



# FIRE & SPECIFIED PERILS POLICY

Welcome to NZI. Thank you for selecting us as your insurer. This is your Fire & Specified Perils 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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# FIRE & SPECIFIED PERILS POLICY

## INTRODUCTION TO THIS POLICY

**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.

## DAMAGE TO INSURED PROPERTY

**You** are insured for **accidental loss** to **insured property** occurring at the **situation** directly caused by any of the following:

1. fire,
2. lightning,
3. explosion,
4. impact of landborne or waterborne vehicles or impact of aircraft and other aerial devices or articles dropped from them,
5. windstorm, hail, snow, ice or frost,
6. flood or water inundation or sea wave action,
7. malicious damage or vandalism.

## AUTOMATIC POLICY EXTENSION

In addition to cover under 'Damage to Insured Property' above, **we** also provide the following automatic policy extension.

### DEMOLITION COSTS COVER

**You** are insured for reasonable costs **you** incur to:

1. demolish or dismantle **insured property**, and
2. dispose of debris (including any kind of solid, liquid or gas), and
3. temporarily repair and secure **insured property** to make it comply with safety rules and regulations or suitable for continued use,

provided that the costs arise from a claim covered under 'Damage to Insured Property' above.





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## OPTIONAL EXTENSIONS

The following optional extensions only apply where specified in the **schedule**.

### A. NATURAL DISASTER COVER

**You** are insured for **natural disaster damage** to items of **insured property**, provided that:

1. the schedule shows those items are insured for natural disaster cover, and
2. the damage occurs during the **period of insurance**, and
3. the damage occurs at the **situation**.

'Exclusion Part F' does not apply to this extension.

The excess shown below for each **region**, applies to all costs arising from any one **event**.

REGION	EXCESS
Northland, Auckland, Waikato, Otago, Southland, and the Districts of Timaru and Waimate	1% of the <b>loss</b> with a minimum of \$1,000.
Bay of Plenty, Gisborne, Hawkes Bay, Taranaki, Manawatu-Wanganui, Nelson, Tasman, West Coast, Canterbury excluding the Districts of Timaru and Waimate	2.5% of the <b>loss</b> with a minimum of \$2,500.

Wellington, Blenheim, Marlborough	5% of the total sum insured for buildings, contents of buildings and stock unless there is a <b>common site</b> , in which case the provisions below apply.
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### Common Site Earthquake Excess

Where **insured property** is at a **common site** and that **common site** is within the **region** of Wellington, Blenheim and/or Marlborough, the **site excess** shall apply to the aggregate of all **losses** caused by the earthquake (including fire following earthquake) over a continuous 72 hour period at the **common site**.

### B. EARTH MOVEMENTS

**You** are insured for **accidental loss** to **insured property** occurring at the **situation** caused by any of the following:

1. landslip, or
2. subsidence, or
3. rockslide or any other earth movement.

'Exclusion Part B' does not apply to this extension.



## EXCLUSIONS

### A. TYPES OF PROPERTY NOT COVERED

This policy does not insure:

1. any **insured property** during:
  - 1.1 demolition, or
  - 1.2 installation, construction or erection, or
  - 1.3 testing following any of 1.1 or 1.2 above.
2. any of the following property:
  - 2.1 dams, canals, or reservoirs,
  - 2.2 road or railway tunnels,
  - 2.3 road or railway bridges,
  - 2.4 docks, piers, or wharves,
  - 2.5 mining property located below ground level,
  - 2.6 buildings,
  - 2.7 contents of a building,
  - 2.8 stock and materials in trade,
  - 2.9 any property not listed in the **schedule** as being insured.

This exclusion does not apply to an item of property listed above, if this item of property is specifically listed in the **schedule** as being insured.

### B. LOSSES NOT COVERED

This policy does not insure **loss** following any of these events:

1. landslip,
2. subsidence,
3. rockslide,
4. any other earth movements.

### C. CONSEQUENTIAL LOSS

This policy does not insure any kind of consequential loss (e.g. *financial loss that occurs as a result of the loss of insured property*), including the following:

1. penalties,
2. loss of use of any property,
3. delays,
4. loss of market.

### D. NUCLEAR

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with:

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

## EXCLUSIONS continued

### E. CONFISCATION

This policy does not insure **loss** or expense of any type in connection with confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any **accidental loss** that is covered by this policy).

### F. NATURAL DISASTER

This policy does not insure **loss** or expense of any type in connection with earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, or hydrothermal activity.

### G. SEEPAGE, POLLUTION AND CONTAMINATION

This policy does not insure **loss** or expense of any type in connection with seepage, pollution or contamination.

### H. TERRORISM

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

### I. WAR

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:

war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## BASIS OF SETTLEMENT

### A. METHOD OF INDEMNITY

When any items of **insured property** are insured for **reinstatement** it will be shown in the **schedule**. Whenever **reinstatement** cover applies, **we** will indemnify **you** by **reinstating** the **insured property**.

**Our** agreement to **reinstatement** is subject to the following special conditions:

#### 1. Compliance with regulations

All reasonable costs and expenses incurred in complying with **regulations** are included in the amount payable for **reinstatement**, except for the following:

- 1.1 work that **you** had already been ordered to carry out,
- 1.2 **undamaged** property or **undamaged** parts of property. This applies even if the **undamaged** property or **undamaged** part comprises a separate building or structure.

# FIRE & SPECIFIED PERILS POLICY

## BASIS OF SETTLEMENT *continued*

### 2. Location of Reinstatement

Where **reinstatement** is required, it must be carried out on the same **site**, unless:

- 2.1 this is not allowed because of any **regulations**, or
- 2.2 this is not suitable to **your** reasonable requirements (in this case, and provided **we** agree, **reinstatement** may be carried out on any alternative **site**).

### 3. Limitations on the Amount Payable

- 3.1 The most **we** will pay is the amount **we** would have been liable to pay if **reinstatement** had been carried out based on a building that is as similar as possible to the **building** that was destroyed and that:
  - (a) uses equivalent building materials and techniques currently available, and
  - (b) incorporates any alterations necessary to comply with any **regulations** or other legal requirements.
- 3.2 The most **we** will pay if the **insured property** is damaged but not destroyed will be the amount **we** would have been liable to pay had the property been destroyed.

### 4. Circumstances where Reinstatement does not apply

**We** will not pay the cost of **reinstatement**:

- 4.1 if **you** do not **reinstate** the property, or

- 4.2 if **reinstatement** is not started within a reasonable period of time, or
- 4.3 until the actual costs of **reinstatement** have been incurred, or
- 4.4 if any of the following apply:
  - (a) repair of the damage is not permissible under any **regulations**, or
  - (b) repair of the damage is not permissible because of the **undamaged** portion of the property.

In any of these circumstances, **we** will settle **your loss** on the same basis as if **reinstatement** cover had not applied to the property.

### 5. Valuation of the Property

If **we** request it, **you** must provide **us** with a professional property valuation certificate at the start of each **annual period**. This certificate:

- 5.1 is required for all items of **insured property** that are covered for **reinstatement**, and
- 5.2 must cover the forthcoming **period of insurance**, and
- 5.3 must contain all information that **we** ask for.

### 6. Rates, Tax and Other Charges

The amount payable to **you** does not include any:

- 6.1 rate, tax, duty, development charge, or

# FIRE & SPECIFIED PERILS POLICY

## BASIS OF SETTLEMENT *continued*

6.2 other charge or assessment arising out of capital appreciation, that is payable to comply with any **regulations**.

If **reinstatement** cover does not apply, **we** will indemnify **you** by whichever of the following options **we** choose. **We** will:

- (a) pay the cost of repairs to restore the **insured property** as near as possible to the condition it was in immediately prior to the **loss**, or
- (b) replace the **insured property** with property of similar condition, or
- (c) pay an amount equal to the indemnity value of the **insured property**.

## B. MAXIMUM AMOUNT PAYABLE

The most **we** will pay:

1. for any one item is the specific sum insured shown in the **schedule** for that item, and
2. for all items specified, the total sum insured shown in the **schedule** during an **annual period**.

## C. EXCESS

The excess shown in the **schedule** will be deducted from the amount of the **loss** for each **event**.

## D. REINSTATEMENT OF THE SUM INSURED

After **we** have paid a claim under this policy, **we** will reinstate **your** sum insured. **We** may ask **you** to pay an additional premium for this. If **we** do, **you** must pay the additional premium.

## MANAGING YOUR CLAIM

### A. YOUR OBLIGATIONS

#### 1. Advise us

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

#### 2. Minimise the Loss

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

#### 3. Notify the Police

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

#### 4. Provide Full Information

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

- 4.1 disclosed to **us**, and

## MANAGING YOUR CLAIM *continued*

4.2 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.

## 5. Be Truthful

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

- 5.1 decline **your** claim either in whole or in part, or
- 5.2 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.

## 6. Do Not Prejudice Recovery

**You** must not do or say anything that may prejudice **our** ability to take recovery action in **your** name.

## 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**.

## 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. Recoveries

If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to **us** if **we** request it.

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



# FIRE & SPECIFIED PERILS POLICY

## MANAGING YOUR CLAIM *continued*

### 3. Reparation

If any person is ordered to make reparation to **you** for **loss** to any property that **we** have paid a claim under this policy for, then **you** must tell **us**. Any payments received, must first reimburse **our** claims payment up to the amount of any reparation received.

### 4. Branded Stock

If any salvage is branded goods or merchandise, **we** will not dispose of these items by sale unless **you** agree. If **you** do not agree, the value of the salvage will be deducted from any claim payment.

## 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 is covered under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.

#### 3. Interests of Other Parties

If **we** are advised of any party having a financial interest over **your** insured assets, **we** may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of **our** obligations to **you** under this policy.

**You** consent to **us** transferring **your** relevant personal information to that party.

#### 4. 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, the maximum amount **we** will pay to all parties is the amount stated in the **schedule**.





# FIRE & SPECIFIED PERILS POLICY

## GENERAL CONDITIONS continued

### 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 excesses include GST, and
- 5.3 GST will be added, where applicable, to claim payments.

### 6. Instalments Premium

If **you** choose to pay the premium by instalments less than annually, 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 stated in the **schedule**.

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

## 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. Governing Law and Jurisdiction

The law of New Zealand applies to 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.

### 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



# FIRE & SPECIFIED PERILS POLICY

## GENERAL CONDITIONS continued

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.*

## 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
- (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 instalments less than annually, 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.

# FIRE & SPECIFIED PERILS POLICY



## DEFINITIONS continued

### common site:

A common physical location where the **insured property** is linked to achieve a common business purpose at that location.

### event:

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

### insured property:

Tangible property that is:

- (i) specified in the **schedule**, and
- (ii) is owned by **you** (including joint ownership with others).

### loss:

Physical loss or physical damage occurring during the **period of insurance**.

### natural disaster damage:

Damage that results directly from:

- (a) earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these, or

- (b) measures taken under proper authority, following an event listed in (a) to:

- (i) avoid its spreading, or
- (ii) reduce its consequences.

### period of insurance:

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

### region:

The areas of land in the Regions and Districts as defined in Infomap 319B (dated June 1994), by Land Information New Zealand (LINZ).

### regulations:

Building regulations or other regulations that are:

- (a) made under, or
- (b) framed pursuant to, any Act of Parliament or any local authority regulation or by-law.

### reinstatement:

- (a) Where property is destroyed: replacement by an equivalent building or equivalent plant, or
- (b) Where property is damaged but not destroyed: restoration of the damaged part of the property to a condition that is substantially the same as, but not better nor more extensive than, its condition when new.



# FIRE & SPECIFIED PERILS POLICY



## DEFINITIONS continued

### **schedule:**

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

### **site:**

Any parcel of land that **you** own or occupy.

### **site excess:**

5% of the total insured value under the policy for all the **insured property** at the **common site**.

### **situation:**

The location or locations referred to in the **schedule**.

### **undamaged:**

Not damaged physically and directly by an event that would be covered by 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.*

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