



Rural

BUSINESS INTERRUPTION

POLICY WORDING

Rural / BUSINESS INTERRUPTION INSURANCE POLICY

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INTRODUCTION

WELCOME

Welcome to NZI. Thank you for selecting us as your insurer. This is your Rural Business Interruption 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.

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.

INTERRUPTION TO YOUR BUSINESS

You are insured for **business interruption** resulting from **insured damage**.

Your claims will be calculated as set out in 'Insured Items' (below). Cover under each 'Insured Item' applies only when **you** have taken that item and it is shown in the **schedule**. *Please also see 'Automatic Policy Extensions' and 'Optional Policy Extensions' for other circumstances that we consider to be insured damage.*

INSURED ITEMS

The following 'Insured Items' apply only when **you** have taken that item and it is shown in the **schedule**.

A. LOSS OF INSURED PROFIT

1. Reduction in turnover:

You are insured for loss of **insured profit** produced by the following formula:
[the **rate of insured profit**] x [the **reduction in turnover**].

2. Increase in cost of working:

You are insured for the additional expenditure reasonably incurred by **you** solely to avoid or diminish the **reduction in turnover**.

Provided that this additional expenditure does not exceed the sum produced by the following formula:

[the **rate of insured profit**] x [the amount of the **reduction in turnover** avoided by the additional expenditure].

3. Reduced Margin:

You are insured for any reduction in **insured profit** that fairly results from the increase in ratio of [the purchase price of materials used and goods sold], to [turnover] maintained during the **indemnity period**.

We will not make an adjustment for an increase in the ratio of any other uninsured expense to turnover because the increase could result from a fixed cost element in the expense, that should have been insured.

4. Savings in insured expenses:

We will deduct from **your** claim any sum saved during the **indemnity period** for costs and expenses of **your business** operations (that would be paid out of **insured profit**) that cease or reduce because of the **insured damage**.

B. LOSS OF RENT

1. Reduction in rent:

You are insured for **reduction in rent**.

2. Increase in cost of working:

You are insured for the additional expenditure reasonably incurred by **you** solely to avoid or diminish the **reduction in rent**. Provided that this additional expenditure does not exceed the amount of the **reduction in rent** avoided by the additional expenditure.

3. Savings in insured expenses:

We will deduct from **your** claim any sum saved during the **indemnity period** for costs and expenses of **your business** operations (that would be paid out of **rent**) that cease or reduce because of the **insured damage**.

C. PAYROLL

1. Loss in respect of payroll:

You are insured for the **reduction in turnover** produced by the following formula:
[the **rate of payroll**] x [the **reduction in turnover** during the **indemnity period**].

2. Increase in cost of working:

You are insured for the additional expenditure reasonably incurred by **you** solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the sum produced by the following formula:

[the **rate of payroll**] x [the amount of the **reduction in turnover** avoided by the additional expenditure].

3. Savings in payroll:

We will deduct from **your** claim any sum saved during the **indemnity period** for **payroll** that ceases or reduces because of the **insured damage**.

D. PAYROLL – DUAL BASIS

1. Reduction in turnover:

1.1 Initial period

You are insured for the sum produced by the following formula for the **initial period** shown in the **schedule**:

[the **rate of payroll**] x [the **reduction in turnover**] - [any savings in **payroll**], and

1.2 Remaining period

You are insured for the sum produced by the following formula for the remaining portion of the **indemnity period**:

[the **rate of payroll**] x [the **reduction in turnover**] - [any savings in **payroll**],

but not exceeding the sum produced by the following formula:

[the remainder percentage shown in the **schedule**] x [rate of payroll] x [the **reduction in turnover**] + [any savings in **payroll** deducted under 1.1 of this 'Insured Item'].

Please note: If **you** choose, the **alternative period** shown in the **schedule** may be substituted for the **initial period** provided that the claim under 1.2 of this 'Insured Item' does not exceed savings in **payroll** deducted under 1.1 of this 'Insured Item'.

2. Increase in cost of working:

In addition to 'Insured Item A, Part 2', **you** are insured for additional expenditure reasonably incurred by **you** solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the amount that would have been payable under 'Insured Item D, Parts 1.1 and 1.2' above had such expenditure not been incurred.

E. WAGES – DUAL BASIS

1. Reduction in turnover:

1.1 Initial period

You are insured for the sum produced by the following formula for the **initial period** shown in the **schedule**:

[the **rate of wages**] x [the **reduction in turnover**] - [any savings in **wages**], and

1.2 Remaining period

You are insured for the sum produced by the following formula for the remaining portion of the **indemnity period**:

[the **rate of wages**] x [the **reduction in turnover**] - [any savings in **wages**],

but not exceeding the sum produced by the following formula:

[the remainder percentage shown in the **schedule**] x [**rate of wages**] x [the **reduction in turnover**] + [any savings in **wages** deducted under 1.1 of this 'Insured Item'].

Please note: If **you** choose, the **alternative period** shown in the **schedule** may be substituted for the **initial period** provided that the claim under 1.2 of this 'Insured Item' does not exceed savings in **wages** deducted under 1.1 of this 'Insured Item'.

2. Increase in cost of working

In addition to 'Insured Item A, Part 2', **you** are insured for the additional expenditure reasonably incurred by **you** solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the amount that would have been payable under 'Insured Item E, Part 1.1 and 1.2' above had such expenditure not been incurred.

F. WAGES IN LIEU OF NOTICE

You are insured for:

1. **wages** that **you** have to pay to employees whose services cannot be used at all during the notice period shown in the **schedule**, because of the **insured damage**, and
2. a fair percentage (based on **reduction in turnover** or other agreed index) of **wages** that **you** have to pay to employees whose services cannot be used in full during this period, because of the **insured damage**.

The most **we** will pay for any week's **wages** is the sum produced by the following formula:

[the Wages in Lieu of Notice sum insured shown in the **schedule**] ÷ [the number of weeks in the notice period shown in the **schedule**].

G. CLAIMS PREPARATION COSTS

You are insured for:

1. fees reasonably incurred to pay **your** accountant or another professional consultant, and
 2. reasonable costs incurred for **your** own staff,
- for quantification (but not negotiation) of claims under this policy and (where applicable) **your material damage policy** that covered the **loss**.

H. BOOK DEBTS

You are insured for the amount that **you** are unable to collect from customers due to **your** accounting or other **business** records suffering **insured damage**.

We will pay the difference between:

1. the total amount of debit balances in customers' accounts due to **you** and outstanding as at the date of the **insured damage**, and
2. the total amount that can be established as owing by identifiable customers, during the 12 months after the **insured damage**.

I. REWRITING OF RECORDS

You are insured for costs reasonably incurred to replace or restore:

1. entries, or
2. information, or
3. data,

contained within any of **your business** records, provided that the need to replace or restore is as a result of the **insured damage**.

J. ADDITIONAL INCREASED COST OF WORKING

You are insured for reasonable additional expenses that are not otherwise covered by this policy, provided they are incurred during the **indemnity period**:

1. to avoid or diminish the **reduction in turnover**, or
2. to resume or maintain normal **business** operations.

No cover is provided for reinstating **your** property damage.

AUTOMATIC POLICY EXTENSIONS

In addition to the cover provided under 'Interruption to your Business' and 'Insured Items', **we** also provide the following Automatic Policy Extensions.

We will consider the scenarios under each of the following Extensions to have created **insured damage** and **we** will cover any **business interruption** resulting from them as set out in this policy. Cover under each 'Insured Item' applies only to each Extension when **you** have taken that item and it is specified in the **schedule**.

A. PREVENTION OF ACCESS – PROPERTY DAMAGE

You are insured for **business interruption** resulting from **property damage** in the **vicinity** that prevents or hinders access to the **situation**.

This extension does not insure **you** for the first 24 hours of any **business interruption**.

B. PREVENTION OF ACCESS – DANGER TO HUMAN LIFE, INJURY, MURDER OR SUICIDE

You are insured for **business interruption** resulting from:

1. danger to human life, or
2. injury to any person, or
3. murder or suicide of any person,

occurring at the **situation** or in the **vicinity** that prevents or hinders access to the **situation**.

This extension does not insure **you** for the first 24 hours of any **business interruption**.

The most **we** will pay under this extension for any **event** is:

1. 10% of the sum insured shown in the **schedule** for each applicable 'Insured Item', or
 2. \$1,000,000 in total,
- whichever is the lesser.

C. PREVENTION OF ACCESS – CLOSURE BY ANY AUTHORITY

You are insured for **business interruption** resulting from closure of the **situation** by any lawful authority due to:

1. defects in drains or other sanitary arrangements, or
2. the escape of fumes or any hazardous material.

This extension does not insure **you** for the first 24 hours of any **business interruption**.

The most **we** will pay under this extension for any **event** is:

1. 10% of the sum insured shown in the **schedule** for each applicable 'Insured Item', or
 2. \$1,000,000 in total,
- whichever is the lesser.

D. FAILURE OF UTILITIES

You are insured for **business interruption** resulting from **property damage** to the plant, equipment or supply lines of any public utility (but excluding all offshore oil and gas installations, including undersea oil and gas pipelines), that supplies:

1. power or gas, or
2. water or sewage disposal, or
3. telecommunications,

to **your business**.

This extension does not insure **you** for the first 24 hours of any **business interruption**.

The most **we** will pay under this extension for any **event** is:

1. 10% of the sum insured shown in the **schedule** for each applicable 'Insured Item', or
 2. \$1,000,000 in total,
- whichever is the lesser.

E. CUSTOMERS' OR SUPPLIERS' PREMISES

You are insured for **business interruption** resulting from **property damage** occurring at a location within New Zealand:

1. where **you** have property stored, deposited, processed, repaired, altered or renovated, or
2. where any of **your** direct customers are located, or
3. where any of **your** direct suppliers of goods are located.

The most **we** will pay under this extension for any **event** is:

1. 10% of the sum insured shown in the **schedule** for each applicable 'Insured Item', or
 2. \$1,000,000 in total,
- whichever is the lesser.

F. CLOSURE OF TRANSPORT ROUTES, PORTS OR AIRPORTS

You are insured for **business interruption** resulting from:

1. **property damage**, or
2. an order by a lawful authority, that results in closure or threatens to close any transport route, port or airport anywhere in New Zealand.

This extension does not insure **you** for the first 7 days of any **business interruption**.

The most **we** will pay under this extension for any **event** is:

1. 10% of the sum insured shown in the **schedule** for each applicable 'Insured Item', or
2. \$1,000,000 in total, whichever is the lesser.

OPTIONAL POLICY EXTENSIONS

These Optional Policy Extensions only apply when shown in the **schedule**.

We will consider the scenarios under each of the following Extensions to have created **insured damage** and **we** will cover any **business interruption** resulting from them as set out in this policy. Cover under each 'Insured Item' applies to each Extension only when **you** have taken that item and it is specified in the **schedule**.

A. NATURAL DISASTER COVER

You are insured for **business interruption** resulting from **natural disaster damage** and **natural landslip damage**, provided that the damage:

1. is covered as a claim under **your material damage policy**, or
2. would be covered as a claim under **your material damage policy** if **you** owned the property, or
3. is caused by the explosion of a **pressure vessel**.

'Exclusion B' does not apply to this extension.

B. MECHANICAL, ELECTRICAL OR ELECTRONIC BREAKDOWN

You are insured for **business interruption** resulting from mechanical, electrical or electronic breakdown of machinery, provided that the breakdown:

1. is covered as a claim under **your machinery breakdown policy**, and
2. causes the machinery to be inoperative for more than 24 hours.

You are also insured for **business interruption** resulting from mechanical, electrical or electronic breakdown at any:

1. New Zealand based utility that supplies:
 - (a) power or gas, or
 - (b) water or sewage disposal, or
 - (c) telecommunications, to **your business**, and
2. customers' or suppliers' premises located in New Zealand:
 - (a) where **you** have property stored, deposited, processed, repaired, altered or renovated, or
 - (b) where any of **your** direct customers are located, or
 - (c) where any of **your** direct suppliers of goods are located,

provided that the breakdown would be covered as a claim under **your machinery breakdown policy** if **you** owned the machinery.

The most **we** will pay under this extension for any **event** is:

1. 10% of the sum insured shown in the **schedule** for each applicable, 'Insured Item', or
2. \$1,000,000 in total, whichever is the lesser.

EXCLUSIONS

- | | |
|--|---|
| A. ELECTRONIC DATA AND PROGRAMS | <p>This policy excludes loss of or damage to electronic data from any cause whatsoever including, but not limited to, a computer virus.</p> <p>This includes loss of use, reduction in functionality or any other associated loss or expense in connection with electronic data.</p> <p>However this exclusion does not apply to physical damage to other insured property that results from that loss of or damage to electronic data, and which is not otherwise excluded.</p> |
| B. NATURAL DISASTER | <p>This policy does not insure business interruption arising in connection with natural disaster damage or natural landslide damage.</p> |
| C. NOTIFIABLE DISEASE | <p>This policy does not insure business interruption arising in connection with a Notifiable Disease under the Health Act 1956.</p> |
| D. NUCLEAR | <p>This policy does not insure business interruption, liability, prosecution or expense of any type in connection with:</p> <ol style="list-style-type: none"> 1. ionising radiation or contamination by radioactivity from: <ol style="list-style-type: none"> a. any nuclear fuel, or b. any nuclear waste from the combustion or fission of nuclear fuel. 2. nuclear weapons material. |
| E. SEEPAGE, POLLUTION AND CONTAMINATION | <p>This policy does not insure business interruption arising in connection with seepage, pollution or contamination.</p> |
| F. TERRORISM | <p>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.</p> |
| G. WAR | <p>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 warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.</p> |

BASIS OF SETTLEMENT

- | | |
|--|---|
| A. ACCUMULATED STOCK | <p>If:</p> <ol style="list-style-type: none"> 1. the indemnity period is 12 months or longer, and 2. there is a shortage of stock after the indemnity period expires because the turnover was temporarily maintained from accumulated stock held by you during the indemnity period, <p>we will make a fair allowance for this in settling the claim.</p> |
| B. MAXIMUM AMOUNT PAYABLE FOR INSURED ITEMS | <p>The most we will pay:</p> <ol style="list-style-type: none"> 1. for any one 'Insured Item' is the specific sum insured shown in the schedule for that item, and 2. for all 'Insured Items' is the total sum insured shown in the schedule, <p>during an indemnity period unless a different amount is shown in this policy.</p> |
| C. SUB LIMITS | <p>The most we will pay under any 'Automatic Policy Extension' or 'Optional Policy Extension' is the amount specified in this policy wording, unless a different amount is shown in the schedule.</p> |
| D. DEPARTMENTS | <p>If your business operations are conducted in departments that have separately identifiable trading results, this policy shall apply separately to each department. However, the 'Maximum Amount Payable for Insured Items' (above) remains unchanged.</p> |
| E. PAYMENT ON ACCOUNT | <p>We will make interim payments provided you produce evidence to our satisfaction of a loss covered by this policy.</p> |
| F. REINSTATEMENT OF THE SUM INSURED | <p>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.</p> |

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 or liability arising.
- 3. NOTIFY THE POLICE** **You** must immediately lay a complaint with the Police if **you** suspect burglary, theft, 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
 - 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 ADMIT LIABILITY** **You** must not:
 - 6.1 admit **you** are liable, or
 - 6.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or 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 or liability.

B. MANAGING YOUR CLAIM

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.

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. 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 must 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 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.

6. INSTALMENT PREMIUMS

If **you** choose to pay the premium other 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. fortnightly/monthly/quarterly – as indicated in the **schedule**) by payment of each instalment premium due under the Deduction Authority.

7. PREMIUM ADJUSTMENTS

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

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

If **you** have not told **us** what the actual figures were within the 3 months, and at the time of the **insured damage** the sum insured is less than the actual figures for those items, then the amount **we** will pay will be reduced in the same proportion.

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 AND ACTS THAT GOVERN THIS POLICY

- 1. ACTS OF PARLIAMENT** Where this policy refers to any Act of Parliament, it also includes any subordinate legislation made under it, and any other 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 Reforms 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
 - 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 thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:
 - (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.

alternative period	<p>The portion of the indemnity period, that:</p> <ul style="list-style-type: none">(a) starts with the commencement of the indemnity period, and(b) ends no later than the number of weeks shown in the schedule as the 'Alternative Period'.
business	<p>Your agricultural and/or horticultural activities.</p>
business interruption	<p>Interruption to or interference with your business operations.</p>
computer virus	<p>A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to "Trojan Horses", "Worms" and "Time or Logic Bombs".</p>
electronic data	<p>Facts, concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.</p> <p>It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.</p>
event	<p>Any one event or series of events arising from one source or original cause.</p>
indemnity period	<p>The period that:</p> <ul style="list-style-type: none">(a) starts when the insured damage occurs, and(b) ends no later than the number of months specified in the schedule as the 'Indemnity Period', during which, your business operations are affected because of the insured damage.
initial period	<p>The part of the indemnity period that:</p> <ul style="list-style-type: none">(a) starts with the commencement of the indemnity period, and(b) ends no later than the number of weeks specified in schedule as the 'Initial Period'.
insured damage	<p>Loss occurring at the situation to your:</p> <ol style="list-style-type: none">1. buildings,2. other assets,3. produce,4. live plants, and5. bridges, underpasses and culverts, <p>as they are defined by your material damage policy, provided that the loss:</p> <ul style="list-style-type: none">(a) is covered as a claim under your material damage policy, or would have been but for the excess, or(b) would be covered as a claim under your material damage policy if you owned the property, or(c) is caused by the explosion of a pressure vessel.
insured profit	<p>The amount by which the sum of the turnover plus the amount of the closing stock exceeds the sum of the amount of the opening stock plus the amount of the uninsured working expenses.</p> <p>Notes about this calculation:</p> <ul style="list-style-type: none">(a) the amount of the opening and closing stocks must be in accordance with your normal accounting methods, allowing for depreciation, and(b) the words and expressions used have the usual meaning attached to them as used in your books and accounts, including the uninsured working expenses.
loss	<p>Accidental physical loss or accidental physical damage occurring during the period of insurance.</p>

Rural / BUSINESS INTERRUPTION INSURANCE POLICY

machinery breakdown policy	The insurance policy, that we call a Rural Machinery Breakdown Policy, that you have with us that insures loss to machinery from electrical, electronic or mechanical breakdown. <i>The Rural Machinery Breakdown Policy is a prerequisite to the Electrical, Electronic or Mechanical Breakdown extension of this policy.</i>
material damage policy	The insurance policy, that we call a Rural Material Damage Policy, that you have with us that insures loss to tangible property. <i>The Rural Material Damage Policy is a prerequisite to this policy.</i>
natural disaster damage	Loss that results directly from: (a) earthquake, subterranean fire, volcanic eruption, tsunamis, 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.
natural landslide damage	Damage that results directly from the movement (whether by way of falling, sliding or flowing, or by a combination thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such materials, which, before movement, formed an integral part of the ground; but does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.
payroll	Gross salaries and wages (including bonuses, holiday pay, ACC levies and any other costs relating to salaries and wages) for all employees of the business .
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
pressure vessel	Any boiler or economiser or pipe or other vessel that, when used normally, is subject to generated fluid pressure or vacuum.
property damage	Loss to property that would be covered as a claim under your material damage policy if you owned the property.
rate of insured profit	The rate of insured profit to turnover that would have been achieved during any part of the indemnity period but for the insured damage .
rate of payroll	The rate of payroll to turnover that would have been achieved during any part of the indemnity period but for the insured damage .
rate of wages	The rate of wages to turnover that would have been achieved during any part of the indemnity period but for the insured damage .
reduction in rent	The amount that the rent, during any part of the indemnity period , shall fall short of the rent that would have been achieved, but for the insured damage .
reduction in turnover	The amount that the turnover , during any part of the indemnity period , shall fall short of the turnover that would have been achieved but for the insured damage .
rent	The actual amount of any: (a) rent you receive, and (b) payments to you for services provided, for letting out the premises at the situation .
schedule	The latest version of the Schedule we issued to you for this policy.
situation	The location or locations referred to in the schedule .

Rural / BUSINESS INTERRUPTION INSURANCE POLICY

turnover	Whichever of the following options provides the most equitable measurement of your claim: (a) all money, or other reimbursements you receive for goods or services in connection with your business operations, or (b) such other index of your business operations that gives the most equitable result.
uninsured working expenses	Those expenses that are no longer incurred by you when your business is unable to operate.
vicinity	Any area within 10 kilometres, of the situation .
wages	The total value of all remuneration (including a pro-rata proportion of bonuses, holiday pay, ACC levies and any other costs relating to wages), of all employees, except employees whose remuneration is treated as salaries in your accounts.
we	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words 'us', 'our' or 'company' to describe NZI.</i>
you	The person(s) or entity named in the schedule as 'Insured'. <i>We may also use the word 'insured' to describe you.</i>



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