



Welcome to NZI. Thank you for selecting us as your insurer. This is your Employers 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. CIVIL LIABILITY - DAMAGES

**You** are insured for all sums that **you** become liable to pay (including punitive or exemplary damages) arising from **your employee** sustaining **injury**, provided that:

1. the **injury** is sustained:
  - 1.1 in New Zealand, and
  - 1.2 after the first inception-date of this policy, and
  - 1.3 in connection with the **business**, and
2. **you** first become aware of the **claim** during the **period of insurance**, and
3. **you** have advised **us** of the **claim** as soon as possible, but no later than 30 days after the **period of insurance** ends.

**We** will insure **your** liability arising from that **claim**, both during and after the **period of insurance**, based on the policy terms that applied at the time **you** advised **us** of that **claim**.



# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING

### WHAT YOU ARE INSURED FOR continued

#### B. CIVIL LIABILITY – DEFENCE COSTS

**You** are insured for all legal costs and legal expenses necessarily and reasonably incurred by **you** to defend any legal action (or threat of legal action) that if proven, would be insured under 'What You Are Insured For Part A'.

**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 to incur any costs and/or expenses.

### EXCLUSIONS

#### A. ACCIDENT INSURANCE

**You** are not insured if compensation:

1. is available under the Accident Insurance Act 1998, or
2. would have been available under the Accident Insurance Act 1998 except for the application of either:
  - 2.1 a status as an exempt employer under the Act, or
  - 2.2 **your** decision to share some of the accident risk **yourself**.

#### B. 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.

#### C. 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** 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





# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING

### EXCLUSIONS continued

- (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** that is caused by, or directly arises from, the leakage of internal pipes, internal water systems or internal cisterns.

#### D. EMPLOYMENT CONTRACTS ACT

**You** are not insured for sums that **you** become liable to pay under the Employment Relations Act 2000.

#### E. FINES

**You** are not insured for any fine or penalty imposed on **you** (whether under contract or by statute).

#### F. LATENT DISEASES

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

1. the **injury** is caused by a disease, and
2. **your employee** is first exposed to the conditions leading up to the disease before the first start-date of this policy.

#### G. 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:

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

#### H. OVERSEAS JUDGMENTS

**You** are not insured for sums that **you** are liable to pay under a judgment determined by a Court other than a New Zealand Court.

This exclusion applies whether that judgment is enforceable in New Zealand or not.

#### I. POLLUTANTS

**You** are not insured for liability in connection with **pollutants** unless caused by a sudden, unintended and unexpected event that happens during the **period of insurance**.





# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING

### EXCLUSIONS continued

#### J. TERRORISM

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

#### K. 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.

### BASIS OF SETTLEMENT

#### A. CIVIL LIABILITY - MAXIMUM AMOUNT PAYABLE

The most **we** will pay for all **events**, in the aggregate, during an **annual period**, is the sum insured shown in the **schedule**.

#### B. CIVIL LIABILITY - EXCESS

The excess shown in the **schedule** applies to each **injury** sustained by **your employee**.

The excess will be deducted from the amount of the **claim**.

### 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. This is regardless of whether the claim amount exceeds the excess.

##### 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:



### MANAGING YOUR CLAIM continued

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 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.

### 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 incur any legal fees or expenses unless this is 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**.

### MANAGING YOUR CLAIM continued

#### 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 each part of this policy.

#### 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.



# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING

### GENERAL CONDITIONS continued

#### 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**.

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 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, 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 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.





# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING

### GENERAL CONDITIONS continued

#### 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.

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.

*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.*

#### 5. Notices under the Health and Safety in Employment Act

**You** must comply with any lawful notice that **you** receive from an appropriate authority under the Health and Safety in Employment Act 1992. **You** must do this within the timeframe specified on the notice. If no timeframe is given, then **you** must comply within a reasonable time.

### 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 de facto 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





# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING

### DEFINITIONS continued

- (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**.

### claim

Any of the following:

- (a) any claim made against **you**,
- (b) any notice **you** receive from any other person that they intend to make a claim against **you**,

- (c) any situation where **you** become aware that there is likely to be a claim made against **you**,

in connection with an **injury**.

### employee

An employee directly employed by **you** in the **business**.

### event

Any one **claim** or series of **claims** arising from one source or original cause.

### injury

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

### period of insurance

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

### pollutants

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.



# EMPLOYERS LIABILITY POLICY

## CLAIMS MADE WORDING



### DEFINITIONS continued

#### schedule

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

#### we

NZI, a business division of IAG New Zealand Limited.

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

#### you

The person(s) or entity named in the **schedule** as 'Insured'.

***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](http://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

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.

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

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.

[www.nzi.co.nz](http://www.nzi.co.nz)

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.