring a substitute item subject to the following:

- (i) this Extension shall only apply to those **insured items** so nominated in the **schedule** for this Extension,
- (ii) payment for a substitute vehicle will begin when **we** have assessed and authorised repairs to an **insured item**, or from the date the vehicle is lost, disabled or declared a constructive total loss by **us**, whichever shall first occur,
- (iii) the substitute item must be of similar specification to the **insured item**,
- (iv) no payment will be made by **us** if **you** are able to obtain the use of an alternative item at no cost,
- (v) repair or replacement of the **insured item** must be carried out with reasonable dispatch and **you** must give every assistance to **us** to achieve this,

**HOW MUCH WE WILL PAY**

**Our** liability under this Extension shall be subject to the following:

- (i) a limit of \$5,000 for any one **loss**,
- (ii) a maximum period of indemnity of 40 days for any one **loss**,
- (iii) the daily limit specified in the **schedule**,
- (iv) an excess of 5 days following any one **loss**.

Unless stated otherwise in the **schedule**

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(c) **STANDING CHARGES**

**INDEMNITY**

If an **insured item** sustains **accidental loss** which is covered under Section One of this policy and which exceeds the **excess**, this policy is extended to cover interest incurred on any borrowings against or finance on the **insured item** [here after called Standing Charges] during the period of repair or replacement of the **insured item** subject to the following,

- This Extension shall only apply to those **insured items** in the **schedule** nominated for this Extension,
- Payment of Standing Charges will begin when **we** have assessed and authorised repairs to the **insured item**, or from the date the insured item is lost, disabled or declared a constructive total loss by **us**, whichever shall first occur,
- No payment will be made by **us** if **you** are able to obtain the use of an alternative item,
- **We** shall not contribute towards any component of principal repayments included in any finance package.
- Repair or replacement of the **insured item** must be carried out with reasonable dispatch and **you** must give every assistance to **us** to achieve this,

**HOW MUCH WE PAY**

**Our** liability under this Extension shall:

- be limited to a maximum period of 90 days unless stated otherwise in the **schedule**,
- not exceed 80% of the **sum insured** shown in the **schedule** for this Extension for this **insured item** evenly spread throughout the reinstatement period. This means that **you** shall co-insure 20% of the financial loss in addition to the time excess.
- be subject to a time excess of 5 days following any one **loss**,

For the purpose of this Extension Section One Exclusion G1(a) is modified accordingly

**SECTION TWO – MOTOR VEHICLE LIABILITY**

F4. LIABILITY COVER

**We** will indemnify **your liability** up to the **sum insured** that arises out of the ownership or use of an **insured vehicle** or another **vehicle** hired in substitution of an **insured vehicle**, under this policy, (including whilst it is being loaded or unloaded).

**We** will also indemnify **you** for **liability** where **you** are driving a vehicle that:

- is neither owned nor hired by **you**, and
- weighs 3500 kilograms or less,

PROVIDED THAT the **liability** arises only while the vehicle is being used in connection with **your** business, and with the vehicle owner’s consent.

F5. AUTOMATIC POLICY EXTENSIONS (SECTION TWO)

*In addition to the cover under Part F4 (above), we also provide extra cover for additional items and additional costs.*

*The following Parts F5 (a) to F5 0 detail this extra cover.*

(a) **WHO IS COVERED**

Under Section Two of this policy **cover** is extended to include:

- (i) **you**, and/or
- (ii) any driver who is in control of an **insured vehicle** with **your** consent, against the **liability** described in parts F4 and F5.

(b) **MOVEMENT of OTHER VEHICLES**

Cover under Part F4 is extended to include **liability** arising out of the movement, by **you**, or any authorised employee, of any vehicle that:

- (i) is parked in a position which prevents or impedes the loading or unloading of an **insured item**, or
- (ii) prevents or impedes the legitimate passage of an **insured item**.

Exclusion G5 shall not apply to the vehicle being moved.

(c) **TOWING**

Cover under Part F4 is extended to include **liability** arising out of an **insured item** being used for the purpose of towing any one trailer or caravan, or any one **vehicle**, or item of plant while attached to an **insured item**. Provided such towing is not for hire or reward.

(d) **DEFENCE COSTS**

Where there is **liability** indemnified under this Section Two, **we** will also meet defence costs necessary and reasonably incurred.

Where **you** are entitled to indemnity under this policy and the **operator**:

- (i) is charged with careless driving causing death, arising out of the use of an **insured vehicle**, or
- (ii) is legally represented at any enquiry or coroner's inquest in connection with death arising out of the use of an **insured vehicle** (but only whilst the vehicle was being used in connection with **your** business),

**we** will indemnify the cost of defending any Court action in respect of the charge and/or the cost of legal representation at any enquiry or inquest.

**Our** limit of liability shall not exceed \$2,000 for any one use of an **insured vehicle** resulting in (d)(i) and/or (d)(ii).

(e) **PRINCIPAL IN CONTRACT.**

Where **you** enter into a contract in connection with your business, which requires **you** to insure the Principal, the cover under this policy is extended to include that Principal, to the extent of the Principal's vicarious **liability** arising from **your** performance of that contract.

Provided that if the **sum insured** is insufficient to indemnify all of you, the Principal will only be indemnified after all others have had their claims met and the remaining **sum insured** (if any) will then be applied to the Principal.

F6. OPTIONAL EXTENSIONS  
(SECTION TWO)

*In addition to the cover under Parts F4 and F6 (above), we also offer some additional optional policy extensions. The following Part F6 details the optional policy extension.*

Cover under Parts F6 only applies where the extension is shown in the **schedule** and up to the **sum insured** for that item.

(a) **LIABILITY for HIRED-IN PLANT**

Where **you** reject the hired plants owner's offer of insurance under the hire agreement:

- (i) Where the **schedule** indicates "FULL COVER"

**We** will cover **your liability** arising out of the use of any plant hired-in by **you** under the agreement for:

- **Accidental loss** to the hired plant as provided under Section One of this policy, but not exceeding \$50,000 any **loss**, and
- Consequential loss of revenue or other expense of the owner of the hired-in plant including towing and salvage costs associated with the recovery of the vehicle and its ancillary equipment, accessories or spare parts thereon, but not exceeding \$100,000 any one **loss**, PROVIDED such **liability** arises as a result of **loss** to the hired plant for which a claim is payable under this policy (or would be payable but for the application of **excess**), and
- **Liability** to third parties as provided under Section Two and/or Three of this policy.

- (ii) Where the **schedule** shows "RESTRICTED COVER",

**We** will indemnify **your liability** to third parties, other than the hired-in plant owner, arising out of the use of the hired-in plant as provided under Section Two and/or Three of this policy.

**SECTION THREE –PUBLIC LIABILITY**

F7. PUBLIC LIABILITY

Where **we** also provide **you** with either Public Liability or Broadform Liability insurance cover, that policy is extended to include the following (but otherwise subject to the terms of that policy):

(a) **VICARIOUS LIABILITY FOR SUBCONTRACTORS' PLANT.**

**We** will indemnify **you** for any vicarious liability **you** incur arising from the operation of mobile plant by a subcontractor.

(b) **PRINCIPALS IN CONTRACT.**

Where **you**, in connection with the Business, is required under contract conditions to insure the Principal, the Liability or Broadform policy's definition of **you** is extended to include the Principal in contract, to the extent of the principal's legal liability arising from **your** performance of that contract.

Provided that if the **sum insured** is insufficient to indemnify all of **you**, the principal will only be indemnified after all others have had their claims met and the remaining **sum insured** (if any) will then be applied to the principal.

(c) **MOBILE PLANT.**

**We** will indemnify **you** for all sums you become **liable** to pay arising from:

- (i) **bodily injury**, and/or
- (ii) **property damage**

happening during the **period of insurance** resulting from an occurrence in New Zealand in connection with the use by **you** of an **insured item** which is mechanically propelled plant or machinery, but only whilst the plant or machinery is being operated as such (and not solely as a motor vehicle).

(d) **UNDERGROUND SERVICES.**

**We** will only indemnify **you** in respect of **property damage** to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of the works, **you** have inquired with the relevant authorities about the exact position of such cables and/or pipes or other underground facilities.

**You** shall bear the first \$1,000 or the **excess** shown in the **schedule**, which ever is the greater, of all sums payable in respect of any one occurrence.

(e) **GOODS ON HOOK.**

**We** will indemnify **you** for all sums **you** become **liable** to pay for goods which are lost or damaged while being supported by or falling from an **insured item** which is a lifting device,

Provided that:

- (i) **Our** maximum liability shall be limited to \$ 10,000 any one lift,
- (ii) **You** shall bear the first \$ 1,000 or the **excess** shown in the **schedule**, which ever is the greater, of all sums payable in respect of any one occurrence.
- (iii) The goods are not otherwise insured.

**G. WHAT IS NOT COVERED**

**SECTION ONE –LOSS TO INSURED ITEM**

**G1. TYPES OF LOSS NOT COVERED**

Section One of this policy does not insure the following kinds of loss howsoever arising:

- (a) loss of use or consequential loss of an kind, unless expressly insured under Section One,
- (b) depreciation,
- (c) punctures, cuts, bursts, or damage to tyres, unless arising from **accidental loss** to the **insured item** covered under Section One,
- (d) rust or corrosion. However any **accidental loss** of a different kind resulting from rust or corrosion is insured,
- (e) any breakdown, failure or breakage which is:
  - mechanical, or
  - electrical, or
  - electronic,

and any resultant loss to engine, hydraulic or transmission systems, or any part or component thereof.

PROVIDED THAT this exclusion does not apply:

- to other **loss** caused by the breakdown failure or breakage,
- where the breakdown, is caused by **accidental** impact, collision, fire or overturning of the **insured item**.

G. WHAT IS NOT COVERED - SECTION TWO (continued)

- (f) wear and tear, and any resultant loss to engine hydraulic or transmission systems, or any part or component thereof. However resultant **accidental loss** to any other part of the **insured item** is covered.

G2. DEFECTS IN DESIGN / SPECIFICATIONS / MATERIALS	Section One of this policy does not insure <b>loss</b> proximately caused by failure of, or defect or fault in, the design, specifications or materials of an <b>insured item</b> . This exclusion is limited to the part immediately affected and does not apply to resultant <b>accidental loss</b> to any other part of an <b>insured item</b> .
G3. THEFT BY PURPORTED PURCHASER	Section One of this policy does not insure <b>loss</b> proximately caused by theft or illegal conversion by a purported purchaser of an <b>insured item</b> , by the use of any fraudulent scheme or device, or any false pretence practiced upon <b>you</b> .

**SECTION TWO –MOTOR VEHICLE LIABILITY**

G4. TRANSPORTING OF A LOAD	(a) <b>THE LOAD</b> Section Two of this policy does not insure <b>liability</b> arising from the load conveyed by an <b>insured item</b> . But this exclusion shall not exclude the removal of debris covered under F2(f) (b) <b>LOADING</b> Section Two of this policy does not insure <b>liability</b> arising from the bringing of a load for loading thereon or the taking away of the load from an <b>insured item</b> .
G5. PROPERTY OWNED OR IN YOUR CARE	Section Two of this policy does not insure <b>liability</b> for loss to property that belongs to, or is in the care, custody or control of, any person insured under this policy.
G6. OPERATOR	Section Two of this policy does not insure <b>liability</b> for <b>bodily injury</b> to any person or <b>loss</b> to their property, who at the time of the <b>accident</b> was operating the <b>insured item</b> .
G7. FINES	Section Two of this policy does not insure <b>liability</b> for any fine, or any punitive, exemplary or aggravated damages that a court awards against <b>you</b> or the <b>operator</b> .
G8. CONTRACTUAL LIABILITY	Section Two of this policy does not insure <b>liability</b> arising out of a contract entered into by <b>you</b> , unless <b>liability</b> would still have arisen without the contract, or the <b>liability</b> is specifically covered under F5(e) Principal in Contract, or F6 Optional Extensions.
G9. PROPERTY BENEATH THE ITEM	Section Two of this policy does not insure <b>liability</b> for <b>loss</b> to any property or surface beneath an <b>insured item</b> proximately caused by: (a) vibration by an <b>insured item</b> , or (b) the weight of an <b>insured item</b> , and/or (c) the weight of the load carried by an <b>insured item</b> , or (d) the conveyance mechanism such as tracks, wheels, tyres, stabilisers, and / or out riggers
G10. UNDERGROUND PROPERTY	Section Two of this policy does not insure <b>liability</b> for <b>loss</b> to underground pipelines or cables or other underground installations of any description.
G11. CRANES, HOISTS, ETC	Section Two of this policy does not insure <b>liability</b> in connection with any appliance that is temporarily or permanently carried by an <b>insured vehicle</b> being operated on its own. <i>By way of example there is no liability cover under this section of the policy for the operation of a crane or hoist. This Liability could be covered under a Public Liability Policy or Section Three of this policy.</i>

**ALL SECTIONS – GENERAL EXCLUSIONS**

G12. OPERATION	(a) <b>UNLICENSED DRIVER</b> This policy does not insure any <b>loss</b> or <b>liability</b> to or arising from any <b>insured vehicle</b> while it is being driven by any person who is not the holder of a motor driver's licence, or other licence for the appropriate class and use, applicable to the operation of the <b>insured item</b> or its components, or who breaches any conditions contained in their licence (if such is required when driving the insured item or its components)
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G. WHAT IS NOT COVERED - ALL SECTION (continued)

PROVIDED this Exclusion (a) shall not operate if,

- the driver had held, and is not disqualified from holding or obtaining, and actually obtains such a licence without a further driving test, NOR
- the **insured vehicle** is being used for the purpose of teaching a learner to drive if all requirements of the law are being complied with

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(b) **INTOXICATED DRIVER**

This policy does not insure any **loss** or **liability** to or arising from any **insured item** while it is being driven / operated by any person, including **you**:

- who is under the influence of alcohol and / or any other intoxicating substance or drug, or
- who fails or refuses to supply a breath or blood sample as required by law, or
- who fails or refuses to stop, or remain at the scene, following an accident as required by law,

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(c) **BREACH OF REGULATIONS**

This policy does not insure any **loss** or **liability** to or arising from any **insured item** being driven by anyone in breach of any enactment or regulations relating to driving hours.

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(d) **UNSAFE OPERATION**

This policy does not insure any **loss** or **liability** to or arising from any **insured item** which is loaded, or operated contrary to any enactment or regulations,

Provided Exclusion G12 will not apply to any claim for **loss** arising from theft or illegal conversion of an **insured item**

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**G13 WAR AND NUCLEAR RISKS**

This policy does not insure **loss** or **liability** in connection with any of the following:

- (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power,
- (b) confiscation, nationalisation, requisition or destruction of, or damage to, property by order of government, public or local authority,
- (c) nuclear weapons material,
- (d) ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exclusion, combustion will include any self-sustaining process of nuclear fission.

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**G14. TERRORISM**

Notwithstanding any provision in the policy to the contrary, the policy excludes death, injury, illness, loss, damage, cost, expense or liability, of any nature whatsoever, directly or indirectly caused by, or in connection with an Act of Terrorism.

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

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**G15 LOSS OF ELECTRONIC DATA**

Notwithstanding any provision in the policy to the contrary, the policy excludes loss of or damage to Electronic Data, and any liability arising from this, directly or indirectly caused by, or in connection with a Computer Virus. This includes loss of use, reduction in functionality or any other associated loss or expense in connection with the Electronic Data.

However, this exclusion does not apply to resultant physical damage to other insured property, which is not otherwise excluded.

"Electronic Data" means facts, concepts and information converted to a form useable 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.

"Computer Virus" means 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".

## H. HOW MUCH WE WILL PAY

### SECTION ONE –LOSS TO AN INSURED ITEM

H1. MAXIMUM AMOUNT PAYABLE	The maximum amount payable under Section One will be the lesser of the <b>market value</b> of an <b>insured item</b> , or the <b>sum insured</b> shown in the <b>schedule</b>
H2. EXCESS	<p>The <b>excess</b> shall be deducted from each adjusted <b>loss</b> for each event or series of <b>losses</b> from the same event.</p> <p>A series of <b>losses</b> arising from subsidence, erosion, flood, inundation, landslip, cyclone, storm, tempest, or natural disaster during any period of 72 consecutive hours will be treated as one event for the purpose of applying the <b>excess</b>.</p> <p>Where there is a claim arising out of the same event indemnifiable under more than one Section only one <b>excess</b>, being the highest, shall be applied.</p> <p>PROVIDED THAT,</p> <ul style="list-style-type: none"><li>Where there is either an automatic or optional extension applying, the additional <b>excess</b> of the extension shall also apply in addition to any Section <b>excess</b></li><li>Where the driver of any <b>insured vehicle</b> sustaining <b>loss</b> is under 25 years of age, an additional <b>excess</b>, based on the driver's age, shall also apply.</li></ul>
H3. METHOD OF INDEMNITY	<p><b>We</b> will indemnify <b>you</b> by:</p> <ul style="list-style-type: none"><li>paying the cost of repair, or</li><li>paying the amount equal to the reasonable cost of repair, or</li><li>replacing the <b>insured item</b> with one of similar condition, or</li><li>paying an amount equal to its market value or the sum insured in the schedule</li></ul> <p>at <b>our</b> sole discretion.</p>
H4. BETTERMENT	<p><b>We</b> will not be liable to repair an <b>insured item</b> to a condition better than it was before the <b>loss</b> occurred.</p>

### SECTION TWO –MOTOR VEHICLE LIABILITY

H5. MAXIMUM AMOUNT PAYABLE	The maximum amount payable under Section Two in respect of any one claim, or series of claims arising from the one <b>accident</b> , inclusive of defence costs, shall not exceed the <b>sum insured</b> shown in the <b>schedule</b> .
H6. PRIORITY	If any indemnity under Section Two is insufficient to indemnify both <b>you</b> and any other person indemnifiable, it shall apply in priority to <b>you</b> .
H7. EXCESS	<p>The excess shall be deducted from each adjusted <b>loss</b> for each event or series of <b>losses</b> from the same event.</p> <p>Where there is a claim arising out of the same event indemnifiable under more than one Section, only one <b>excess</b>, being the highest, shall be applied.</p> <p>PROVIDED THAT,</p> <ul style="list-style-type: none"><li>Where there is either and automatic or optional extension applying, the additional <b>excess</b> of the extension shall also apply in addition to any Section <b>excess</b></li><li>Where the driver of any <b>insured vehicle</b> is liable for damage, an additional <b>excess</b>, based on the driver's age, shall also apply.</li></ul>
H8. TOTAL SETTLEMENT	<p><b>We</b> may at any time elect to pay <b>you</b>:</p> <ul style="list-style-type: none"><li>the <b>sum insured</b> applicable under Section Two this policy: or</li><li>any lesser sum that the claim against <b>you</b> can be settled for,</li></ul> <p>and upon payment <b>we</b> shall be under no further <b>liability</b> to <b>you</b> under this policy except for Defence Costs already incurred up until the time of payment.</p>

## I. CLAIMS CONDITIONS

### 11. WHAT YOU MUST DO

#### (a) TELL US ABOUT THE CLAIM

If **you** become aware of any situation that is likely to give rise to a claim, **you** must:

- (i) tell **us** immediately, and
- (ii) take all reasonable steps to minimise the claim and avoid any further claim arising,
- (iii) lay a complaint with the Police if **you** suspect burglary, theft, arson or intentional damage.

Take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses,

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#### (b) IF A CLAIM IS MADE AGAINST YOU

If any other party claims against **you** or indicates they intend to claim against **you**, **you** must:

- (i) tell **us** and ask them to contact **us**, and
  - (ii) give **us** full details of all potentially responsible parties.
- 

#### (c) AUTHORISING REPAIRS – MINOR DAMAGE

No repairs can be carried out until:

- (i) A claim form has been completed and delivered to **us**, and
  - (ii) **Our** surveyor or assessor has examined the item and approved any repair work, unless we specifically waive this requirement prior to the commencement of the repair.
- 

### 12. WHAT YOU MUST NOT DO

#### (a) NO ADMISSION OF LIABILITY

**You** must not:

- (i) admit **you** are liable, or
  - (ii) do or say anything that may prejudice **our** ability to:
    - defend the claim against **you**, or
    - take recovery action in **your** name.
- 

#### (b) DISPOSAL OF PROPERTY

**You** must not dispose of any property that **you** intend to claim for (or where a **liability** is involved) under this insurance.

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#### (c) ABANDONMENT OF PROPERTY

**You** must not abandon any property to **us**.

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### 13. HOW TO CLAIM

To claim under this insurance **you** must:

- (a) complete **our** Claim Form in full, and
  - (b) give **us** free access to examine and assess the claim, and
  - (c) send any relevant correspondence or court documents to **us** as soon as possible, and
  - (d) authorise the disclosure to **us** of any personal information about **you** that is:
    - (i) held by any other parties, and
    - (ii) relevant to the policy or claim, and
  - (e) agree to the details of the claim being forwarded to the Insurance Claims Register Limited, and
  - (f) provide **us** with any other information or assistance **we** reasonably require at any time, and
  - (g) if **we** request it:
    - (i) give **us** a statutory declaration to confirm the claim, and/or
    - (ii) be examined under oath by any person **we** nominate.
- 

### 14. FRAUD

If **your** claim is dishonest or fraudulent in any way, **we** may:

- (a) decline **your** claim either in whole or in part, or
- (b) declare either this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

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15. SUBROGATION

Subrogation means that we can act on your behalf, in order to recover any costs from other persons.

(a) RECOVERY

After **we** have accepted any part of **your** claim, **we**:

- (i) are fully subrogated to **your** position (we are able to recover costs on your behalf), and
- (ii) may exercise for **our** own benefit any legal right of recovery **you** have.

If **we** do this it is at **our** expense. However, **you** must fully co-operate with **us**. If **you** do not, **we** may recover the claim payment(s) from **you**.

(b) PROCEEDS

If **we** are successful, **we** will distribute any recovery as follows:

- (i) First, **we** will reimburse **your excess** and any uninsured portion of the loss,
- (ii) Second, **we** will retain the costs of the insured losses that have been paid,
- (iii) Finally, **we** will pay **you** any remaining balance of the recovery.

16. RECOVERIES

(a) RECOVERED OR RETURNED PROPERTY

If any lost or stolen property for which **we** have paid a claim is later found or recovered **you** must:

- (i) tell **us** immediately,
- (ii) hand the property over to **us** if **we** request it.

**We** have the right to keep any property for which **we** have paid a claim under this policy, including any proceeds if it is sold.

(b) REPARATION ORDERS

If any person is ordered to make reparation to **you**, for **loss** to any property that **we** have paid a claim under this policy, then **you** must reimburse **us** for that payment as soon as any reparation is made.

17. PROGRESS PAYMENTS

Where **we** have accepted a claim under this policy, **we** will make regular progress payments for the claim provided that:

- (a) **you** produce acceptable evidence of insured **loss**.
- (b) if the combined progress payments exceed the total amount of the **loss**, **you** immediately refund the difference between these amounts.

18. THEFT OF THE ITEM

If a claim is made for total loss of an **insured item** resulting from theft, we will not be required to settle the claim until the expiry of a period of 14 days from the date that the loss was reported to us.

J. GENERAL CONDITIONS

J1. ACTS OF PARLIAMENT

Where this policy refers to any Act of Parliament, this includes any Statutory Regulations made under it. It also includes any Act or Regulations enacted in substitution.

J2. CANCELLATION

(a) BY YOU

**You** may cancel this policy at any time by giving notice to **us**. **We** will refund to **you** the unexpired portion of any premium **you** have already paid to **us**.

(b) BY US

**We** may cancel this policy at any time by giving notice to **you**. Cancellation is effective from 4:00pm on the 30th day after the notice is given. The 30-day period starts on the day the notice is delivered or posted. **We** will refund to **you** the unused portion of any premium **you** have already paid to **us**.

J3. CHANGE IN CIRCUMSTANCES

(a) **WHEN YOU MUST NOTIFY US**

**You** must notify **us** immediately if, after the start of the policy, there is a material:

- (i) increase in the risk insured, or
- (ii) alteration in the risk insured.

*Information is "material" where we would have made a different decision about either:*

- (1) accepting the insurance risk, or*
- (2) setting the terms of the insurance,*

*if we had known that information. If in any doubt, notify us anyway.*

*The "risk insured" refers to both*

- (1) The actual property or liability insured (known as physical hazard) and*
  - (2) You or other persons covered by this policy (known as moral hazard).*
- 

(b) **AFTER YOU HAVE NOTIFIED US**

After **you** have notified **us** about a change in the risk insured, **we** may change the:

- (i) premium payable, and/or
- (ii) terms and conditions of this policy.

Any change **we** make will be effective immediately.

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(c) **CONSEQUENCES OF NOT NOTIFYING US**

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (i) declare this policy unenforceable, or
- (ii) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

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J4. COMPLY WITH THE POLICY

**You** must meet the following conditions before **we** are liable under this insurance policy:

- (a) **you** must comply with all the terms of the policy, and
  - (b) whenever the policy covers the interest of any other person or entity, that person or entity also must comply with the same terms of the policy where applicable, and
  - (c) true statements and answers must be given (whether by **you** or any other person) when **you**:
    - (i) apply for this insurance, and
    - (ii) notify **us** regarding any change in circumstances, and
    - (iii) make any claim under this policy.
- 

J5. DOUBLE INSURANCE

**You** must notify **us** as soon as **you** know of any other insurance policy that covers any of the risks covered under this policy.

If there is such a policy, **we** will only pay over and above the limit payable under that other policy.

---

J6. GOODS AND SERVICES TAX

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

- (a) all **sums insured** exclude GST, and
  - (b) GST will be added, where applicable, to claim payments.
- 

J7. GOVERNING LAW

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

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J8. INSURANCE LAW REFORM ACTS

The Exclusions and Conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

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J9. INTERESTS OF OTHERS

Where **you** are under a legal obligation to insure the interest of :

- (a) any person, or
- (b) corporate body

who has an interest in any of the **insured property**, **we** will indemnify **you** and that person or corporate body as if a separate policy had been issued to each.

J. GENERAL CONDITIONS (continued)

However:

- (i) **we** will not be liable to indemnify any other party if **we** have not been informed about them by the time **we** are ready to pay **you**, and
  - (ii) **our** liability will not be increased beyond the amount that would be payable if this condition had not been in this policy.
- 

J10 MONTHLY / QUARTERLY PREMIUMS

If **you** choose to pay the premium monthly or quarterly, then:

- (a) **you** must use the Deduction Authority **we** require, and
- (b) this policy is for the initial **period of insurance** starting on the "FROM" date and ending on the "TO" date stated in the **schedule**.

The policy will be renewed for further monthly or quarterly periods of insurance (as indicated in the **schedule**) by payment of each monthly or quarterly premium due under the Deduction Authority.

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J11 NOTICES

(a) FROM YOU TO US

Notices from **you** to **us** must be:

- (i) in writing, and
  - (ii) delivered personally or posted to any NZI Branch, NZI Service Centre or to **our** Head Office.
- 

(b) FROM US TO YOU

Notices from **us** to **you** must be

- (i) in writing, and
  - (ii) delivered personally or posted to the last known postal address of:
    - **you**, or
    - **your** insurance broker or agent (if **you** have one).
- 

J12 POLICY CONTRACT

This policy is a contract consisting of the following parts:

- (a) **your** application for insurance, and any oral or written supporting statements or documents supplied by **you**, and
  - (b) this policy wording (including any endorsements), and
  - (c) the **schedule**.
- 

J13 PREMIUM ADJUSTMENTS

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within 3 months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment.

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J14 SEPARATE INSURANCE

If more than one person or entity is named as 'INSURED' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).

However, **we** will not pay more to the entire group put together than the amount listed under 'Part H. HOW MUCH WE WILL PAY'.

---

J15 TAKE REASONABLE CARE

**You**, or any person in charge of an **insured item**, shall take all reasonable care at all times at **your** own expense to:

- (a) ensure all property covered by this policy is kept safe and protected, and
- (b) operate within the items design loads and
- (c) operate the item in accordance with manufacturers recommendations and
- (d) avoid any legal **liability**.

We shall have free access to examine any **insured item**.

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**CONTRACTOR'S PLANT & MACHINERY POLICY**

underwritten by NZI, a business division of IAG New Zealand Limited

**IMPORTANT: PLEASE EXAMINE THIS POLICY AND IF IT DOES NOT MEET YOUR REQUIREMENTS,  
KINDLY RETURN IT AT ONCE TO YOUR BROKER OR AGENT OR TO OUR OFFICE OF ISSUE.**

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