



Welcome to NZI. Thank you for selecting us as your insurer. This is your Broadform Liability Policy document.

It will tell you what you are insured for and what you are not insured for, as well as any obligations that you or we must abide by to ensure an enforceable policy. This policy document is a legal contract so please read it thoroughly and keep it in a safe place. If you need help with understanding your policy document, please contact your insurance broker.

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NZI, a business division of IAG New Zealand Limited, has relationships with brokers and other insurance intermediaries who issue our policies.

IAG New Zealand Limited pays remuneration to brokers and insurance intermediaries when they issue NZI policies, and when these policies are renewed or varied.



INTRODUCTION TO THIS POLICY

AGREEMENT

You agree to pay **us** the premium described in the **schedule** and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

POLICY CONTRACT

This policy consists of the following parts:

1. **your** application for insurance, and any oral or written supporting statements or documents supplied by **you**, and
2. this policy wording (including any endorsements or warranties), and
3. the **schedule**.

INTERPRETING THIS POLICY

Certain words in this policy have a specific meaning. These words appear in **bold** and **you** will find the meaning listed in the 'Definitions' section at the end of this policy. The definitions apply to the plural and any derivatives of the bolded words.

You will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy.

WHAT YOU ARE INSURED FOR

A. PUBLIC AND PRODUCT LIABILITY

1. Public Liability

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens during the **period of insurance**:

- 1.1 anywhere in the world, except for **North America**, in connection with the **business**, and
- 1.2 in **North America**, provided that **your liability** is in connection with **business** related travel to, or in, **North America**.

2. Product Liability

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens during the **period of insurance**, in connection with **your products**, anywhere in the world.

No cover is provided in **North America**:

- (a) for **liability** in connection with the activities of **your**:
 - (i) sales agents, or
 - (ii) vendors, or
 - (iii) representatives,that are domiciled overseas, or

WHAT YOU ARE INSURED FOR continued

- (b) if **you** have a place of business in **North America**, or if **you** are represented by any parent or subsidiary company or joint venture in **North America**.

The most **we** will pay for any **event**, or in aggregate for all **product liability events**, during an **annual period**, is the Public and Products Liability sum insured shown in the **schedule**.

B. DEFENCE COSTS

You are insured for all legal costs and legal expenses necessarily and reasonably incurred by **you** to defend any civil legal action that if proven, would be covered by this policy.

We will meet these costs even if the legal action seems groundless.

For avoidance of any doubt, if **you** are unsure whether **we** will pay **your** costs and/or expenses, please consult **us** before **you** start incurring any costs and/or expenses.

Defence Costs covered by this policy will be paid in addition to the relevant limit shown in this policy or in the **schedule**, except for:

1. 'What You Are Insured For Part A Items 1.2' – Public Liability – North America and 'What you are insured for Part A Item 2' – Product Liability – anywhere in the world, and
2. 'Automatic Extension Part B' - Defective Design Liability, and
3. 'Automatic Extension Part N' - Vibration, Removal, Weakening of Support Liability, and

4. 'Automatic Extension Part D' – Exemplary Damages in New Zealand.

For Items 1 – 4 above, Defence Costs covered by this policy are included within the relevant limit and are not additional.

AUTOMATIC EXTENSIONS

'What You Are Insured For Part A' above, is extended to provide the following Automatic Extensions.

Automatic Extensions are included within the Public and Products Liability sum insured shown in the **schedule**, they are not in addition to it.

A. BAILEE'S LIABILITY

You are insured for all sums that **you** become **liable** to pay for **damage** that happens in New Zealand during the **period of insurance**, in connection with the **business**, to property that is:

1. in **your** control or possession (and not owned, hired, leased or rented by any person or entity defined under **you**, other than employees), and
2. at premises that are owned or occupied by **you**.

No cover is provided for **liability** for **damage** to land or buildings.

'Exclusion Part E Item 2' does not apply to faulty or defective storing of any **product** covered by this Extension.

'Exclusion Part N Item 2' does not apply to this Extension.



BROADFORM LIABILITY POLICY

OCCURRENCE WORDING

AUTOMATIC EXTENSIONS continued

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

B. DEFECTIVE DESIGN LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and
2. any defective:
 - 2.1 formula or pattern, or
 - 2.2 design or plan, or
 - 2.3 specification,

of **products**.

'Exclusion Part C Item 1' does not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

C. ERRORS AND OMISSIONS LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and
2. errors or omissions in:
 - 2.1 advice given by **you**, provided that the advice is incidental to goods **you** have sold, supplied or **repaired**, or
 - 2.2 emergency medical advice or emergency medical treatment provided by **you**.

'Exclusion Part C Item 2' does not apply to this Extension.

D. EXEMPLARY DAMAGES IN NEW ZEALAND

You are insured for punitive or exemplary damages awarded against **you** by a New Zealand Court arising out of an **event** covered by this policy.

You are not insured for punitive or exemplary damages connected with a dishonest or fraudulent act or omission by **you**.

'Exclusion Part F Item 2' and 'General Condition Part C Item 3' do not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is:

1. the Public and Products Liability sum insured shown in the **schedule**, or





BROADFORM LIABILITY POLICY

OCCURRENCE WORDING

AUTOMATIC EXTENSIONS continued

2. \$1,000,000,

whichever is the lesser.

E. FOREST AND RURAL FIRES ACT

You are insured for all sums that **you** become **liable** to pay arising from fire (or threat of fire) that happens in New Zealand during the **period of insurance** in connection with the **business**, for:

1. costs and losses recoverable from **you** under Section 43(1) of the Forest and Rural Fires Act 1977, and not otherwise at law, and
2. costs agreed (or levies imposed) and apportioned to **you** by a fire authority under Sections 46 and 46A of the Forest and Rural Fires Act 1977.

We will pay these costs whether **damage** occurs or not.

'Exclusion Part Q Item 1' and 'Exclusion Part G' do not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

F. LANDLORD'S LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens anywhere in the world other than **North America** during the **period of insurance**, in connection with:

1. the **business**, and
2. **your** legal ownership, but not physical occupation, of any premises.

G. LOADING / UNLOADING LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and
2. the:
 - 2.1 loading of goods into a stationary **vehicle**, or
 - 2.2 unloading of goods from a stationary **vehicle**.

You are not insured for **liability** for **damage** to a **mobile mechanical plant**.

'Exclusion Part Q Item 1' does not apply to this Extension.

H. MOBILE MECHANICAL PLANT LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and
2. **mobile mechanical plant** that is operating its plant or machinery at the time of the **injury** and/or **damage**, provided that **you** are not otherwise insured for **your liability** under any other policy.



AUTOMATIC EXTENSIONS continued

'Exclusion Part N Item 2', 'Exclusion Part E Item 2' and 'Exclusion Part Q Item 1,' do not apply to this Extension.

I. MOTOR REPAIR AND STORAGE LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and
2. any:
 - 2.1 **vehicle**, or
 - 2.2 internal combustion engine, or
 - 2.3 accessory or fitting of any of the above,
not owned, hired, leased or rented by any person or entity defined under **you**,

provided that the **injury** and/or **damage** occurs:

- (a) as a result of **repairs** carried out by **you**, or
- (b) while any item listed in 2 (above) is in **your** control or possession, but not as a result of **repairs** being carried out by **you** to that item.

No cover is provided under (a) above for **liability** for **damage** to an item that is insured under (b) above.

No cover is provided when **you** are driving any **vehicle** and **you**:

- (i) do not hold an appropriate driver's licence or do not comply with the conditions of **your** driver's licence, or

- (ii) have a proportion of alcohol in **your** breath or blood that exceeds the legal limit, or
- (iii) are under the influence of any other intoxicating substance or drug, or
- (iv) fail or refuse to supply a breath or blood sample as required by law, or
- (v) fail or refuse to stop, or remain at the scene, following an accident (as required by law), or
- (vi) are using the **vehicle** outside the manufacturer's recommended specifications.

No cover is provided when **you** are driving any **vehicle** that is in an unsafe condition if:

- (i) the condition of the **vehicle** causes, or contributes to, the **injury** and/or **damage**, and
- (ii) **you** were, or ought to have been, aware of the unsafe condition of the **vehicle**.

'Exclusion Part N Item 2', 'Exclusion Part Q Item 1' and 'Exclusion Part C Item 2.1' do not apply to this Extension.

'Exclusion Part E' is deleted and replaced with the following:

'**You** are not insured for sums that **you** become **liable** to pay for the costs of rectifying, repairing or replacing errors or defects in **your** work or material. For the avoidance of doubt, this exclusion does not exclude **liability** for resultant **damage** arising from those errors or defects.'

AUTOMATIC EXTENSIONS continued

The most **we** will pay:

- for each claim under (a) (**repairs** carried out by **you**) is:
 - \$250,000 for **liability** for **damage** to any item listed in 2 (above), and
 - the Public and Products Liability sum insured shown in the **schedule** for all **liability** (including 1.1).
- for all claims during an **annual period** under item (b) (items in **your** control or possession) is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

J. POLLUTION LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens anywhere in the world other than **North America** during the **period of insurance** in connection with the **business** directly or indirectly arising from **pollution**, provided that the **pollution** is caused by a sudden, identifiable, unintended and unexpected happening that takes place in its entirety at a specified time and place.

For the avoidance of doubt, the cover provided by this Extension includes the cost of removing, nullifying or cleaning up the **pollution**.

'Exclusion Part L' does not apply to this Extension

K. PRODUCT WITHDRAWAL COSTS - NEW ZEALAND ONLY

You are insured for reasonable costs incurred, where it is necessary for **you** to withdraw or recall **your products**, provided that:

- the **product** defect(s), which cause the withdrawal or recall, have already given rise to a claim covered under 'What You Are Insured For Part A' of this policy, and
- the costs are incurred within 12 months of **you** first notifying **us** of the **products** claim (as mentioned in Item 1 above), and
- the costs are limited to the withdrawal or recall of **products** within New Zealand.

'Exclusion Part M' does not apply to this Extension.

We will pay 80% of the costs incurred for any **event**.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$100,000, unless a different amount is shown in the **schedule**.

An excess of \$2,500 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

L. TENANT'S LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens anywhere in the world other than **North America** during the **period of insurance**, in connection with:

- the **business**, and



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OCCURRENCE WORDING

AUTOMATIC EXTENSIONS continued

2. any premises occupied, but not owned, by **you**.

'Exclusion Part N Item 2' does not apply to the premises occupied by **you**.

M. UNDERGROUND SERVICES LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **damage** to any existing:

1. underground cables, or
2. underground pipes, or
3. other underground facilities

that happens in New Zealand during the **period of insurance**, in connection with the **business**, provided that prior to commencement of the work, **you** have inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities.

'Exclusion Part P' does not apply to this Extension.

An excess of \$1,000 applies to each **event** under this Extension, unless a different amount is shown in the **schedule**.

N. VIBRATION, REMOVAL, WEAKENING OF SUPPORT LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and

2. the:
 - 2.1 vibration, or
 - 2.2 removal of the support, or
 - 2.3 weakening of the support, or
 - 2.4 interference with the support, of land or buildings.

'Exclusion Part R' does not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$5,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

O. WATERCRAFT REPAIR AND STORAGE LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with:

1. the **business**, and
2. any:
 - 2.1 watercraft up to 500 Gross Registered Tonnes, or
 - 2.2 marine internal combustion engine that is used in a watercraft up to 500 Gross Registered Tonnes, or



AUTOMATIC EXTENSIONS continued

2.3 accessory or fitting of any of the above,
not owned, hired, leased or rented by any person or entity defined
under **you**,

provided that the **injury** and/or **damage** occurs:

- (a) as a result of **repairs** carried out by **you**, or
- (b) while any item listed in 2 (above) is in **your** control or possession, but
not as a result of **repairs** being carried out by **you** to that item.

No cover is provided under (a) above for **liability** for **damage** to an item
that is insured under (b) above.

No cover is provided when **you** are sailing or navigating any watercraft
and **you**:

- (i) are under the influence of any other intoxicating substance or
drug, or
- (ii) are using the watercraft outside the manufacturer's recommended
specifications.

No cover is provided when **you** are sailing or navigating any watercraft
that is in an unsafe condition if:

- (i) the condition of the watercraft causes, or contributes, to the **injury**
and/or **damage**, and
- (ii) **you** were, or ought to have been, aware of the unsafe condition of
the watercraft.

'Exclusion Part N Item 2, 'Exclusion Part Q Item 2' and 'Exclusion Part C

Item 2.1' do not apply to this Extension.

'Exclusion Part E' is deleted and replaced with the following:

'**You** are not insured for sums that **you** become **liable** to pay for the
costs of rectifying, repairing or replacing errors or defects in **your** work
or material. For the avoidance of doubt, this exclusion does not exclude
liability for resultant **damage** arising from those errors or defects.'

The most **we** will pay:

1. for each claim under (a) (**repairs** carried out by **you**) is:
 - 1.1 \$250,000 for **liability** for **damage** to any item listed in 2
(above), and
 - 1.2 the Public and Products Liability sum insured shown in the
schedule for all **liability** (including 1.1).
2. for all claims during an **annual period** under item (b) (items in **your**
control or possession) is \$250,000, unless a different amount is shown
in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a
different amount is shown in the **schedule**.

P. WELDING / GAS CUTTING / BURNING OFF LIABILITY

You are insured for all sums that **you** become **liable** to pay arising from
injury and/or **damage** that happens in New Zealand during the **period**
of insurance, in connection with the following work **you** carry out for
the **business**:

1. welding, or
2. gas cutting, or

AUTOMATIC EXTENSIONS continued

3. burning-off of any substance,

provided that the welding, gas cutting or burning-off is carried out in accordance with the current New Zealand Standard appropriate to that work.

'Exclusion Part T' does not apply to this Extension.

An excess of \$1,000 applies to each **event** under this Extension, unless a different amount is shown in the **schedule**.

EXCLUSIONS

A. ASBESTOS

You are not insured for sums that **you** become **liable** to pay in connection with any of the following:

1. the mining, processing, transporting, distributing or storing of asbestos,
2. the manufacture or processing of materials that contain asbestos,
3. any process of decontamination, treatment or control of asbestos,
4. the presence of asbestos in any building or structure,
5. pollution or contamination by asbestos.

B. BUILDING DEFECTS

You are not insured for loss, **liability**, prosecution or expense of any type in connection with a building or structure being affected by:

1. moisture or water build-up or the penetration of external moisture or water, or
2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,

provided that the **injury** and/or **damage** is caused directly or indirectly by:

- (a) non-compliance with the New Zealand Building Code, or
- (b) faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or
- (c) faulty materials, or
- (d) faulty workmanship,

when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.

This exclusion does not apply to **your liability** for **injury** and/or **damage** that is caused by, or directly arises from, the leakage of internal pipes, internal water systems or internal cisterns.

C. DEFECTS AND ERRONEOUS ADVICE

You are not insured for sums that **you** become **liable** to pay in connection with:

1. **products** that are faulty or defective in:
 - 1.1 formula or pattern, or
 - 1.2 design or plan, or

EXCLUSIONS continued

- 1.3 specification, or
2. any error or omission in:
 - 2.1 advice given by **you**, or
 - 2.2 medical advice or medical treatment provided by **you**.

D. E-COMMERCE

You are not insured for loss, **liability**, prosecution or expense of any type in connection with any of the following:

1. alteration, corruption, erasure or other use of **computers**, or
2. error in creating, amending, deleting or using **computers**, or
3. inability to access or use **computers** for any time, or at all.

E. FAULTY OR DEFECTIVE WORKMANSHIP AND PRODUCTS

You are not insured for sums that **you** become **liable** to pay in connection with any fault or defect in:

1. **products**, or
2. work done to or with **products**.

This exclusion does not exclude **liability** for resultant **damage** to property.

F. FINES / EXEMPLARY DAMAGES

You are not insured for

1. any fine or penalty imposed on **you** (whether under contract or statute), or
2. any punitive or exemplary damages awarded against **you**.

G. FOREST AND RURAL FIRES ACT

You are not insured for sums that **you** become **liable** to pay under the Forest and Rural Fires Act 1977, unless **you** are (or would be) otherwise **liable** for such sums.

H. INJURY TO EMPLOYEES AND FAMILY

You are not insured for sums that **you** become **liable** to pay for **injury** that:

1. arises out of, and in the course of, **your** employment of any person, or
2. is sustained by a member of **your** family, ordinarily living with **you**.

I. LIABILITY BY AGREEMENT

You are not insured for **liability** that **you** have agreed to assume under a contract unless **you** would otherwise have been **liable** in the absence of that contract.

J. LOSS OF USE

You are not insured for loss, **liability**, prosecution or expense of any type in connection with loss of use of tangible property that has not suffered physical loss or physical damage, where that loss of use is caused solely by:

1. **your** delay in performing a contract, or

EXCLUSIONS continued

- the failure of **products** to meet a level of performance, quality, fitness or durability expressly represented by **you**.

K. NUCLEAR

You are not insured for loss, **liability**, prosecution or expense of any type in connection with any operations employing the process of nuclear fission or fusion, or handling of radioactive material. This includes, but is not limited to:

- the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, and
- the use, handling or transportation of any radioactive material, and
- the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion.

L. POLLUTION

You are not insured for sums **you** become **liable** to pay in connection with **pollution**.

M. PRODUCTS WITHDRAWN FROM MARKET

You are not insured for the cost to: recall, inspect, **repair** or replace, **products** that are withdrawn from the market (or from use) because of any known or suspected defect or deficiency.

N. PROPERTY YOU OWN OR CONTROL

You are not insured for sums that you become **liable** to pay for **damage** to:

- property owned by **you**, or
- property in **your** control or possession (except for **vehicles** in a car park operated by **you**).

O. TERRORISM

You are not insured for loss, **liability**, prosecution or expense of any type in connection with an **act of terrorism**.

P. UNDERGROUND SERVICES LIABILITY

You are not insured for sums that **you** become **liable** to pay in connection with any existing:

- underground cables, or
- underground pipes, or
- other underground facilities.

Q. VEHICLE / WATERCRAFT / AIRCRAFT

You are not insured for sums that **you** become **liable** to pay in connection with:

- ownership, possession, **repair** or use of any **vehicle**, or
- ownership, possession, **repair** or use of any watercraft, or

EXCLUSIONS continued

3. watercraft exceeding 500 Gross Registered Tonnes, or
4. ownership, possession, **repair** or use of an aircraft, aerial device, or hovercraft, or
5. **products**:
 - 5.1 used in the construction of, or
 - 5.2 installed in,

any aircraft, aerial device, hovercraft or watercraft that exceeds 500 Gross Registered Tonnes.

R. VIBRATION, REMOVAL, WEAKENING OF SUPPORT

You are not insured for sums that **you** become **liable** to pay in connection with:

1. vibration, or
2. removal of the support, or
3. weakening of the support, or
4. interference with the support, of land or buildings.

S. WAR

You are not insured for loss, liability, prosecution or expense of any type in connection with:

1. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, or
2. confiscation, nationalisation, requisition, destruction or damage to property by any government or public or local authority.

T. WELDING / GAS CUTTING / BURNING OFF LIABILITY

You are not insured for sums that **you** become **liable** to pay in connection with:

1. welding, or
2. gas cutting, or
3. burning-off of any substance, carried out by **you**.

BASIS OF SETTLEMENT

A. MAXIMUM AMOUNT PAYABLE

The most **we** will pay in total for any **event** under all Parts and Extensions of this policy combined is:

1. the Public and Products Liability sum insured shown in the **schedule**, or
2. the sum of the limits for the relevant Extensions as shown in this policy or in the **schedule**, where those Extensions separately apply,

BASIS OF SETTLEMENT continued

whichever is lesser, plus any legal costs and legal expenses payable in addition as described in 'What You Are Insured For Part B' – Defence Costs.

For avoidance of doubt, if two or more Extensions could apply to cover the same **event**, the most **we** will pay in total for the **event** is the highest of the available limits plus any legal costs and legal expenses payable in addition as described in 'What You Are Insured For Part B' – Defence Costs.

B. EXCESS

An excess of \$500 applies for each **event**, unless a different amount is shown in this policy or in the **schedule**.

For avoidance of doubt, if two or more Extensions could apply to cover the same **event**, **we** will only apply one excess. That excess will be the highest excess.

MANAGING YOUR CLAIM

A. YOUR OBLIGATIONS

1. Do Not Admit Liability

You must not:

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

2. Advise us

If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.

3. Minimise the Loss

You must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.

4. Notify the Police

You must immediately lay a complaint with the Police if **you** suspect burglary, theft, arson or intentional damage has occurred.

5. Provide Full Information

When **you** make a claim **you** consent to **your** personal information in connection with the claim being:

- 5.1 disclosed to **us**, and
- 5.2 transferred to the Insurance Claims Register Limited.

You must:

- (a) give **us** free access to examine and assess the claim, and
- (b) send any relevant correspondence or documents to **us**, and
- (c) complete a claim form and/or statutory declaration to confirm the claim if **we** request it, and
- (d) provide any other information, proof of ownership or assistance that **we** may require at any time.

MANAGING YOUR CLAIM continued

6. Be Truthful

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

- 6.1 decline **your** claim either in whole or in part, or
- 6.2 declare 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.

7. Do Not Dispose of Property

You must not dispose of any property involved in **your** claim until **we** have given **you** permission to do this.

8. Incurring Costs

All costs claimed for under this policy must be necessarily and reasonably incurred.

You are not authorised to start any repairs without **our** permission unless the repairs are necessary to prevent further loss or liability.

B. MANAGING YOUR CLAIM

1. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery **we** will include **your** excess, and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

2. Defence of liability claims

After **you** have made a claim, **we** have the sole right to:

- 2.1 act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and
- 2.2 publish a retraction or apology (in the case of defamation proceedings).

We may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

3. Discharge of liability claims

We may elect at any time to pay **you**:

- 3.1 the maximum amount payable under the policy, or
- 3.2 any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (plus any defence costs already incurred) **our** responsibility to **you** under the policy is met in full.

GENERAL CONDITIONS

A. HOW WE ADMINISTER THIS POLICY

1. Cancellation and Modification

1.1 By You

You may ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.

1.2 By Us

We may cancel or modify this policy by advising **you** (or **your** Broker or Agent) by letter, fax or email. Cancellation or modification will take effect at 4.00pm, on the 30th day after the date of **our** advice.

We will refund the proportion of unused premium paid, calculated from the date of cancellation.

If **you** pay **your** premium by instalments, **you** must pay **us** any unpaid instalments that are due.

2. Other Insurance

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

If **you** or anyone else who can claim under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.

3. Currency

All sums in this policy wording (including any attachments) and in the **schedule** are specified in New Zealand dollars.

4. Separate Insurance (Cross Liability)

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, the maximum amount **we** will pay to all parties is the amount stated in the 'Basis of Settlement', subsequent attachments or **schedule**.

5. GST

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

- 5.1 all sums insured exclude GST, and
- 5.2 all sub limits exclude GST, and
- 5.3 all excesses include GST, and
- 5.4 GST will be added, where applicable, to claim payments.

6. Monthly/Quarterly Premiums

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

- 6.1 **you** must use the deduction authority **we** require, and
- 6.2 this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date shown in the **schedule**.

GENERAL CONDITIONS continued

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

7. Premium Adjustments

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

Within 3 months of the expiry of an **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, but any refund will be limited to a maximum of 50% of the provisional premium.

B. LAWS & ACTS THAT GOVERN THIS POLICY

1. Acts of Parliament

Where this policy refers to any Act of Parliament, it also includes any sub-ordinate legislation made under it, and any subsequent Acts or Regulations.

2. Disputes about this policy

The law of New Zealand applies to disputes about this policy, and the New Zealand Courts have exclusive jurisdiction.

3. 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.

C. YOUR OBLIGATIONS

1. Comply with the policy

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** fail to comply, **we** may, at our sole discretion, not pay **your** claim.

2. Provide Accurate Information

You must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.

3. 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.

4. Change in Circumstances

You must tell **us** immediately if there is a material:

- 4.1 increase in the risk insured, or
- 4.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

GENERAL CONDITIONS continued

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

- (a) declare this policy unenforceable, or
- (b) 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.

*For avoidance of any doubt, information is 'material' where **we** would have made different decisions about either:*

- (i) accepting **your** insurance, or
- (ii) setting the terms of **your** insurance,

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

DEFINITIONS

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

accidental

Unexpected and unintended by **you**.

act of terrorism

Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or defacto of any nation or any political division therefore, or in pursuit of

political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

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

annual period

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

- (a) **you** pay the premium monthly or quarterly, or
- (b) the **period of insurance** is for more than 12 months,

the annual period is any one 12 month period calculated from the date this policy first started, and consecutively thereafter.

business

The business described in the **schedule**.

DEFINITIONS continued

computers

Includes any data, computer hardware, operating system, computer network, equipment, websites, servers, extranet, software, applications, software, computer chip including, microprocessor chip and coded instructions as well as any new technology, product or service replacing existing computer equipment.

damage

Any of the following:

- (a) **accidental** physical loss or **accidental** physical damage to any tangible property, including its subsequent loss of use,
- (b) **accidental** loss of use of any tangible property that has not suffered physical loss or physical damage.

event

Any one event (including continuous or repeated exposure to conditions) or series of events arising from one source or original cause.

injury

Any of the following:

- (a) the **accidental** death of, or the **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury,
- (b) false arrest, false imprisonment, malicious prosecution or malicious humiliation,

- (c) defamation, or publication that violates any individual's right to privacy, except:
 - (i) defamation where **you** know the statement is false, and
 - (ii) defamation or publication that involves advertising, broadcasting or telecasting activities conducted by **you**, or on **your** behalf,
- (d) wrongful entry or eviction, or any other invasion of the right of private occupancy,
- (e) battery or assault, provided that:
 - (i) it is not committed by **you**, or
 - (ii) it is not committed under **your** direction,unless it is committed to prevent or eliminate danger to persons or property.

liable

Legally liable according to the law that applies in the circumstances.

mobile mechanical plant

A **vehicle**, that has either plant or machinery attached to it, or is primarily designed as mobile plant or machinery.

North America

Any territory under the jurisdiction of the laws of The United States of America or Canada.

DEFINITIONS continued

period of insurance

The period **you** are insured for. This is shown in the **schedule**.

pollution

Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

products

Any of the following:

- (a) any goods that **you** sell, supply, distribute, manufacture, construct, erect or install, including any item that is used to contain those goods/products (provided the container is not a **vehicle**), and
- (b) that part of any tangible property that **you** work on, but not any other separate component of that property.

repair

Repair, alter, renovate, service or install.

schedule

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

vehicle

Any:

- (a) motor vehicle, or
- (b) machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, or
- (c) anything, other than a watercraft, designed to be towed by either (a) or (b) above.

we

NZI, a business division of IAG New Zealand Limited.

We may also use the words 'us', 'our' or 'company' to describe NZI.

you

Any person or entity named in the **schedule** as 'INSURED'.

This includes any of the following, provided they are living or based in New Zealand:

- (a) any existing subsidiary company of that entity,
- (b) any existing:
 - (i) joint venture, or
 - (ii) other company,

over which that person or entity, exercises more than 50% management control,

DEFINITIONS continued

- (c) any director, executive officer, employee or partner of:
 - (i) that person or entity, or
 - (ii) any entity referred to in (a) and (b) above,but only while acting in that capacity,
- (d) any office bearer or member of a social club, social sporting club or your employee superannuation fund that has been formed by:
 - (i) that person or entity, or
 - (ii) any entity referred to in (a) and (b) above,but only while acting in that capacity, or in connection with the activities of the club or fund,
- (e) any new organisation that the person or entity acquires through consolidation, merger, purchase of the assets, or assumption of control and active management, provided that:
 - (i) the new organisation is acquired during the **period of insurance**, and
 - (ii) the acquisition is notified to **us** within 90 days after it takes effect,

- (f) any principal who is party to a contract with:
 - (i) that person or entity, or
 - (ii) any entity referred to in (a) and (b) above,but only for the principal's vicarious liability that arises out of that persons or entity's actions under that contract.

*We may also use the word 'insured' to describe **you**.*



UNDERSTANDING AND USING eWORDINGS

We appreciate that navigating policy wording can be confusing and frustrating. We have listened to your feedback and therefore we are delighted to introduce eWordings. eWordings extend your experience by assisting you in navigating our policy documents. The following guide provides helpful hints to enable you to use eWordings to your best advantage.

eWordings can be viewed using any version of Adobe reader, however they are more compatible with Adobe Reader Version 7. Adobe Reader Version 7 is a free download from Adobe's website. For further information about using PDF documents, including free downloads and a user guide, visit www.adobe.com (Reader Section).

NAVIGATOR BAR:

The 'Contents' button is an interactive index page. By clicking on the 'Contents' button, you will bring up an index of policy section and subsections. This is helpful when you are searching for a specific part of the wording e.g. Claims Conditions.

By clicking on the 'Print' button, you will bring up the normal print functions set for your system.

The 'Info' button appears on the first page of all eWordings. Clicking on the 'Info' button will bring you to this page 'Understanding and Using eWordings'. This page contains helpful hints that enable you to use eWordings effectively.

The 'Previous View' button navigates back to the page you were previously viewing. It is similar to the 'Back' button in Internet Explorer. This is helpful when you click on a defined word to view the definition (see below). By clicking 'Previous View' you will be navigated back to the page you were previously viewing.

The 'Exit' button ends the session. By Clicking on the 'Exit' button, you will close this eWording.

The left arrow navigates you *back* on page. The right arrow navigates you *forward* one page.

DOCUMENT FUNCTIONALITY:

You must notify **us** as soon as **you** know that covers **you** for any of the risks covered

property, during the **period of insurance**. 'Exclusive Part H' does not apply to this extension.

www.nzi.co.nz

Defined words appear in **blue-bold**. By clicking on a defined word you will be navigated to 'Definitions' section at the end of the document. Once you have read the definition click 'Previous View' to return you to the page you were previously viewing.

References to other parts of the wording, such as exclusions, appear in speech marks. By clicking this reference, you will be navigated to that particular section. Once you have read the section, click 'Previous View' to return you to the page you were previously viewing.

The NZI website appears on each page of the eWording. Clicking on this will navigate you to the NZI website. This is helpful when you have finished viewing this eWording and now need to refer to a different eWording.