



Policy

ROSSER ADVANCED BUSINESS INSURANCE

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Your Duty of Disclosure

When **you** apply for insurance **you** have a legal duty of disclosure. This means **you** must disclose all information **you** know or could reasonably be expected to know that would influence the judgement of a prudent underwriter:

- a) to accept the risk of insurance; or
- b) if accepted, on what terms and at what cost.

You have the same duty of disclosure each time **you** renew, vary or reinstate your insurance.

Information **you** will need to disclose includes:

- a) circumstances which could increase the risk of an insurance claim;
- b) any criminal offences or convictions;
- c) any cancellation, refusal to renew insurance or imposing of special terms by another **insurer** ;
- d) insurance claims **you** have made in the past.

Information **you** do not need to disclose include:

- a) circumstances which would diminish the risk of an insurance claim;
- b) anything that **we** know or would be expected to know in the ordinary course of our **business**;
- c) anything **we** advise **you** do not need to disclose.

If in doubt, **you** should disclose.

If **you** fail to comply with **your** duty of disclosure **your policy** can be rendered void from the beginning.

Introduction

The **policy**, **schedule** and endorsements (if any) are to be read together and any word or expression to which a specific meaning has been given shall bear such meaning wherever it may appear unless otherwise specifically stated.

This **policy** sets out the definitions, terms, exclusions and conditions of insurance provided by the **insurer** and the operative sections of the **policy** are shown on the **schedule**. **We** ask that **you** read this **policy**, the **schedule** and any endorsements carefully so that **you** are aware of the terms and conditions and if these are not completely in accordance with **your** intentions to contact **your** broker or agent.

Insuring Agreement

In consideration of **you** having paid or promised to pay the required **premium**, **we** agree to indemnify **you** in accordance with the insurance selected.

This **policy** is based upon the information provided in your proposal form or statement of fact which is incorporated in this **policy**.

The liability of the **insurer** shall not exceed the **sums insured** or **limit(s) of liability** specified in the **schedule**.

Section One: Material Damage

Cover:

Material Damage Indemnity

The **insurer** will indemnify the **insured** for physical loss or damage unintended and unforeseen by any **insured** occurring to any of its **insured property** during the **policy period** and at the **situation**.

At the **insurer's** option, the **insured** will be indemnified by payment, by repair, or by replacement of the lost or damaged **insured property** and by payment of any insured costs.

Subject to the "reinstatement of amount of insurance" condition of this **policy**, the **insurer's** liability will not exceed the **sum insured**; and if more than one item is included in the **schedule**, will not exceed in respect of each item the **sum insured** applicable to that item.

Automatic Extensions:

Alternative Accommodation Costs

Where any residential accommodation occupied by the **insured** or by an **employee** of the **insured** is **insured property** under section one and is rendered uninhabitable by an insured contingency, this insurance is extended to include reasonable expenses for alternative accommodation necessarily incurred by **you** provided that:

1. The expenses are not otherwise insured;
2. The period for which the expenses are covered will be limited to the period reasonably required for reinstatement of the affected accommodation;
3. The **insurer** will be entitled to deduct a reasonable allowance for expenses reduced or avoided in consequence of the affected accommodation being rendered uninhabitable.

The **insurer's** liability under this extension is limited to \$10,000 in respect of any one event, unless otherwise stated in the **schedule**.

Demolition and other Costs

This insurance is extended to cover costs necessarily incurred for any of the following purposes in consequence of loss or damage insured under this **policy**:

1. Demolition, dismantling, shoring up or propping of the **insured property**;
2. Disposal of debris (including any kind of solid, liquid or gaseous matter) from the site of the **insured property** damaged and the area immediately adjacent to such site;
3. Recovery, defence, safeguard, removal, storage and return of stock, plant and other chattels whether damaged or undamaged;
4. Clearing, cleaning and repairing of gutters, drains and the like;
5. Temporary repairs and other measures necessary to secure **insured property** or to make it safe or suitable for continued use;

This extension of cover does not include any sums which **you** become legally liable to pay by way of compensation or other damages consequent upon pollution or contamination of property by any of the debris. The indemnity provided by this extension will not increase the **insurer's** liability beyond the **sum insured** on the affected property.

Disclaimer Clause Notwithstanding any provisions of the release of liability extension, this insurance will not be prejudiced by any disclaimer clause in any contract entered into by **you** for: (i) the storage of goods; or (ii) the leasing of property; whether or not the storage and leasing contracts are declared to the **insurer** or not.

Employees' Effects This insurance is extended to insure the personal effects of the **insured's executives** and **employees**, but only whilst the effects are at **premises** owned or occupied by the **insured**, or elsewhere whilst being worn, kept, carried or used by the **executives** or **employees** acting in the course of their duties of employment. The effects are deemed to be included in the description of **contents of buildings** as if they were owned by the **insured**.

Unless the **insured** is responsible for the loss or damage, this extension of cover does not apply to loss or damage to the personal effects of any **executive** or **employee** who is entitled to indemnity for that loss or damage under any other policy of insurance. In respect of any one event the **insurer's** liability under this extension to any one **executive** or **employee** is limited to \$5,000, unless otherwise stated in the **schedule**.

Equipment Breakdown The **insurer** will, subject to the terms, conditions and exclusions to this extension, the material damage and business interruption sections, the general conditions and general exclusions to the policy, indemnify the **insured** against loss caused by or resulting from an **accident** to an **object** which is in use or commissioned and ready for use at the **premises**.

Basis of settlement applicable to this automatic extension

The **insurer's** liability for loss to **insured property** which is damaged is as follows:

1. On **media** and **electronic data** for electronic and electro mechanical data processing and production equipment, the cost of blank material plus the cost of transcription from duplicates or from originals;
2. On exposed film, records, manuscripts, drawings and other valuable papers and records, the cost of blank material plus the cost of transcription from duplicates or from originals;
3. On all other **insured property**, the lesser of the cost at the time of the **accident**,
 - A) to repair the damaged property; or
 - B) to replace the damaged property with similar property of like kind, capacity, size, quality and function.

The **insurer** will not be liable for:

1. More than the amount actually expended by the **insured**;
2. The cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment; or
3. Loss or damage to **insured property** which is useless or obsolete to the **insured**.

If the damaged property is not repaired or replaced within twelve (12) months after the date of the **accident** then the **insurer** will only pay for the **actual cash value** of the damaged property.

If the reinstatement optional extension has been selected, it does not apply to this automatic extension equipment breakdown.

Definitions applicable to this automatic extension

Accident means a sudden and accidental breakdown of an **object** or a part thereof, which manifests itself at the time of its **occurrence** by physical damage to the **object** or part thereof that necessitates its repair or replacement, but

Accident shall not mean:

1. Depletion, deterioration, corrosion or erosion of material;
2. Wear and tear;
3. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
4. Vibration or misalignment;
5. The breakdown of any structure or foundation supporting the **object** or any part thereof;
6. The functioning of any safety device or protective device; or
7. The cracking of any part of a gas turbine exposed to the products of combustion.

Actual cash value means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. The **insurer** will consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation.

Hazardous substance means:

1. Any pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or
2. Any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

Media means material on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, cds or dvds.

Object means any equipment owned, leased, operated or controlled by the **insured** and described below:

1. Any boiler, any fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but **object** shall not include:
 - A) any boiler setting, any refractory or insulating material;
 - B) any part of a boiler or fired vessel that does not contain steam or water;
 - C) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or

D) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used therewith;

2. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but **Object** shall not include:

A) 1) any elevator, escalator, crane or hoist; or

2) any oven, stove, furnace or kiln;

But not excluding:

- i) any pump, compressor, fan, blower, engine or turbine;
- ii) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
- iii) any electrical equipment; or
- iv) any electronic equipment used solely to start, stop, control or monitor such machine or apparatus;

B) any **vehicle**, any mechanically or electrically propelled equipment, any towable equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon; or

C) any conveyor belt;

3. Any electronic equipment used:

A) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;

B) for research, diagnostic, treatment, experimental or other medical or scientific purposes;

C) for computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or

D) to start, stop, control or monitor one or more insured **objects**,

but **object** shall not include:

- 1) any anode, x-ray or video amplifier tube.

Additional coverages applicable to this automatic extension

The following coverage's also apply to loss caused by or resulting from an **accident to insured property**. These coverages do not provide additional amounts of insurance, unless specifically stated otherwise.

1. Business interruption

If the **insured** has selected section two: business interruption, this automatic extension indemnifies the **insured** under that section following a loss which is indemnifiable under this automatic extension, or would have been but for the application of a **retention** or deductible.

The limit of the **insurer's** liability under this additional coverage shall not exceed \$250,000 and is in addition to any **sum(s) insured** or **limit(s) of liability** specified in the **schedule** for section one: material damage.

2. Hazardous substances

If a **hazardous substance** is involved in or released by an **accident**, the **insurer** will be liable for the increase in cost to repair, replace, clean up or dispose of

affected **insured property**.

The "increase in cost" or "increase in loss" shall mean that cost or loss beyond that which would have been incurred had no **hazardous substance** been present.

The limit of the **insurer's** liability under this coverage shall not exceed \$20,000.

3. Professional fees

Under the professional fees automatic extension, following a loss admissible under the equipment breakdown automatic extension, the limit of the **insurer's** liability under that coverage shall not exceed \$20,000 unless otherwise stated in the **schedule**.

4 Expediting cost

Under the expediting cost automatic extension, following a loss admissible under the equipment breakdown automatic extension, the limit of the **insurer's** liability under that coverage shall not exceed \$20,000 unless otherwise stated in the **schedule**.

5. Temporary hire costs

The **insurer** will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair the **Insured equipment** as a result of an **accident**.

The limit of the **insurer's** liability under this coverage shall not exceed \$10,000 unless otherwise stated in the **schedule**.

6. Media and electronic data restoration

If, solely as a result of an **accident** to an **object, electronic data** or **media** is lost or damaged, the **insurer** shall be liable under the coverage described in the basis of settlement for this extension, for the additional costs of repairing or replacing such **electronic data** or **media**, including the cost of gathering or assembling information.

The **insurer** shall not be liable for loss or damage caused by or resulting from programming errors.

The limit of the **insurer's** liability under this coverage shall not exceed \$10,000 unless otherwise stated in the **schedule**.

7. Demolition and increased cost of construction

The **insurer** shall be liable under this coverage for the increased cost of repair or replacement of damaged and/or undamaged **insured property** (including any necessary demolition and site clearing costs) occasioned by the enforcement of any law, by-law, ordinance, regulation, rule or ruling which is in force prior to the time of the **accident** and which regulates or restricts the repair, replacement, construction or installation.

The **insurer** shall also be liable under additional coverage 1. Business interruption during the additional time required, with the exercise of due diligence and dispatch, to affect such repair or replacement as a result of the enforcement of said law, by-law or ordinance.

The **insurer** shall not be liable for:

A) any expense in excess of the cost at the time of the **accident** to replace the said property on the same site or a site adjacent thereto with property of such kind, capacity, size, quality and function as will satisfy the minimum requirements

prescribed by any law, by-law, ordinance, regulation, rule or ruling. In the event the replacement is by property of a better kind or quality or of a larger capacity or size, the liability of the **insurer** shall not exceed the amount that would be paid if replacement had been made by property as would satisfy such minimum requirements.

B) any increase in loss occasioned by the enforcement of any law, by-law, ordinance, rule or ruling affecting the use or operation of the location or any **object**;

C) loss or expense excluded by exclusions 1(a) and 1(b) of this automatic extension;

D) loss in excess of \$100,000.

Exclusions applicable to this automatic extension

This extension does not insure:

1.

A) any increase in loss as a result of damage, contamination or pollution by a **hazardous substance**;

B) any increase in loss or additional expenses incurred for cleanup, repair, replacement or disposal of damaged, contaminated or polluted property. As used herein "additional expenses" shall mean expenses incurred beyond those for which the **insurer** would have been liable had no contaminant, pollutant or **hazardous substance** been involved in the **accident**;

Except as specifically provided under the **hazardous substances** coverage under this automatic extension.

2. Loss caused by or resulting from:

A) delay or interruption of business, manufacturing or process;

B) lack of power, light, heat, steam or refrigeration; or

C) any other indirect result or consequence of an **accident**.

Conditions applicable to this automatic extension

1. The definition of **machine** and **pressure vessel** under "general definitions: all sections of the policy", do not apply to this automatic extension.

Expediting Cost

Where a claim is payable under this insurance for the cost of reinstating any **insured property**, the **insurer** will also indemnify the **insured** for such additional costs of express freight and overtime labour as are reasonably incurred for the purpose of expediting that reinstatement. The indemnity provided by this extension will not increase the **insurer's** liability beyond the **sum insured** on the affected property.

Gradual Damage – Residential Portion of Building

The **insurer** will pay for damage to the residential portion of the **insured's** property covered under section one of this **policy** resulting from the action of micro-organisms, mould, mildew, rot, fungi or gradual deterioration, caused by water leaking or overflowing from any internal water system, if the **loss** or damage first occurs during the time that the **insured** owns the property.

The limit includes the cost of searching for the source of the problem if it is reasonably incurred and the **insurer** has accepted a **claim** for the **loss** or damage.

An internal water system is any water pipe, waste disposal pipe, water cylinder or water storage tank which is permanently connected and contained within the walls, floors or roof of the residential portion of the structure and any pipe which is hidden from view that is connected to an appliance, such as a washing machine or dishwasher.

The **insurer's** liability under this extension will not exceed \$5,000 for any one event and must be applied towards searching for and/or repair for the damage.

The **retention** will be the higher of \$500 or the standard **retention** shown in the **schedule**.

Hazardous
Substance
Emergencies

The **insurer** will indemnify the **insured** for any charge that the New Zealand fire service is authorised to make against the **insured** in respect of any **hazardous substance emergency** arising out of or in connection with any **insured property** during the **policy period**. The indemnity will be payable regardless of whether the **insured property** has been damaged. '**Hazardous substance emergency**' has the same meaning as defined in the fire service act 1975 or any statutory amendment to or replacement of that act.

At any one time the **insurer's** liability under this memorandum will not exceed \$20,000. The indemnity provided by this memorandum will not increase the **insurer's** liability beyond the **sum insured** on the affected property.

Money

Subject to the definitions and additional exclusions set out below, section one is extended to cover **money** as follows:

Section A

1. **Money** in transit.
2. **Money** at the **insured's business premises** or sites of contract during **business hours**.
3. **Money** in a securely locked burglary resistant safe or strong room at the **insured's business premises** outside **business hours**.

Section B

1. **Money** at the **insured's business premises** outside **business hours** and not in a securely locked burglary resistant safe or strong room.
2. **Money** at residential **premises** occupied by the **insured** or any **principal** or authorised **employee** of the **insured**.

Additional perils insured

This **policy** is further extended to cover loss of or damage to **money**:

- (a) directly caused by or resulting from any earthquake, hydrothermal activity, landslip, tsunami, volcanic eruption, or subsidence or erosion of the land;
- (b) directly resulting from theft of any kind not expressly excluded from cover under this extension.

Additional exclusions

This extension is subject to the following additional exclusions: (i) loss due to errors in receiving payment or paying out; (ii) loss or damage occurring whilst the **money** is entrusted to any person other than the **insured**, any **principal** or any **employee** or agent of the **insured**, or any professional **money** carrier; (iii) loss resulting from payment of **money** in exchange for any cheque which is subsequently dishonoured; (iv) loss occurring whilst the **money** is in an unlocked and unattended vehicle; (v) loss directly resulting from theft or fraud by any of the **insured's employees**. However this exclusion does not apply to loss discovered

within 72 hours (excluding Saturdays, Sundays and other public holidays) of the act of theft or fraud; (vi) loss covered by a valid and collectable claim under a policy of fidelity guarantee (or equivalent) form of insurance; (vii) loss occurring whilst the **money** is in a safe or strong room opened by a key or by use of a combination, either of which has been left at the **insured's business premises** or sites of contract outside **business** hours, unless such key or combination details have been properly secured.

Limits of liability

In respect of any one loss under:

Section A, the **insurer's** liability under this extension is limited to \$5,000, and

Section B, the **insurer's** liability under this extension is limited to \$1,000;

unless otherwise stated in the **schedule**.

Portable Electronic Equipment	<p>Section one is extended to cover portable computer equipment and cell phones anywhere in the world.</p> <p>In respect of any loss or damage covered by this extension, only items of portable electronic equipment less than two years old at the time of loss or damage will be covered for reinstatement value.</p> <p>The liability of the insurer is limited to \$5,000 any one item and \$10,000 any one event. The indemnity provided by this memorandum will not increase the insurer's liability beyond the sum insured on contents.</p>
Professional Fees	<p>This insurance is extended to cover all reasonable professional and clerk of works fees, salaries and costs necessarily incurred in reinstating damage to insured property which is insured under this policy. The insured fees, salaries and costs are deemed to be included in the sum insured on the affected property. This extension does not apply to fees for preparing claims made under this policy.</p>
Protection Costs	<p>The insurer will indemnify you for any costs reasonably incurred by you for the purpose of, and for damage directly resulting from, controlling any cause of loss that involves or threatens to involve insured property which is insured under this insurance. However (a) this indemnity does not apply to costs or damage for which indemnity would be payable under this insurance in the absence of this extension; (b) the insurer's liability under this extension is limited to \$100,000 in respect of costs and damage arising out of any one event, unless otherwise stated in the schedule;</p>
Redundant Foundations	<p>Where the foundations of any building or plant are made redundant for any reason in consequence of insured damage to the superstructures or plant resting on them, and if the value of the foundations is reduced as a result, the loss of value will be deemed to be loss by physical damage for the purpose of claims under section one. If it is not necessary to demolish the foundations in order to reinstate damaged property, and if the presence of the abandoned foundations increases the market value of the property to which they are fixed, the amount of increase will be treated as salvage in the adjustment of loss for claim settlement purposes.</p>
Redundant Plant and Stock	<p>Redundant plant</p> <p>The insurer will indemnify you for redundant:</p> <ul style="list-style-type: none">a) Interdependent plant; orb) Spare parts of the insured property affected; <p>following loss or damage covered by this material damage section.</p> <p>Redundant stock</p> <p>The insurer will indemnify you for unavoidable permanent loss of the value of undamaged stock resulting from a loss of or damage to other insured property covered by this material damage section.</p>

Refrigerated Goods	<p>The insurer will indemnify you against:</p> <p>(a) damage to goods stored in refrigerated cabinets or chambers arising from accidental stoppage, damage, or malfunction of refrigerating plant; and</p> <p>(b) expenses reasonably incurred to avoid or minimise the damage insured by (a) above by transferring the threatened goods to alternative storage or by other means;</p> <p>Provided that:</p> <p>(i) the words “goods stored” are deemed to include goods anywhere on the premises at the situation specified in the schedule at the time of loss causing event and which would, but for the event, have been placed in the refrigerated cabinets or chambers;</p> <p>(ii) the extension does not cover loss due to the disconnection of public electricity supply by the supply authority where not less than 24 hours prior notice of the disconnection has been given at the time of loss.</p> <p>The insurer’s liability under this extension is limited to \$5,000, unless otherwise stated in the schedule.</p>
Release of Liability	<p>Where the insured is required by legislation or by contractual agreement to release:</p> <p>a) The Fire Service Commission and any contractor, service-provider or agent approved by them to carry out fire alarm monitoring; or</p> <p>b) Any other party to an agreement which has been declared to and accepted by the insurer from liability arising from loss or damage insured by this policy, the release is allowed without prejudice to this insurance and notwithstanding general condition: subrogation of this policy.</p>
Rewards	<p>This insurance is extended to cover the cost of any reward paid by the insured for the purpose of protecting or recovering any insured property. However: (a) no payment will be made unless it contributes to the protection or recovery of the insured property; (b) the terms of the reward must be agreed by the insurer prior to the reward being offered; and (c) the insurer’s liability will not be increased beyond the sum insured on that property. The insurer will not unreasonably refuse its agreement to the terms of a reward payable under this extension.</p>
Seasonal Stock Increase	<p>The sum insured for stock (if any) is automatically increased by 20% during the months of November, December and January, unless otherwise stated in the schedule.</p>
Smoke Damage	<p>In the event of adjacent premises to the insured’s, not being its own or under its custody or control, being damaged by fire any damage to the insured property by smoke or water used in the extinguishing of the fire shall be deemed to be fire damage within the terms of the policy.</p>
Social Club	<p>This section extends to cover the property of any social club, sports club or similar body whose activities are principally for the benefit of the insured’s employees. The property is deemed to be included in the description of insured property as if it were owned by the insured.</p>
Subsidence & Landslip	<p>This insurance is extended to cover physical loss or damage to insured property caused by subsidence or landslip, provided that the basic principles of site investigation and foundation design have been observed.</p> <p>The insurer’s liability under this extension is limited to \$100,000 in respect of any</p>

one event, unless otherwise stated in the **schedule**.

A **retention** of \$10,000 will apply in respect of all costs and damages arising from any one event.

Stolen Keys	<p>Where any key (including any equivalent device) or combination giving access to insured property is stolen or believed on reasonable grounds to have been duplicated without proper authority, section one is extended to cover the costs reasonably and necessarily incurred in altering or replacing locks and their keys or combinations. The insurance also is extended to cover the reasonable cost of opening any safe or strong room following theft of its key or combination. The costs are deemed to be included in the sum insured on the affected property.</p>
Temporary Removal	<p>This insurance is extended to cover any of the insured property (except stock) whilst temporarily removed to any place in New Zealand and whilst in transit to or from that place. The most we will pay under this extension, in total, during an annual period, is the amount we would be liable to pay if the property had been at its usual situation.</p> <p>In this extension, "temporarily removed" means removed for a particular purpose, with the intention that the property be returned to the place from which it has been removed once that purpose has been served.</p>
Transit	<p>Notwithstanding exclusion (f), this insurance is extended to cover insured property whilst in transit within New Zealand. In respect of any one event the insurer's liability under this extension is limited to \$20,000, unless otherwise stated in the schedule. The retention will be the higher of \$1,000 or the burglary retention shown on the schedule.</p>
Theft from Locked Vehicle	<p>This insurance is extended to cover theft of insured property at or away from the insured's premises and damage resulting from theft, or any attempt at theft, following forcible entry to or exit from any securely locked motor vehicle or theft or any attempt at theft from a securely locked motor vehicle accompanied by violence or threat of violence to persons.</p> <p>In respect of any one event the insurer's liability under this extension is limited to \$20,000, unless otherwise stated in the schedule. The retention will be the higher of \$1,000 or the burglary retention shown on the schedule.</p>
Theft / Burglary	<p>This insurance is extended to cover theft of insured property which is not accompanied by violence or threat of violence to persons or violent and forcible entry to or exit from any enclosed building, provided that this extension does not extend to cover: (a) shoplifting; or (b) the insured voluntarily parting with title or possession if induced to do so by any fraudulent scheme, trick or false pretence.</p> <p>In respect of any one event the insurer's liability under this extension is limited to \$20,000, unless otherwise stated in the schedule. The retention will be the higher of \$1,000 or the burglary retention shown on the schedule.</p>
Unharmful Property	<p>If, for the sole purpose of reinstating insured property which is insured under section one it is necessary to demolish, damage or remove any property or part unharmful, the insurer will indemnify you for the cost of doing so. The insurer will also indemnify the insured for the cost of reinstating the property or part to a condition the same as, but not better or more extensive than, its condition immediately prior to the demolition damage or removal. The indemnity provided by this extension will not increase the insurer's liability beyond the sum insured on the property damaged.</p>

Optional Extensions:

Applicable to those items of **insured property** where it is stated in the **schedule** that the extension applies:

Earthquake	This insurance is extended to cover loss or damage to insured property caused by earthquake, hydrothermal activity, geothermal activity, subterranean fire, volcanic eruption, tsunami or fire following caused by any of these.
Stock Declaration	<p>The premium charged for cover on stock is provisional, and represents 75% of the full premium payable for the sum insured on stock. It is adjustable at the end of the current policy period in accordance with the following conditions:</p> <p>(a) declarations of the actual value of the property insured held on the last day of each month within the policy period must be made to us not later than six weeks after the end of each month.</p> <p>(b) the sum insured on stock is the limit of our liability for damage to that property. If any monthly declaration exceeds that amount, then in computing the average of the monthly declarations, the sum insured will be included in place of the actual declaration for that month.</p> <p>(c) if no declaration is received for any one month, the specified sum insured will apply in place of the declaration for that month.</p> <p>(d) the average of these monthly declarations will be computed at the end of the policy period and the actual premium payable will be assessed on that average (or on one half of the limit of liability on stock, whichever is greater).</p> <p>(e) we will refund to you the amount by which the provisional premium exceeds the actual premium payable as calculated above. Alternatively, you will pay to us the amount by which the provisional premium paid falls short of the actual premium.</p> <p>(f) if, in any policy period you fail to furnish a minimum of 75% of the declarations required in terms of this extension the extension will cease to apply, and:</p> <p>(i) the premium will be calculated on the full sum insured; and</p> <p>(ii) you must pay to us the amount by which the provisional premium falls short of that premium</p>
Reinstatement	In the event of any insured property to which this extension applies being lost or damaged, the basis on which the amount payable under this insurance is to be calculated will be the cost of reinstatement of that property. Insurance under this extension is subject to the special provisions set out below, and is subject to the terms and conditions of this insurance except in so far as they are varied by the extension.

Special provisions

1. Compliance with **regulations**: the amount payable under this extension will include the cost incurred in **reinstatement** which is necessary to comply with any **regulations**; provided that the amount payable will not include any such cost: (a) to the extent to which the work has already been required of the **insured** by notice served prior to the happening of the loss or damage; or (b) in respect of **undamaged** property or **undamaged** portions of property other than foundations (unless foundations are expressly excluded from insurance under this **policy**). This special provision (1) (b) will apply whether or not the **undamaged** property or portion comprises a separate building or structure

or a separate item of plant or equipment.

2. **Site of reinstatement:** where property is **destroyed**, the work of **reinstatement** must be carried out on the same **site**; provided that the work may be carried out upon another **site**: (a) where **reinstatement** on the same **site** is not permissible by reason of any **regulations**; or (b) where **reinstatement** on the same **site** is not suitable to the **insured's** reasonable requirement, **reinstatement** may be carried out on any alternative **site**.
3. Limitations of amount payable: (a) where the work of **reinstatement** is carried out in terms of definition **equivalent building** (ii) or (iii), or on any location other than the original location at the same **site**, the **insurer's** liability will not exceed the cost which would have been incurred had **reinstatement** been carried out in terms of definition **equivalent building** (i) on the original location; (b) where the **insured's** property is damaged but not **destroyed**, the **insurer's** liability will not exceed the amount the **insurer** could have been called upon to pay for **reinstatement** of the property had the property been **destroyed**; (c) the **insurer's** liability under this extension in respect of any item of **insured property** will not exceed the **sum insured** in respect of that item.
4. Circumstances where this extension does not apply: no payment, beyond the amount which would have been payable had this extension not been incorporated in this **policy** will be made: (a) if the **insured** elects not to **reinstatement** the property; or (b) if the work of **reinstatement** is not commenced and carried out with reasonable despatch; or (c) where a building or structure is damaged, but not **destroyed**, and the repair of the damage is not permissible by reason of any **regulations**, or by reason of the **undamaged** portion of the property. Where, by any reason of any of these circumstances, no payment is to be made beyond the amount which would have been payable if this extension had not been incorporated in this **policy**, the rights and liabilities of the **insured** and the **insurer** in respect of the loss or damage will be the same as if this extension had not been incorporated in this **policy**.
5. Valuation of the property: (a) at the commencement of each **policy period**, and in respect of that period, the **insured** should provide the **insurer** with a certificate by a suitably qualified valuer specifying the estimated cost of **reinstatement** of any item or items of **insured property** to which this extension applies; (b) the certificate should also contain such other estimates and information as the **insurer** may reasonably require; (c) the **sum insured** under this extension in respect of each item will not be less than the amount of the estimate specified in the certificate in respect of that item; (d) If a certificate is not provided in accordance with Special Provision 5(a) within one month of the commencement of any **policy period**, the insurance in respect of each item of Section One of this **policy** to which this extension applies will be separately subject to the following condition of *Average*.
6. Average / Underinsurance: If, at the time of loss or damage, the **sum insured** is less than 90% of the cost which would be incurred by **reinstatement** if the whole of the property to which the **sum insured** applies were **destroyed**, then you will be considered as an **insurer** for the difference between the **sum insured** and the sum representing the cost of **reinstatement** of the whole of that property, and must bear a rateable proportion of the loss accordingly.
7. Rates, Tax and Other Charges: The amount payable under this extension will not include the amount of any rate, tax, duty, development charge, or any other assessment arising out of capital appreciation, which may be payable in respect of the property by reason of compliance with any **regulations**.

Exclusions:

Section One does not cover:

- a) loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with, including any action taken in controlling, preventing, suppressing or in any way relating to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss; (i) **war**, invasion, acts of foreign enemies, hostilities or warlike operations (whether **war** be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or (ii) any act of **terrorism**;
- b) Property in the course of installation, construction, demolition, erection, or testing following any of them, unless the property is owned or to be owned or occupied by the **insured** and then only if the expected completed value or contract price will not exceed the amount specified in the **schedule**;
- c) Current coin bank and currency notes, cheques, travellers cheques, postal notes, money orders, unused postage stamps, redeemable vouchers and tokens, phone cards, franking machine credits, other negotiable instruments;
- d) Jewellery, precious stones, furs, precious metals or bullion, other than as stock of the **business** or as part of any plant;
- e) Motor vehicles, other mechanically or electrically propelled vehicles (including but not limited to railway locomotives and rolling stock), watercraft and **aircraft** of every kind, and accessories contained in them or on them, other than as stock of the **business**;
- f) Property in transit other than at **premises** owned or occupied by the **insured**;
- g) Property damaged as a result of its undergoing any normal **production process** where the damage is directly caused by that process;
- h) Standing timber, growing crops, livestock, trees, hedges, dams, canals, reservoirs (but not tanks), road or railway tunnels, road or railway bridges, docks, piers, wharves, mining property located beneath the surface of the ground, any land including topsoil and backfill;
- i) Any consequential losses whatsoever including penalties, loss of use of any property, delays, or loss of market;
- j) The cost of:
 - (i) Repairing or replacing faulty materials,
 - (ii) Putting right faulty workmanship,
 - (iii) Putting right work performed to a faulty or defective design plan or design specification, or
 - (iv) Putting right faulty or defective work where the fault or defect results from an error or omission in design plan or design specification;

But this exclusion does not apply to any consequential loss or damage occurring as a result of the faulty or defective materials, workmanship, design plan, design specification or work;

- k) loss, damage, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, except as provided for under the equipment breakdown automatic extension.

However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this **policy**, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the **policy period** to the **insured property** by this **policy** directly caused by such listed peril. Listed perils: fire, explosion;

- l) notwithstanding any provision to the contrary within the **policy** or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this **policy** suffer physical loss or damage insured by this **policy**, then the basis of valuation shall be the cost of the blank media plus the costs of copying the **electronic data** from back-up or from originals of a previous generation. These costs will not include research and engineering or any costs of recreating, gathering or assembling such **electronic data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this **policy** does not insure any amount pertaining to the value of such **electronic data** to the assured or any other party, even if such **electronic data** cannot be recreated, gathered or assembled, except as provided for under the equipment breakdown automatic extension.

Section One does not insure loss or damage directly or indirectly caused by or arising from:

- a) Confiscation, requisition, or destruction of or damage to property by order of government or local authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this **policy**;
- b) Nuclear weapons material;
- c) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission;
- d) Earthquake, hydrothermal activity, geothermal activity, subterranean fire, volcanic eruption, tsunami or fire following caused by any of these;
- e) Landslip, subsidence or erosion of the land;
- f) Normal settlement, shrinkage or expansion of **buildings**, foundations, walls, pavements, roads and other structural improvements;
- g) Exposure to weather conditions where the property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions;
- h) Interruption of the supply to the site of water, gas, electricity or any fuel;
- i) Total or partial cessation of work, retarding or interruption or cessation of any process;
- j) Unexplained disappearances, shortages revealed only by the taking of an inventory, shortages due to clerical or accounting errors;
- k) theft by the **insured** or by any of the **insured's employees**;
- l) Any fraudulent scheme or device or false pretence practised on the **insured** or on any other person having care of the **insured** property;
- m) Fumes, gas, dust, smuts;
- n) Normal working, maintenance, wear and tear, gradual deterioration, erosion, corrosion, slowly developing deformation or distortion, marring or scratching, except as provided for under the equipment breakdown automatic extension;
- o) Vermin or insects;
- p) The inherent nature of the property, or action of light;
- q) Pollution or contamination, except as provided for under the equipment breakdown and hazardous substance emergencies automatic extensions;

- r) Changes in artificially controlled temperature or atmosphere, except as provided for under the refrigerated goods automatic extension;
- s) The action of micro-organisms, mould, mildew, rot or fungi.

The Insurer will not indemnify the Insured or fulfil any obligation otherwise owed to any Insured:

In respect of any building or structure where that indemnity or obligation arises from, is consequent upon or is in connection with the failure of that building or structure to contain: (i) materials; or (ii) a design; or (iii) a system; or (iv) a standard of workmanship; which effectively prevents or manages the presence or penetration of moisture or water to which the building or structure might reasonably be subjected.

Conditions:

Earthquake - Residential Property - Excess of Earthquake Commission Cover

The indemnity provided by optional extension 1 of section one of this **policy** in respect of **residential property** is only for that amount of the loss that is in excess of the cover provided by sections 18 and 20 of the earthquake commission act 1993 (plus any excess applied by the earthquake commission).

Provided that if the **residential property** has not been declared as such on the proposal for insurance, this **policy** shall not indemnify **you** for loss or damage to **residential property** directly or indirectly caused by or resulting from earthquake, hydrothermal activity, geothermal activity, subterranean fire, volcanic eruption, tsunami or fire following caused by any of these.

Basis of Settlement

(a) for **insured property** insured for "replacement" the basis of settlement shall be as in the reinstatement memorandum of this section.

(b) for **insured property** insured for "indemnity value" the basis of settlement shall be the lesser of: (i) the cost of repairing that part of the **insured property damaged**, to the condition existing immediately before the time of loss or damage; (ii) the cost of rebuilding or repairing the **insured property** to a condition as when new, less due allowance for the age and condition of the building immediately before the time of loss or damage; or (iii) the current market value of the building (having due regard to it's condition and state of repair immediately before the time of loss or damage); and shall include, where appropriate: (a) the cost of demolition and removal of debris including the removal of **contents of buildings**; and (b) architects, surveyors, legal and other related expenses.

(c) for property insured under **stock in trade** and materials of trade: (i) in respect of **stock in trade** insured under declaration conditions the basis of settlement shall be on the same basis of **stock in trade** as declared in the monthly declaration figures made to the **insurer** by the **insured**; or (ii) in respect of **stock in trade** not insured under declaration conditions the basis of settlement shall be on the same basis as the **sum insured** was calculated.

Other Interests

Where the **insured** is under an obligation to insure the interest of any person or corporate body having an insurable interest in any of the **insured property**, the **insurer** will indemnify **you** and that person or corporate body as if a separate **policy** had been issued to each.

However, (a) the **insurer** will not be liable to indemnify any person or corporate body whose interest has not been declared to the **insurer** by the time indemnity becomes payable; and (b) the **insurer's** liability will not be increased beyond the amount that would be payable if this clause had not been incorporated in this **policy**.

Progress Claim Payments	In the event of loss or damage giving rise to a claim under this insurance, it is agreed that the insurer will make progress claim payments on production of acceptable evidence of insured loss. Provided that, if the aggregate of progress payments exceeds the total amount of the adjusted loss, you will immediately refund the difference between the amount of adjusted loss and the aggregate of payments actually made.
Reinstatement of Amount of Insurance	In the event of a loss for which a claim is payable under section one and, in the absence of written notice by the insurer or you to the contrary, the amount of insurance cancelled by the loss will be automatically reinstated from the date of loss. You undertake to pay such pro-rata premium at the rate applicable to the item(s) concerned as may be required for the reinstatement.
Salvage	Where property insured under section one is lost or damaged, the insurer may: (a) enter any building where the loss or damage has occurred and take and keep possession of the damaged property; (b) deal with the salvage in any reasonable manner, provided that: (i) the insured is not entitled to abandon any property to the insurer ; (ii) the insurer is not entitled to sell or otherwise dispose of salvaged branded goods without the insured's prior consent. In the event of the insured declining to give consent, the insured will retain possession of the salvaged goods and their reasonable salvage value will be deducted from the amount of claim that would otherwise be payable. Where it is practical to remove brands, labels or other marks, which identify the goods as supplied by the insured , the salvage value of the goods will be determined after such removal at the insurer's expense.

End Section One

Section Two: Business Interruption

Cover:

Business Interruption Indemnity	<p>The insurer will indemnify the insured in respect of each item in the schedule the amount of loss resulting from interruption or interference to the business if during the policy period any building or other property or part thereof used by you at the premises for the purpose of the business be destroyed or damaged by:</p> <p>(a) such risks as are covered under section one material damage;</p> <p>(b) explosion of any boiler or economiser or pipe or other vessel which, in normal use is subject to generated or applied fluid pressure;</p> <p>(destruction or damage so caused being called "insured damage") and the business carried on by you at the premises is consequently interrupted or interfered with.</p> <p>Provided that:</p> <p>(i) the insurer will not be liable under section two unless the insured property destroyed or damaged is insured against such insured damage under section one material damage (insured damage by explosion of any boiler or economiser or pipe or other vessel which, in normal use is subject to generated or applied fluid pressure excepted) and the insurer shall have (or would have, but for the application of a retention or deductible) paid for or admitted liability in respect of the insured damage;</p> <p>(ii) subject to the "reinstatement of amount of insurance" condition of section two, the insurer's liability will not exceed the sum insured; and if more than one item is included in the schedule, will not exceed in respect of each item the sum insured applicable to that item.</p>
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Automatic Extensions:

Closure of Transport Routes Ports or Airports	<p>This insurance is extended to include loss resulting from interruption of or interference with the business in consequence of: (a) insured damage resulting in closure; or (b) closure by order of any authority as a result of fear of any insured damage at any transport route, port or airport anywhere in New Zealand.</p> <p>Provided that: (i) for the purposes of this extension insured damage need not have been insured or liability admitted; and (ii) liability under this extension shall be limited to 15% of each and every item insured by section two, unless otherwise stated in the schedule.</p>
Customers / Suppliers Premises	<p>This insurance is extended to include loss resulting from interruption of or interference with the business in consequence of insured damage within New Zealand: (a) at any premises of suppliers of goods or services to you, including suppliers of telecommunication services; (b) at the premises of any customers of you.</p> <p>Provided that: (i) for the purposes of this extension insured damage need not have been insured or liability admitted; (ii) liability under this extension shall be limited to 15% of each and every item insured by section two, unless otherwise stated in the schedule.</p>

Health	<p>This insurance is extended to include loss directly resulting from interruption of or interference with the business in consequence of action taken by a competent public authority in respect of: (a) injury or illness sustained by any guest arising from or traceable to foreign or injurious matter in food or drink provided on the premises; or (b) closing of whole or part of the premises consequent upon defects in the drains and other sanitary arrangements at the premises.</p> <p>Provided that: (i) liability under this extension shall be limited to 10% of each and every item insured by section two, unless otherwise stated in the schedule; and (ii) the insurer shall not be liable for the amount of loss arising during the first 7 days immediately following the action taken by a competent public authority.</p>
Murder, Suicide or Criminal Injury	<p>This insurance is extended to include loss directly resulting from interruption of or interference with the business in consequence of action taken by a competent public authority in respect of murder, suicide or criminal injury occurring at the premises.</p> <p>Provided that: (i) liability under this extension shall be limited to 10% of each and every item insured by section two, unless otherwise stated in the schedule; and (ii) the insurer shall not be liable for the amount of loss arising during the first 7 days immediately following the action taken by a competent public authority.</p>
Prevention of Access	<p>This insurance is extended to include loss resulting from interruption of or interference with the business in consequence of insured damage within New Zealand to property within one kilometre radius of the premises which shall hinder or prevent the use thereof or access thereto, whether your premises or property therein shall be damaged or not.</p> <p>Provided that: (i) for the purposes of this extension insured damage need not have been insured or liability admitted; liability under this extension shall be limited to 15% of each and every item insured by section two, unless otherwise stated in the schedule.</p>
Public and Private Utilities	<p>This insurance is extended to include loss resulting from interruption of or interference with the business in consequence of insured damage within New Zealand to any electricity station or sub-station or power line and cable, gas works or water works of the public and/or private supply from which you obtain electric current, gas or water.</p> <p>Provided that: (i) for the purposes of this extension insured damage need not have been insured or liability admitted; (ii) no cover shall apply for any loss in consequence of insured damage to the Maui platform or associated offshore pipeline; liability under this extension shall be limited to 20% of each and every item insured by section two, unless otherwise stated in the schedule.</p>

Description of Items:

Item 1 Gross Profit	<p>The insurance under this item is limited to loss of gross profit due to (a) reduction in turnover and (b) increase in cost of working and the amount payable as indemnity under this item shall be:</p> <p>(a) in respect of reduction in turnover, the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period, in consequence of insured damage, falls short of the standard turnover;</p>
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(b) in respect of increase in cost of working, the additional expenditure (subject to the provisions of memo 2 of this item) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of **insured damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided; less any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross profit** as may cease or be reduced in consequence of **insured damage**.

Memoranda

Memo 1: Alternative trading

If during the **indemnity period**, goods are sold or services rendered elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on behalf of **you**, the **money** paid or payable in respect of those sales or services shall be brought into account in arriving at the **turnover** during the **indemnity period**.

Memo 2: Uninsured expenses

If any charges and expenses of the **business** are not insured by this **policy** (having been deducted in arriving at the **gross profit**), then in computing the amount recoverable under this item as increase in cost of working, that proportion only of any additional expenditure shall be brought into account which the **gross profit** bears to the sum of the **gross profit** and those uninsured charges and expenses.

Item 2 – Gross Revenue

The insurance under this item is limited to loss of **gross revenue** due to (a) loss of **gross revenue** and (b) increase in cost of working and the amount payable as indemnity under this item shall be:

(a) in respect of loss of **gross revenue**, the amount by which the **gross revenue** during the **indemnity period**, in consequence of **insured damage**, falls short of the **standard gross revenue**;

(b) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross revenue** which but for that expenditure would have taken place during the **indemnity period** in consequence of **insured damage**, but not exceeding the amount of the reduction in **gross revenue** thereby avoided; less any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross revenue** as may cease or be reduced in consequence of **insured damage**.

Memoranda

Memo 1: Alternative trading

If during the **indemnity period**, services are rendered elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on behalf of **you**, the **money** paid or payable in respect of those services shall be brought into account in arriving at the **gross revenue** during the **indemnity period**.

Item 3 - Additional Increase In Expenditure

The insurance under this item is limited to additional expenditure (including the additional cost of obtaining the necessary information for the replacement of all records of the **business**, including deeds, documents, plans, drawings, specifications, valuations, card indices and books of accounts) necessarily and reasonably incurred by **you** during the **indemnity period** in consequence of

the **insured damage**, for the purpose of:

- (a) avoiding or diminishing a reduction in **turnover**;
- (b) avoiding or diminishing a reduction in **gross revenue**;
- (c) avoiding or diminishing a reduction in **gross rentals**;
- (d) resuming or maintaining any normal **business** operation or service.

However, the insurance under this item does not apply to: (i) any additional expenditure which would have been recoverable under any other item of section two but for the inadequacy of the **sum insured** under that item; or (ii) any expenditure incurred to reinstate physical damage other than expenditure incurred to reconstruct records.

Item 4 - Claims
Preparation
Expenses

The insurance under this item is limited to such reasonable professional fees, and such other reasonable expenses necessarily incurred by **you** for the preparation of a claim under section two and section one. The **insurer** will indemnify **you** for such reasonable fees and expenses up to but not exceeding in total the **sum insured** under this item.

Item 5 - Rents
Receivable

The insurance under this item is limited to (a) loss of **gross rentals** and (b) increase in cost of working and the amount payable as indemnity under this item shall be:

(a) in respect of loss of **gross rentals**, the amount by which the **gross rentals** during the **indemnity period**, in consequence of **insured damage**, falls short of the **standard gross rentals**;

(b) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **gross rentals** which, but for that expenditure, would have taken place during the **indemnity period** in consequence of **insured damage**, but not exceeding the amount of the reduction in **gross rentals** thereby avoided; less any sum saved during the **indemnity period** in respect of such expenses of the **business** payable out of **gross rentals** as may cease or be reduced in consequence of **insured damage**.

Memoranda

Alternative premises

If during the **indemnity period**, the **business** is conducted elsewhere than at the **premises**, the **gross rentals** derived from the other **premises** shall be brought into account in arriving at the **gross rentals** during the **indemnity period**.

Item 6- Wages (Dual
Basis)

The insurance under this item is limited to loss in respect of **wages** and the amount payable as indemnity under this item shall be:

(a) in respect of reduction in **turnover**:

(i) during the initial period, the sum produced by applying the **rate of wages** to the **shortage in turnover** during such period less any saving during such period through reduction in consequence of **insured damage** in the amount of **wages** paid;

(ii) during the remaining portion of the **indemnity period** the sum produced by applying the **rate of wages** to the **shortage in turnover** during such period less any saving during such period through reduction in consequence of **insured damage** in the amount of **wages** paid, but not exceeding the sum produced by applying the remainder percentage of the **rate of wages** to the **shortage in turnover** during the said remaining portion of the **indemnity period** increased by such amount as is deductible for savings under the terms of clause (i); note: at the option of **you** the alternative period may be substituted for the initial period provided that the amount arrived at under the provisions of clause (a) (ii) shall not exceed such amount as is deducted under

clause (a) (i) for savings effected during the alternative period.
(b) in respect of increase in cost of working so much of the additional expenditure described in clause (b) of item 1 as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of reduction in **turnover** under the provisions of clauses (a) (i) and (ii) of this item had such expenditure not been incurred.

Memoranda

Alternative trading

If during the **indemnity period**, goods are sold or services rendered elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on behalf of **you**, the **money** paid or payable in respect of those sales or services shall be brought into account in arriving at the **turnover** during the **indemnity period**.

Item 7 - Wages In Lieu Of Notice

The insurance under this item is limited to the loss incurred by **you** by the payment of **wages** for a period beginning with the commencement of the **indemnity period** and ending not later than the number of weeks thereafter specified in the **schedule**.

The amount payable as indemnity under this item shall be the actual amount which **you** shall pay as **wages** for such period to **employees** whose services cannot, in consequence of **insured damage**, be utilised by **you** at all and an equitable part of the **wages** paid for such period to **employees** whose services cannot, in consequence of **insured damage**, be utilised by **you** to the full.

Item 8 - Book Debts

The insurance under this item is limited to the loss sustained by **you** in respect of **outstanding debit balances** directly due to **insured damage** and the amount payable as indemnity under this item in respect of any one occurrence of **insured damage** shall not exceed:

(a) the difference between: (i) the **outstanding debit balances**, and (ii) the total of the amounts received or traced in respect thereof;

(b) the additional expenditure incurred with the prior consent of the **insurer** in tracing and establishing customers' debit balances after **insured damage**.

Item 9 – Goodwill

The insurance under this item is limited to the loss of goodwill consequent upon cancellation of your lease of the **premises** as a result of **insured damage**. The amount payable as indemnity shall be limited to the proportion of the **sum insured** under this item that the unexpired term of the lease at the date of **insured damage** bears to the unexpired term of the lease as stated on the **schedule**. If **you** are able to obtain the same or equivalent alternative **premises** under a new lease the amount payable hereunder shall be either the sum calculated above or the actual loss sustained, whichever is the less.

Conditions:

Adjustment Of Premium

As **premiums** for items 1, 2, 5, 6 and 7 are provisional, the **premium** is subject to adjustment on expiry of each **policy period** as follows:

(a) within six months of the expiry date of any **policy period** **you** shall submit to the **insurer** a certificate from a member of the institute of chartered accountants of New Zealand setting out the actual insured **gross profit, gross revenue, rents received and wages** insured by section two for the accounting year most nearly concurrent with that **policy period**;

(b) the provisional **premium** will be adjusted at the agreed rate on such actual amounts, or a multiple thereof if the indemnity period exceeds 12 months, by

payment to the **insurer** of an additional **premium** or by allowance to **you** of a return **premium** as the case may be. Provided that if a return **premium** is due, it shall in no case exceed 50% of the provisional **premium** charged for the items;

(c) in the event of a claim occurring during the **policy period** the amount paid or payable for the loss in respect of the period shall be regarded as actually earned.

Provided that in no case shall the liability of the **insurer** in respect of each item of this **policy** exceed the **sums insured** specified in the **schedule**.

Alternative Index	In the event of a claim under section two adjustments may be based on " turnover " or " output " or whatever other index of business activity affords the most equitable result, and except in the definition of turnover , the word " turnover " wherever used in section two shall be read as "turnover or alternative index".
Accumulated Stocks	In adjusting any claim, account shall be taken and an equitable allowance made if during the indemnity period turnover is temporarily maintained from accumulated stocks of finished goods held by you , thus causing a shortage of finished goods after the indemnity period has expired.
Departments	If the business is conducted in departments or other units, the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of the gross profit item (and any separate items on gross rentals, wages or payroll) will apply separately to each department or other unit affected by insured damage .
New Business (Gross Profit)	<p>For the purpose of any claim arising from insured damage occurring before the completion of the first year's trading of the business at the premises the terms "rate of gross profit", "annual turnover" and "standard turnover" shall bear the following alternative meanings:</p> <p>A) Rate of gross profit the rate of gross profit earned on the turnover during the date of the commencement of the business and the date of insured damage.</p> <p>B) Annual turnover the proportional equivalent for a period of twelve months of the turnover realised during the period between the commencement of the business and the date of insured damage.</p> <p>C) Standard turnover the proportional equivalent for a period equal to the indemnity period of the turnover realised during the period between the commencement of the business and the date of insured damage To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after insured damage or which would have affected the business had insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for insured damage would have been obtained during the relative period after insured damage.</p>
New Business (Gross Revenue)	<p>For the purpose of any claim arising from insured damage, occurring before the completion of the first year's trading of the business at the premises, the terms "standard gross revenue" and "annual gross revenue" shall bear the following alternative meaning:</p> <p>(a) standard gross revenue the proportional equivalent for a period equal to the indemnity period, of the gross revenue realised during the period between the commencement of the business and the date of insured</p>

damage;

(b) **annual gross revenue** the proportional equivalent for a period of twelve months, of the **gross revenue** realised during the period between the commencement of the **business** and the date of **insured damage**; to which such adjustments shall be made as may be necessary to provide for the trend of the **business** and for variations in or other circumstances affecting the **business** either before or after **insured damage** or which would have affected the **business** had **insured damage** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for **insured damage** would have been obtained during the relative period after **insured damage**.

New Business (Gross Rentals)

For the purpose of any claim arising from **insured damage**, occurring before the completion of the first year's trading of the **business** at the **premises**, the terms "**standard gross rentals**" and "**annual gross rentals**" shall bear the following alternative meaning:

(a) **standard gross rentals** the proportional equivalent for a period equal to the **indemnity period**, of the **gross rentals** realised during the period between the commencement of the **business** and the date of **insured damage**;

(b) **annual gross rentals** the proportional equivalent for a period of twelve months, of the **gross rentals** realised during the period between the commencement of the **business** and the date of **insured damage**; to which such adjustments shall be made as may be necessary to provide for the trend of the **business** and for variations in or other circumstances affecting the **business** either before or after **insured damage** or which would have affected the **business** had the **insured damage** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **insured damage** would have been obtained during the relative period after the **insured damage**.

Payment on Account

In the event of the occurrence of a loss under this insurance, payments on account will be made to **you** during the **indemnity period** if desired on production of a statement of claim certified by the accountant appointed in accordance with the general condition "duties in the event of a claim" of the **policy**.

Salvage Sale

If following **insured damage** giving rise to a claim under section two, **you** shall hold a salvage sale during the **indemnity period**:

(a) clause (a) of item 1 (gross profit) shall for the purpose of such a claim read as follows: in respect of reduction in **turnover**, the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the salvage sale) shall, in consequence of the **insured damage**, fall short of the **standard turnover**, from which shall be deducted the **gross profit** actually earned during the period of the salvage sale;

(b) the definition of **shortage in turnover** shall, for the purpose of such **claim**, read as follows: "**shortage in turnover**" - the amount by which the **turnover** during a period (less the **turnover** for the period of the salvage sale), shall in consequence of the **insured damage**, fall short of the part of the "**standard turnover**" which relates to that period, from which shall be deducted the payroll or **wages** paid during the period of the salvage sale.

Reinstatement Of
Amount Of Insurance

In the event of a loss for which a claim is payable under section two and, in the absence of written notice by the **insurer** or **you** to the contrary, the amount of the insurance cancelled by such loss will be automatically reinstated from the date of loss. **You** undertake to pay such pro-rata **premium** at the rate applicable to the item(s) concerned as may be required for the reinstatement.

Exclusions:

Section Two does
not cover:

- a) Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with, including any action taken in controlling, preventing, suppressing or in any way relating to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss; (i) **war**, invasion, acts of foreign enemies, hostilities or warlike operations (whether **war** be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or (ii) any act of **terrorism**;
- b) Property in the course of installation, construction, demolition, erection, or testing following any of them, unless the property is owned or to be owned or occupied by the **insured** and then only if the expected completed value or contract price will not exceed the amount specified in the **schedule**;
- c) Current coin bank and currency notes, cheques, travellers cheques, postal notes, money orders, unused postage stamps, redeemable vouchers and tokens, phone cards, franking machine credits, other negotiable instruments;
- d) Jewellery, precious stones, furs, precious metals or bullion, other than as stock of the **business** or as part of any plant;
- e) Motor vehicles, other mechanically or electrically propelled vehicles (including but not limited to railway locomotives and rolling stock), watercraft and **aircraft** of every kind, and accessories contained in them or on them, other than as stock of the **business**;
- f) Property in transit other than at **premises** owned or occupied by the **insured**;
- g) Property damaged as a result of its undergoing any normal **production process** where the damage is directly caused by that process;
- h) Standing timber, growing crops, livestock, trees, hedges, dams, canals, reservoirs (but not tanks), road or railway tunnels, road or railway bridges, docks, piers, wharves, mining property located beneath the surface of the ground, any land including topsoil and backfill;
- i) Any consequential losses whatsoever including penalties, loss of use of any property, delays, or loss of market;
- j) The cost of:
 - (i) Repairing or replacing faulty materials,
 - (ii) Putting right faulty workmanship,
 - (iii) Putting right work performed to a faulty or defective design plan or design specification, or
 - (iv) Putting right faulty or defective work where the fault or defect results from an error or omission in design plan or design specification;

But this exclusion does not apply to any consequential loss or damage occurring as a result of the faulty or defective materials, workmanship, design plan, design specification or work;

- k) loss, damage, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, except as provided for under the equipment breakdown automatic extension.

However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this **policy**, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the **policy period** to the **insured property** by this **policy** directly caused by such listed peril. Listed perils: fire, explosion;

- l) notwithstanding any provision to the contrary within the **policy** or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this **policy** suffer physical loss or damage insured by this **policy**, then the basis of valuation shall be the cost of the blank media plus the costs of copying the **electronic data** from back-up or from originals of a previous generation. These costs will not include research and engineering or any costs of recreating, gathering or assembling such **electronic data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this **policy** does not insure any amount pertaining to the value of such **electronic data** to the assured or any other party, even if such **electronic data** cannot be recreated, gathered or assembled, except as provided for under the equipment breakdown automatic extension.

Section Two does not insure Loss or damage directly or indirectly caused by or arising from:

- a) Confiscation, requisition, or destruction of or damage to property by order of government or local authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this **policy**;
- b) Nuclear weapons material;
- c) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission;
- d) Earthquake, hydrothermal activity, geothermal activity, subterranean fire, volcanic eruption, tsunami or fire following caused by any of these;
- e) Infectious human or animal disease / contamination;
- f) Landslip, subsidence or erosion of the land;
Normal settlement, shrinkage or expansion of **buildings**, foundations, walls, pavements, roads and other structural improvements;
- h) Exposure to weather conditions where the property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions;
- i) Interruption of the supply to the site of water, gas, electricity or any fuel, except as provided for under the public and private utilities automatic extension;
- j) Total or partial cessation of work, retarding or interruption or cessation of any process;
- k) Unexplained disappearances, shortages revealed only by the taking of an inventory, shortages due to clerical or accounting errors;
- l) Burglary, unless accompanied by; (a) violent and forcible entry to or exit from any enclosed building; or (b) violence or threat of violence to persons.
- m) Theft by the **insured** or by any of the **insured's employees**;

- n) Any fraudulent scheme or device or false pretence practised on the **insured** or on any other person having care of the insured property;
- o) Fumes, gas, dust, smuts;
- p) Normal working, maintenance, wear and tear, gradual deterioration, erosion, corrosion, slowly developing deformation or distortion, marring or scratching;
- q) Vermin or insects;
- r) The inherent nature of the property, or action of light;
- s) Pollution or contamination, except as provided for under the equipment breakdown and hazardous substance emergencies automatic extensions;
- t) Changes in artificially controlled temperature or atmosphere;
- u) The action of micro-organisms, mould, mildew, rot or fungi.

The Insurer will not indemnify the Insured or fulfil any obligation otherwise owed to any Insured:

In respect of any building or structure where that indemnity or obligation arises from, is consequent upon or is in connection with the failure of that building or structure to contain: (i) materials; or (ii) a design; or (iii) a system; or (iv) a standard of workmanship; which effectively prevents or manages the presence or penetration of moisture or water to which the building or structure might reasonably be subjected.

<End Section Two>

Section Three: General, Employers, Statutory Liability Insurance

Covers:

Cover under this Insuring Clause is afforded solely with respect to an **occurrence** happening during the **policy period** within the **territorial limits** which arises from and within the course of the **business** and provided that the action for damages is brought against the **insured** in a court of law within the **territorial limits**.

General Liability The **insurer** agrees to indemnify the **insured** for all amounts which the **insured** shall become legally liable to pay as a result of **claims** or **legal proceedings** for **personal injury** or **property damage**.

Cover under these Insuring clauses is afforded solely with respect to **claims** first made against an **insured** during the **policy period** that are reported to the **insurer** as required by this **policy**.

Employers Liability The **insurer** shall pay the **loss** of the **company** due to a **claim** for **personal injury** sustained by an **employee**.

Statutory Liability The **insurer** shall pay the **loss** of any **insured** due to a **claim** for **statutory liability**.

Defence Provisions and Limits of Liability: General Liability

These Defence and Limits Clauses apply to the cover under the General Liability Insuring Clause only.

Defence Costs **We** shall defend at **our** cost any **claim** or **legal proceeding** against the **insured** that seeks compensation, even if the **claim** or **legal proceeding** is groundless, false or fraudulent.

What We Will Pay In the defence of any **claim** or **legal proceeding** against the **insured** that seeks compensation covered by the **policy** we will:

- a) Investigate, negotiate and settle the **claim** or **legal proceeding**; and
- b) Pay the following supplementary payments:
 - i. All costs taxed against the **insured** in the **claim** or legal proceeding;
 - ii. Pre-judgment interest awarded against the **insured** on that part of the judgment **we** pay;
 - iii. Post-judgment interest that accrues after entry of judgment and before **we** have paid, offered to pay or deposited in court that part of the judgment that is within the applicable limits of liability; and
 - iv. The **insured** expenses incurred at our request or with our written consent (including actual loss of wages or salary, but not loss of other income).

Notwithstanding, **we** will only be liable for the amount of damages and claimants' costs and expenses arising from an **occurrence** that is in excess of

the **retention**. The **retention** amount shall be borne by the **insured** and shall remain uninsured, with regard to all payments for which the **insured** shall be liable.

What We May Do

We may undertake investigations, conduct negotiations and with the written consent of the **insured** settle any **claim** or **legal proceedings** where settlement has been agreed to by the parties being indemnified or has been recommended by a senior counsel. If consent to such settlement is still withheld by the **insured** then **our** liability on account of that **claim** or **legal proceeding** shall not exceed the amount for which **we** could have settled the **claim** or **legal proceeding** plus the costs and expenses incurred to the date such settlement was recommended in writing to the **insured**.

What We Won't Pay

We will not defend any **claim** or **legal proceeding** or investigate any **claim** or **legal proceeding** after the exhaustion of the applicable **limits of liability** by the payment of **loss**.

Limits – Personal Injury / Property Damage

Our liability in respect of any one **occurrence** shall not exceed the **limit of liability** as set forth in the **policy schedule**. All **personal injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one **occurrence**.

Limits – Products Hazard

Our total aggregate liability during any one **policy period** for all **occurrences** involving the **products hazard** shall not exceed the **limit of liability** as set forth in the **policy schedule**.

Costs in Addition

Expenses incurred to defend or investigate any **claim** or **legal proceeding** will be in addition to the applicable **limits of liability**.

Extensions: Section Three General, Employers, Statutory Liability

Subject to all of the provisions of this **policy** cover is extended as outlined below. The total of all payments made under these extensions shall be part of and not in addition to the **limit of liability** unless otherwise specifically stated. These extensions are also subject to the **retention** unless otherwise specifically stated.

30 Day Minimum Reporting Window

Any **claim** first made against an **insured** during the last 30 days of the **policy period** will be deemed reported within the **policy period** if actually reported to the **insurer** within the first 30 days after having been first made against the **insured**.

Care, Custody and Control

Notwithstanding the property owned or in the insured's physical or legal control or vehicles exclusions, **we** agree to indemnify the **insured** for **property damage** to:

- a) Tangible property (excluding livestock) not owned by the **insured**, but in the physical or legal control of the **insured**;
- b) **Premises** which are leased or rented to the **insured**;
- c) **Premises** and their contents not belonging to, leased or rented to the **insured** at which the **insured** is undertaking work in connection with the **business**;
- d) Vehicles and their contents (not belonging to or used by or on behalf of the **insured**) in the **insured's** physical or legal control where such **property**

	<p>damage occurs while any such vehicle is in a car park owned or operated by the insured;</p> <p>Cover under this extension does not apply if the insured as part of the business owns or operates a car park for reward;</p> <p>e) Goods, equipment, merchandise and property other than real property subject to cover being limited to a maximum of \$250,000 each occurrence and in the aggregate during any one policy period for such property damage;</p> <p>The total amount payable under this extension, other than part (e) above, is for any one occurrence and in the aggregate during the policy period as described in the schedule.</p> <p>A retention as described in the schedule for each and every claim applies to this extension.</p>
Defence Cost Advancement	<p>The insurer shall advance covered defence costs in respect of insuring clauses Employers and Statutory Liability.</p>
Forest and Rural Fires Act	<p>Notwithstanding the fine, penalties, punitive, aggravated, exemplary damages & taxes exclusion (a), (b) and (c) we agree to indemnify the insured for:</p> <p>A) costs incurred and apportioned by any Fire Authority under section 43 of the Forest And Rural Fires Act 1977 or any amendments or replacing Act (the "Act"); and</p> <p>B) levies imposed by a Fire Authority and apportioned to the insured during the policy period under sections 46 and 46a of the Act; and</p> <p>C) costs claimed by any other party in order to protect their property from fire.</p> <p>This extension shall apply also:-</p> <p>a) Whether the property damage has occurred or not and to the legal liability of the insured for loss of or damage to property caused by or caused to the machinery, plant, trailers or mechanically propelled vehicles used by the Fire Fighting Authority insofar as the liability covered by this extension is not otherwise insured. Provided that:</p> <p>b) The total amount payable under this extension shall not exceed the amount shown in the schedule; and</p> <p>c) A retention of \$1,000 in the aggregate for all sums payable to any claimant or any number of claimants in respect of or arising out of all occurrences of a serious consequent on or attributed to one source or original cause.</p>
Heirs, Estates and Legal Representatives	<p>Any claim made against any estate, heir or legal representative of an insured person for statutory liability of that insured person, shall be covered as if made against that insured person.</p>
Innkeeper's Liability	<p>With respect to any liability incurred by the insured under the Innkeepers Liability Act or its amendments, it is agreed that cover under this policy is limited to:</p> <p>a) Guests property in safe custody \$20,000 per occurrence.</p> <p>b) Guests property not in safe custody \$5,000 per occurrence.</p>

Landlords Liability

Notwithstanding the property owned or in the **insured's** physical or legal control exclusion **we** agree to indemnify the **insured** for all sums which the **insured** shall become legally liable to pay for personal **injury** and/or **property damage** in connection with the legal ownership, but not physical occupation, of any **premises** owned by the **insured**.

Notwithstanding the product recall exclusion **we** will contribute to those costs the **insured** are legally liable to pay for physically recalling or withdrawing products that have already given rise to a **claim** covered by section three of this **policy**, if **we** agree that such recall or withdrawal is necessary to prevent similar **claims** arising.

Product Recall

The **insurer's** contribution will be limited to 80% of the costs in excess of the first \$2,500. Subject to a maximum contribution by the **insurer** of \$100,000 in respect of all such costs incurred in respect of all such recalls or withdrawals in any one **period of insurance** unless an alternative limit is shown in the **schedule**.

Punitive and Exemplary Damages (for General Liability only)

We agree to indemnify the **insured** for punitive and/or exemplary damages awarded to, or on behalf of, a person who has suffered **personal injury** resulting from an event in connection with the **business** of the **insured**, or the **insured's** ownership, occupancy or tenancy of a building, structure or land, provided that:

- a) The **claim** must be made against the **insured** and reported to **us** during the **policy period**;
- b) Any punitive or exemplary damages awarded by any court outside of New Zealand are excluded;
- c) The total amount payable under this extension shall not exceed \$1,000,000, inclusive of all costs any one **claim** and in the aggregate, during any one **policy period**;
- d) A **retention** of \$250 inclusive of costs shall apply to each and every **claim**.

We will not indemnify the **insured** for **claims** arising from **personal injury** or an event that caused **personal injury** where such **personal injury** or event occurred prior to the **retroactive liability date** specified in the **schedule**.

Service & Repair - Motor Vehicles and Watercraft

Notwithstanding the property owned or in the **insured's** physical or legal control or vehicles exclusions of this **policy** it is agreed that in respect of **vehicles**, **vehicle** parts or **watercraft** not exceeding 8 metres in length that are or have been in the care custody or control of the **insured** for the purposes of service and/or repair, this **policy** extends to indemnify the **insured** for amounts they shall become legally liable to pay in respect of:-

- a) Loss of or damage to the **vehicle** being serviced or repaired;
- b) **Personal injury** or **property damage** arising from service and/or repairs to **vehicles**;
- c) **Personal injury** or **property damage** as a result of an accident whilst the **vehicle** is being driven on any public or private road or thoroughfare;

Subject to a sub-limit of \$250,000 any one **occurrence** and in the aggregate for all **occurrences** during any one **policy period**. Provided that the **insurer** will not be liable for the first \$1,000 of each and every **claim**.

Provided that this extension of cover does not apply to:

- a) **Personal injury** or **property damage** resulting from towing the **vehicle** except where it is being towed for the reason that it is either

mechanically disabled or is designed to be towed in the course of its normal use;

- b) The cost of rectifying any defective workmanship or faulty workmanship in respect of the actual part or parts worked on by the **insured**. However, liability consequent upon **personal injury** or **property damage** resulting from defective workmanship is not excluded;
- c) Liability arising out of any **occurrence** resulting from a **vehicle** or **watercraft** engaged in or being tested in preparation for racing, pace making or speed testing. Or any **occurrence** resulting from a **vehicle** engaged in any hill climbing test or being driven on any racetrack or speedway;
- d) Liability arising out of any **occurrence** resulting from the **vehicle** or **watercraft** being driven by a person with the **insured's** consent, who is under the influence of intoxicating liquor or drugs to the extent that an offence is committed under New Zealand law;
- e) Liability arising out of any **occurrence** resulting from a **vehicle** being driven by a person with the **insured's** consent, who does not have the appropriate licence to drive the **vehicle**.

Spouses Any **claim** made against an **insured person's** spouse for **statutory liability** of that **insured person**, shall be covered as if made against that **insured person**.

Tenant's Liability **We** will cover the **insured** for legal liability to pay direct compensation as a result of damage to premises (including their fixtures and fittings) leased or rented by the **insured** or in the **insured's** custody or control by not owned by the **insured**, or for **property damage** in business premises that the **insured** temporarily occupy, but excluding legal liability arising in connection with the failure of the **insured** to arrange insurance on the property.

Underground Property / Services **We** will indemnify the **insured** for liability arising directly or indirectly out of **property damage** in New Zealand to property or services normally located underground.

Provided that

- a) Prior to the commencement of any work the **insured** enquired of the relevant authority, corporation or company as to the location of such services; and
- b) The **insured** took all reasonable precautions to prevent **personal injury** or **property damage**; and
- c) Any liability arising out of work carried out more than five meters below ground level is excluded; and
- d) Any liability arising out of work carried out underground by directional drilling or by a thrusting or boring machine is excluded; and
- e) Cover for all **claims** for compensation that arise under this extension out of the one **occurrence** are limited in the aggregate during the **policy period** to the **limit of liability** shown in the **schedule**; and
- f) **A retention** as described in the **schedule** shall apply for each **occurrence**.

Vibration and
Removal of Support

We agree to indemnify the **insured** for all sums which the **insured** shall become legally liable to pay for **personal injury** or **property damage** in New Zealand arising from the actions of the **insured** in removing, weakening or interfering with the support of land or **buildings**, other than those owned or occupied by the **insured**, provided that:

- a) The total amount payable under this extension shall not exceed the sum described in the **schedule** any one **claim** and in the aggregate during any one **policy period**;
- b) **A retention** described in the **schedule** shall apply for each **occurrence**.

Exclusions: Section Three General, Employers, Statutory Liability

This **Policy** shall not cover **loss** or make any payment in connection with any **claim** and excludes all liability arising out of, based upon or attributable to any:

Aircraft, Hovercraft
and Watercraft

Ownership, possession, maintenance, operation or use by or on behalf of the **insured** of any **aircraft** or **hovercraft**; or any **watercraft** or vessel exceeding eight (8) metres in length.

Provided that this exclusion shall not apply with respect to:

- i) **Watercraft** owned by others and used by the **insured** for **business** entertainment; or
- ii) Hand propelled or sailing craft.

This proviso i) and ii) shall only apply where such **watercraft** are sailing or Operating in New Zealand territorial or inland waters;

Aircraft
Products

Supply, distribution, sale or manufacture of **aircraft products** or reliance upon any representations or warranties made by the **insured** with respect to **aircraft products** or arising out of the **grounding** of any **aircraft**;

Asbestos

Mesothelioma, asbestosis or for any death, disease, loss of use of property, damage to property (including consequential loss) arising directly or indirectly out of or in connection with or in consequence of:

- a) Inhaling, ingesting or physical exposure to asbestos or goods or products containing asbestos; or
- b) The use of asbestos in constructing or manufacturing any good, product or structure; or
- c) The removal of asbestos from any good, product or structure; or
- d) The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
- e) The presence of asbestos in any building;

Conduct

Criminal, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of **statute** or law;

Contractual Liability

Personal injury or **property damage**:

a) Where the **insured** assumes liability under any contract or agreement.

But this exclusion shall not apply to those written contracts:

- i) Designated in the **policy schedule**;
- ii) Where liability would have been implied by law;
- iii) Where the **insured** assumes liability under a warranty of fitness or quality as regards the **insured's products**;
- iv) To **incidental contracts** entered into by the **named insured**;
- v) To **insured contracts** entered into by the **named insured** where the **named insured** is obligated to provide insurance as is afforded by this **policy**, to any person or organisation, but only with respect to their liability arising out of operations conducted by the **named insured** or on their behalf and not to any greater extent than required by the contract or agreement;

b) Where the **insured** has waived any rights, which but for the existence of such waiver would accrue to the **insured**;

Expected or
Intended

Personal injury or property damage expected or intended from the Standpoint of the **insured**. However, this exclusion does not apply to:

- (a) **personal injury or property damage** resulting from the use of reasonable force to protect persons or property; or
- (b) liability of the **insured** for compensation as the result of an act committed by the **insured's employee(s)** which results in **personal injury or property damage** expected or intended from the standpoint of the **insured's employee(s)**, provided such act was not committed at the direction of the **insured**;

Financial Loss

Financial loss, unless such loss is a direct result of **personal injury or property damage** for which indemnity is provided by this **policy**;

Hazardous Materials

Engagement by the **insured** of any contractor to dispose of or handle materials unless the **insured** has taken reasonable steps to ensure that the materials will be disposed of or handled lawfully;

Internet Operations

Personal injury or property damage arising directly or indirectly out of or caused by or in connection with the **insured's** internet operations, including but not limited to **business** conducted and/or transacted via the internet, intranet, extranet and/or via the **insured's** own website, internet site, web address and/or via the transmission of electronic mail or documents by electronic means;

Libel & Slander

Publication or utterance of a libel or slander: (i) made prior to the effective date of this insurance; or (ii) made at the direction of the **insured** with knowledge of the falsity thereof; or (iii) related to advertising, broadcasting or telecasting activities including internet activity conducted by or on behalf of the **insured**;

Mould / Building
Defect

Liability for any **personal injury or property damage** or any other loss, injury, damage, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

	<p>a) Any fungus(i), moulds(s), mildew or yeast, or</p> <p>b) Any spore(s) or toxins created or produced by or emanating from such fungus(i), mould(s), mildew or yeast, or</p> <p>c) Any substance, vapour , gas, or other emission or organic or inorganic body or substance produced by or arising out of any fungus(i), mould(s), mildew or yeast, or</p> <p>d) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbours, nurtures or acts as a medium for any fungus(i), mould(s), mildew, yeast, or spore(s) or toxins emanating therefrom;</p> <p>regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury ,damage, cost or expense.</p>
Non Compliance	Event which has resulted from the insured's intentional, knowing or reckless failure to comply with any lawful abatement notice or enforcement order, improvement notice, prohibition notice or suspension notice, building notice, notice to rectify, compliance schedule, gazetted notice, or order made by a commission, tribunal, or standards review board;
Nuclear Material	<p>a) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;</p> <p>b) The radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof;</p> <p>Of whatsoever nature, directly or indirectly;</p>
Pollution	<p>Personal injury or property damage directly or indirectly arising out of, caused by or contributed to by:</p> <p>a) The discharge, dispersal, release or escape of pollutants into or upon land the atmosphere or any watercourse or body of water;</p> <p>b) The cost of removing, monitoring, testing, containing, treating, detoxifying, neutralizing, nullifying or cleaning up pollutants or pollutants discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;</p> <p>c) Fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above;</p> <p>d) The cost of preventing the escape of pollutants;</p>
Prior Claims/ Circumstances	<p>(i) As of the policy inception, prior or pending claims or circumstance reported under any policy of which this policy is a renewal or replacement, or the same, continuous, repeated or related facts as those alleged in such prior or pending claim or such circumstance;</p> <p>(ii) As at the continuity date, any pending or prior: a) litigation; or b) administrative or regulatory proceeding or official investigation of which an insured person had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or official investigation;</p>

Professional Services	<p>A) rendering of or failure to render professional advice or services by the insured; or</p> <p>B) any error or omission arising from the rendering of professional advice, design specification or services;</p> <p>For a fee.</p> <p>Provided that this exclusion does not apply to the rendering of or failure to render professional medical advice by medical persons employed by the insured to provide first aid and other medical services on the insured's premises.</p>
Silica	<p>Presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form, or to any obligation of the insured to indemnify any party because of bodily injury or property damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form;</p>
Statutory Liability Excluded	<p>Of the following excluded statutes: arms act 1983; aviation crimes act 1972; crimes act 1961; land transport act 1988; proceeds of crime act 1991; summary offences act 1981; transport act 1962; transport (vehicle and driver registration and licensing) act 1986 and any other act of parliament specified by endorsement as an excluded act;</p>
Transmissible Spongiform Encephalopathy (TSE)	<p>Liability in respect of personal injury or property damage or any other loss, cost or expense, including, but not limited to inspection costs, surveillance costs, slaughter costs and costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by any form of transmissible spongiform encephalopathy (TSE), including, but not limited to bovine spongiform encephalopathy (BSE) ,chronic wasting disease (CWD), Creutzfeldt-Jakob disease, new variant Creutzfeldt-Jakob disease (NV-CJD), scrapie or transmissible mink encephalopathy, regardless of any other cause, event, material or product that contributed concurrently or in any sequence to that personal injury or property damage, loss, cost or expense. TSE includes but is not limited to any loss, cost or expense which is related to or contributed to, caused or accelerated by or results from any form of TSE, or any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection therewith;</p>
War or Terrorism	<p>Personal injury or property damage arising directly or indirectly as a result of or in connection with war and / or terrorism including, but not limited to, any contemporaneous or ensuing personal injury or property damage caused by fire, looting or theft.</p>

In addition, this **policy** shall not cover **loss** or make any payment in connection with any **claim**:

Additional Penalties	<p>For a penalty imposed on an insured in relation to: (i) a daily or ongoing event or offence to the extent that the penalty relates to the period of time after the insured first received notice of the prosecution or of the intention to commence the prosecution; or (ii) the cost or payment of any enforcement order, remedial order or compliance order; or (iii) the cost or payment of any tax (penalty or otherwise), interest, compliance costs, duty or other monetary obligation to the inland revenue department; or (iv) any damages or compensation, not part of a penalty, imposed by a tribunal or court of competent jurisdiction;</p>
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Bodily Injury	For bodily injury , sickness, disease, or death of any person, or infliction of emotional distress; provided that this exclusion does not apply to cover for claims made under the employers or general liability insuring clauses and extensions thereto;
Indirect Activities	For any employee engaged in any activity or occupation not directly part of the business of the named insured unless the insured gives prior written notice of such engagement to the insurer who signifies its agreement to cover being extended by way of endorsement to the policy and the payment by the insured of such additional premium as the insurer may require;
Loss of use	<p>For loss of use of any tangible property which has not been physically injured or destroyed resulting from:</p> <p>a) A delay in or lack of performance by the insured or on the insured's behalf of any contract or agreement; or</p> <p>b) The failure of the insured's products to meet the level of performance, quality, fitness or durability express or implied, warranted or represented by the insured.</p> <p>Provided that this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the insured's products after such products have been put to use by any person or organisation other than the insured;</p>
Personal Injury (General & Products Liability)	Made under the general liability insuring clause for personal injury to any employee arising out of or in the course of his or her employment in the business . But this exclusion does not apply with respect to liability of others assumed by the insured under written contract;
Personal Injury Legislation	<p>a) In respect of bodily injury sustained by an employee which arises out of or in the course of their employment by the insured;</p> <p>b) Imposed by the provisions of any:</p> <p style="margin-left: 20px;">i) Workers' compensation legislation or under any similar legislation;</p> <p style="margin-left: 20px;">ii) Accident compensation legislation or under any similar legislation;</p> <p style="margin-left: 20px;">iii) Industrial award, agreement or determination;</p> <p>c) For any obligation for which the insured may be held liable under any worker's compensation law or under any similar law;</p>
Property Damage	<p>In respect of:</p> <p>a) Property owned by, leased or rented to the insured; or</p> <p>b) Property belonging to the insured or in the care, custody or control of the insured or any employee of the insured other than:</p> <p style="margin-left: 20px;">i) Premises which are leased or rented to the insured;</p> <p style="margin-left: 20px;">ii) Premises and their contents not belonging to, leased or rented to the insured at which the insured is undertaking work in connection with the business;</p> <p style="margin-left: 20px;">iii) Vehicles and their contents (not belonging to or used by or on behalf of the insured) in the insured's physical or legal control where such</p>

property damage occurs while any such **vehicle** is in a car park owned or operated by the **insured**;

Cover under this (b) (iii) does not apply if the **insured** as part of the **business** owns or operates a car park for reward;

iv) Goods, equipment, merchandise and property other than real property subject to cover being limited to a maximum of \$100,000 each **occurrence** and in the aggregate during any one **policy period** for such **property damage**;

c) That particular part of any real property on which the **insured** or any contractors working directly or indirectly on the **insured's** behalf are performing operations if the loss or **property damage** arises out of those operations;

Property Damage to Products

Property damage to the insured's products

Product Recall

For any cost or expense incurred or claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **insured's products** or of any property of which such products form a part, if such products, or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

Vehicles

For **personal injury** or **property damage** caused by or arising out of the ownership, possession, use of or operation by the **insured** of any **vehicle** which is registered or in respect of which insurance is required by virtue of any legislation.

Provided that this exclusion shall not apply to the **insured's** liability for **personal injury** or **property damage** arising from:

- a) The actual loading, unloading, delivery or collection of goods to or from any **vehicle**;
- b) The use of any **tool of trade** either on any site where the **insured** is undertaking work or at the **insured's premises**.

This proviso b) does not extend cover to the use of any **tool of trade**, whilst in transit or whilst being used for transport or haulage.

Section Four: Management Protector

Covers:

Management Liability	The insurer shall pay the unindemnified loss of any insured person due to a claim for any management liability .
Fidelity	The insurer shall pay the company its direct financial loss due to dishonest acts committed after the continuity date .
Personal Accident	If an insured person sustains accidental bodily injury whilst on the premises or undertaking business within the policy territory during the policy period which within twelve months solely and independently of any other cause results in death or disablement, the insurer will pay the insured the percentage amount appropriate of the benefit as shown in the policy schedule .

Extensions: Section Four

Subject to all of the provisions of this **policy**, cover is extended as outlined below. The total of all payments made under these extensions shall form part of and are not payable in addition to the **limit of liability**. The **retention** applies to each of these extensions as stated below.

30 Day Minimum Reporting Window	Any claim first made against an insured during the last 30 days of the policy period will be deemed reported within the policy period if actually reported to the insurer within the first 30 days after having been first made against the insured .
Advance Payment of Defence Costs	The insurer shall advance covered defence costs within a reasonable time after insurer's receipt of invoices detailing same.
Representation at Investigations and Examinations	Claim includes any administrative or regulatory proceeding, official investigation, examination or inquiry into the affairs of the company : a) Which an insured person has been legally required to attend; or b) in which an insured person has been specifically designated in writing as a person under investigation. Defence costs are payable for any such claim , whether or not a wrongful act is asserted against an insured person .
Heirs and Legal Representatives	Any claim made against any estate, heir or legal representative of an insured person for management liability of that insured person , shall be covered as if made against that insured person .
Spouses	Any claim made against an insured person's spouse for management liability of that insured person , shall be covered as if made against that insured person .
Discovery	The insured persons may give written notice to the insurer of any claim , for management liability arising from a wrongful act occurring prior to the end of the policy period , during a discovery period immediately following the policy period of 30 days, granted automatically with no additional premium

payable; or

a) 12 months, if the **policyholder** requests such period in writing within 15 days following the end of the **policy period** and tenders an additional premium of 100% of the annual premium level in effect immediately prior to the end of the **policy period** within 30 days following the end of the **policy period**; or

b) 84 months, if a **transaction** takes place and the **policyholder** requests such period in writing within 30 days following the end of the **policy period**, on such terms and conditions, and for such additional premium as the **insurer** may reasonably decide.

This extension is not available if this policy is:

- a) renewed or replaced with any other directors and officers or management liability policy; or
- b) cancelled or avoided.

Any discovery period purchased under this extension is non-cancellable, and the premium paid for the discovery period is non-refundable.

Exposure	If an insured person suffers an injury as a direct result of exposure to the elements, we will pay the compensation shown for that injury .
Disappearance	If an insured person disappears and after twelve calendar months it is reasonable for us to believe they have died due to an insured injury , we will pay the compensation shown for death subject to receipt of a signed undertaking by you that any such compensation shall be refunded if it is later demonstrated that the insured person did not die as a result of an injury .

Exclusions: Section Four - Management Protector

Under section four, the **insurer** is not liable to make any payment for **loss**, **direct financial loss** or under an extension arising out of, based upon or attributable to:

Aircraft	<ul style="list-style-type: none">a) An executive being a pilot or crew member of any aircraft; orb) An executive engaging in any aerial activity except as a passenger in any properly licensed aircraft;
Asbestos	<p>Claims resulting from mesothelioma, asbestosis or for any disease arising directly or indirectly out of or in connection with or in consequence of:</p> <ul style="list-style-type: none">a) Inhaling, ingesting or physical exposure to asbestos or goods or products containing asbestos, orb) The use of asbestos in constructing or manufacturing any good, product or structure, orc) The removal of asbestos from any good, product or structure, ord) The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by this **policy** does not apply to payment for the investigation or defence of any loss, **injury** or damage or any cost, fine or penalty or for any expense or **claim** or suit related to any of the above;

Assault and Battery	Arising out of, based upon, attributable to or in any way connected with any assault or assault and battery provided that this exclusion does not apply to any payments under the personal accident insuring clause;
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Conduct	<p>A) the improper use of position or information to gain any profit or advantage or cause detriment to the company; or</p> <p>B) remuneration illegally paid to or received by an insured person; or</p> <p>C) the committing of any criminal, dishonest, fraudulent or malicious acts or omissions or any knowing or wilful violation of any statute or regulation by the insured persons.</p> <p>This exclusion only applies if there is an admission, or judgment, award or other finding by a court, tribunal or arbitrator which establishes the foregoing;</p>
Contractual Liability	<p>(i) the actual or alleged liability of the company to anyone other than an employee of the company assumed under any contract; or</p> <p>(ii) personal injury or property damage:</p> <p>(a) where the insured assumes liability under any contract or agreement.</p> <p>But this exclusion a) shall not apply to those written contracts:</p> <ol style="list-style-type: none"> 1. Designated in the policy schedule; 2. Where liability would have been implied by law; 3. Where the insured assumes liability under a warranty of fitness or quality as regards the insured's products; 4. To incidental contracts entered into by the named insured; 5. To insured contracts entered into by the named insured where the named insured is obligated to provide insurance as is afforded by this policy, to any person or organisation, but only with respect to their liability arising out of operations conducted by the named insured or on their behalf and not to any greater extent than required by the contract or agreement; <p>(b) where the insured has waived any rights, which but for the existence of such waiver would accrue to the insured.</p>
Insolvency	<p>The insurer shall not be liable to make any payment for loss in connection with any claim made against the insured arising out of, based upon, attributable to, or in any way connected with the insured's actual or alleged insolvency, or its actual or alleged inability to meet any or all of its debts as and when they fall due.</p>
Intangible Rights	<p>The actual or alleged liability of any company in connection with intellectual Property or privacy rights, or trade secrets;</p>
Known or Prior	<p>I) actual or alleged fact or circumstance that, prior to the continuity date, may reasonably have been expected by an insured to give rise to a claim; or (ii) as of the policy inception, prior or pending claims or circumstance reported under any policy of which this policy is a renewal or replacement, or the same, continuous, repeated or related facts as those alleged in such prior or pending claim or such circumstance; (iii) as at the continuity date, any pending or prior: a) litigation; or b) administrative or regulatory proceeding or official investigation of which an insured person had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or official investigation;</p>
Major Shareholders	<p>Brought against any insured by, at the instigation of, or on behalf of, any Past or present shareholder who had or has direct or indirect ownership of, or Control over, 15% or more of the voting share capital of:</p> <p>(i) any company; or</p>

(ii) in the case of an **outside director**, any **outside entity**;

Pollution	a) the actual, alleged, or threatened presence, discharge, dispersal, release, migration or escape of pollutants ; or b) any direction, request or effort to: (i) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise pollutants ; or (ii) respond to or assess the effects of pollutants ;
Professional Services	To the provision of professional services of any kind, other than the services provided in an insured person capacity to the company ;
Public Securities	Actual or alleged sale, purchase, offer to sell or offer to purchase any listed or otherwise public securities representing a debt or equity interest in any company ;
Racing	Directly or indirectly arising out of, based upon, attributable to or in any way connected with, in whole or in part driving or riding in any kind of race;
Retroactive Limitation	Any wrongful act or dishonest act committed or allegedly committed prior to the retroactive date ;
Superannuation Trustees Liability	Any responsibilities, obligations or duties in respect of any superannuation fund, pension fund, profit sharing or employee/executive benefits programme, including but not limited to any actual or alleged violation of any responsibilities, obligations or duties imposed under the superannuation schemes act 1989 (NZ), superannuation industry (supervision) act 1993 (CTH), superannuation guarantee (administration) act 1992 (CTH), employee retirement income security act of 1974 (USA), the fair labour standards act (USA), the national labour relations act (USA), the worker adjustment and retraining notification act (USA), the consolidated omnibus budget reconciliation act (USA), the occupational safety and health act (USA), the health and safety at work act 1974 (UK) the pensions act 1995 (UK) or any amendment thereto or under any related or similar provisions of the law in any other jurisdiction;
Territorial Limits	Acts or omissions committed or allegedly committed outside the territorial limits ;
USA or Canada	Acts or omissions committed or allegedly committed within Canada or the United States of America, or any legal action or litigation brought within Canada or the United States of America, its states, localities, territories or possessions or under any laws thereof.
War or Terrorism	Any war or terrorism .

In addition, this policy does not provide cover for **loss, direct financial loss** or under an extension or otherwise in connection with any **claim**:

Age Limits	For any injury which happens to an insured person unless at the date of the injury they are between the ages of 17 and 70 years of age;
Anticompetitive Practices	For any violation by any company of any law applicable to: business competition, unfair trade practices or tortious interference with any business or contractual relationships;

Benefits	For any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance benefit, retirement benefits, social security benefits or any similar or obligation;
Bodily Injury & Property Damage	For bodily injury , sickness, disease, death or emotional distress of any person or loss of or damage to or destruction of any tangible property, including the loss of use of it, provided however, that emotional distress claims shall not be excluded with respect to any employment practice breach or cover under the personal accident insuring clause and the exposure and the disappearance extensions;
Insured v Insured	Brought or maintained by, on behalf of or in the right of the company or any insured person unless such claim is brought and maintained: (a) in the name of the company by any legally authorised individual or entity, other than the company itself, without the assistance, intervention, solicitation or active participation of the company or any insured person ; or (b) by an insured person in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from a claim that is covered by this policy; or (c) as an employment practice breach ; or (d) by any former director, secretary or officer who has not served as a director, secretary or officer of the company for at least 2 years prior to the claim first being made against an insured person ;
Professional Sports	Training for or participating as a professional in any sport;
Radiation	For any legal liability or personal injury directly or indirectly caused by or contributed to by or arising from <ul style="list-style-type: none"> a) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or b) The radioactive toxic explosive or other hazardous properties or any explosive nuclear assembly or nuclear component thereof;
Silica	In respect of any liability directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form, or to any obligation of the insured to indemnify any party because of personal injury arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form;
Self-inflicted Injury	The intentional self-inflicted injury , suicide, or criminal or illegal act of the insured person who is the subject of the claim ; or
Sexually transmitted disease	Sexually transmitted disease or acquired immune deficiency syndrome (AIDS) disease or human immunodeficiency virus (HIV) infection.

Additional Exclusions Applying To Fidelity Insuring Clause:

For the "Fidelity" cover only, this policy shall not cover **direct financial loss** arising out of, based upon, attributable to or in any way connected with:

Confidential Information;	The accessing and dissemination of, any confidential information including, but not limited to, trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods;
Consequential Loss	Any indirect or consequential loss of any nature, including but not limited to any loss of income such as interest and dividends not realised by any company or any other person or organisation, resulting from a direct financial loss which is covered under this policy;
Director Dishonesty	Any fraudulent or dishonest activities involving collusion or complicity of an executive (part (i) of the definition only);
Extortion or Kidnap & Ransom	Any extortion or kidnap and ransom;
Geographical Limits	Any dishonest acts outside of New Zealand;
Loss Sustained After Knowledge	Any employee from the time any executive (who is not in collusion with such employee for the purpose of committing a dishonest act) had actual knowledge that the employee had committed or was suspected of having committed a dishonest act ;
Prior or Subsequent Discovery	Direct financial loss which is discovered : (i) prior to the commencement of the policy period ; or (ii) after the end of the policy period ;
Profit & Loss or Inventory Computation	Direct financial loss the proof of which is dependent solely upon: (i) a profit and loss computation; or (ii) a comparison of inventory records with an actual physical count. If, however, an employee is identified as having caused or is suspected of having caused a direct financial loss , then inventory records and actual physical count of inventory can be submitted as partial evidence in support of proof of the direct financial loss as required by the "notification" claims condition.
Shareholder Dishonesty	Any fraudulent or dishonest acts committed by any shareholder who at the time of committing such acts had direct or indirect ownership of or control over more than 5% of the voting share capital of any company .

Conditions: Section Three and Four

Limit and Retention

Limit of Liability The total amount payable by the **insurer** under this **policy** shall not, in the aggregate, exceed the **limit of liability**. Sub-limits of liability, extensions and **defence costs** are part of that amount and are not payable in addition to the **limit of liability** except for payments under the General Liability defence payments extension. The total amounts payable by the **insurer** under any extensions subject to a sub-limit of liability shall not exceed the applicable amount specified as such for that extension. The inclusion of more than one

insured under this **policy** does not increase the total amount payable by the **insurer** under this **policy**.

Retention	<p>The insurer shall only pay for the amount of any direct financial loss, loss or payments under the General Liability insuring clause or any applicable extension which, after any applicable allocation, are in excess of the retention. Nevertheless, the retention shall not apply to loss of an insured person that cannot be indemnified by the company. The retention applies to defence costs and must be borne by the company and shall remain uninsured. A single retention shall apply to loss arising from all claims alleging the same direct financial loss, management liability, personal injury, or property damage.</p> <p>The insurer will not defend any claim or legal proceeding or investigate any claim or legal proceeding arising from an occurrence after the exhaustion of the applicable limits of liability by the payment of loss.</p>
Non-Compliance	<p>The amount of indemnity under this policy shall be reduced where the insured's breach of, or non-compliance with, the terms and conditions of this policy prejudices the settlement or handling of a loss or claim, to such sum which in the opinion of the insurer would have been payable by them without such prejudice</p>

Conditions: Claims

Advance Payment of Defence Costs	<p>The insurer may not refuse to advance defence costs for management liability by reason only that the insurer considers that conduct referred to in paragraphs (i) to (iii) of the conduct exclusion has occurred, until such time as there is an admission, or, a judgment, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of defence costs for which it is ultimately established the insurer is not liable must be repaid by the insured persons and/or the company.</p>
Bankruptcy or Insolvency	<p>The bankruptcy of any insured person or insolvency of the company shall not relieve the insurer of any obligations under this policy.</p>
Circumstances	<p>Any insured may, during the policy period, notify the insurer at the address provided in the schedule of any circumstance reasonably expected to give rise to a claim. The notice must include the reasons for anticipating that claim, and full particulars as to dates, acts and persons involved.</p>
Claims Made & Reported	<p>Cover under this section three and four for all insuring clauses and extensions other than for General Liability is afforded solely with respect to claims first made against an insured during the policy period that are reported to the insurer as soon as practicable during the policy period or the discovery period, if applicable. All notifications must be addressed as required in the claims notice item in the schedule and reference the policy number.</p> <p>Cover under the general liability insuring clause is afforded solely with respect to an occurrence happening during the policy period within the territorial limits which arises from and within the course of the business and provided that the action for damages is brought against an insured within the territorial limits.</p>
Duties in Event of General Liability	<p>Upon the happening of an occurrence which may give rise to a claim or legal proceeding under this policy the insured must:</p>

Claim

- a) As soon as reasonably practicable-
 - i) Notify the **insurer** of such **occurrence**;
 - ii) Provide in writing as required all particulars and information as the **insurer** may request;
- b) Immediately-
 - i) On receipt forward to the **insurer** every letter, **claim**, writ of **legal proceedings** or other document served on the **insured** or their representative;
 - ii) Notify the **insurer** of any impending prosecution, inquest, fatal inquiry or proceedings in any court;
- c) As the **insurer** may require-
 - i) Retain anything connected therewith;
 - ii) Provide all assistance;
- d) Promptly take at the **insured's** own expense, all reasonable steps to prevent other **personal injury** or **property damage** arising out of the same conditions, but such expense shall not be recoverable under this policy.

The **insured** shall not:

- a) Make any admission of liability;
- b) Take any action which may be construed as an admission of liability;
- c) Repudiate or settle any **claim** or **legal proceeding**; or
- d) Waive any rights of recovery without **our** prior written consent.

The **insurer** has the right to:

- a) Defend any **claim** or **legal proceeding** against the **insured**;
 - i) Take over and conduct the defence or settlement of any **claim** or **legal proceeding**;
 - ii) Prosecute for its own benefit any **claim** or **legal proceeding** for indemnity or damages or otherwise in the name of the **insured**;
- b) Have subrogation of all the **insured's** rights of recovery against any person or organisation, whether before or after, indemnification by the **insurer**;
- c) Exercise full discretion in the conduct of any **legal proceedings** and in the settlement of any **claim** or **legal proceeding**, whether before or after indemnification by the **insurer**.

Consent: Insured

The **insurer** may settle any **claim** with respect to any **insured**, subject to such **insured's** or the **policyholder's** written consent.

Consent: Insurer

No **insured** shall admit or assume any liability, enter into any settlement agreement, or consent to any judgment without the prior written consent of the **insurer**. Only judgments resulting from **claims** defended in accordance with this policy shall be recoverable as a **direct financial loss** or **loss** under this policy.

Continuity

Notwithstanding the known or prior exclusion, cover is provided under this **policy** for any **claim**, or circumstance, which could or should have been notified under any earlier **policy**, provided always: (i) the **claim**, or circumstance, could

and should have been notified after the **continuity date**; and (ii) the cover provided under this condition shall be in accordance with the provisions of the **policy** under which the **claim**, or circumstance, could and should have been notified. This condition applies to all insuring clauses other than the general liability, the fidelity and personal accident insuring clauses.

Defence/ Settlement The **insured** must, at its own cost, render all reasonable assistance to the **insurer** and take all reasonable measures to mitigate **loss**. The **insured** shall defend and contest any **claim** made against them. The **insurer** shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the **insurer**. The **insurer** may undertake investigations, conduct negotiations and with the written consent of the **insured** settle any **claim** or **legal proceedings** where settlement has been agreed to by the parties being indemnified or has been recommended by a senior counsel.

Determination of Whether Insurer's Settlement Recommendations are Reasonable Should any **insured** wish to contest any legal proceedings which the **insurer** wants to settle, then the **insurer** agrees to the appointment, at the **insured's** request, of a senior lawyer (to be mutually agreed upon by the **insured** and the **insurer**, or in the absence of mutual agreement to be appointed by the president of the Law Society, or equivalent organisation, in the jurisdiction in which the legal proceedings were first served) to determine whether the **insurer's** settlement recommendation is reasonable. The senior lawyer shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the **insured** successfully defending the action. The costs of the senior lawyer's opinion shall be borne by the **insurer**.

Loss Allocation Where any **loss** is incurred in respect of any **claim** which arises from both covered matters and matters not covered by this **policy**, the **insurer's** liability under this policy is limited to the proportion of the **loss** which represents a fair and equitable allocation between the **insured** and the **insurer**, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this **policy**.

Allocation Disputes If the parties are unable to agree, then the fair and equitable allocation is to be determined by a senior lawyer (to be mutually agreed upon by the **policyholder** and the **insurer**, or in the absence of agreement, to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the **loss** was incurred). The senior lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. The **policyholder** (or its designee) and the **insurer** may make submissions to the senior lawyer. The senior lawyer is to take account of the parties' submissions, but the senior lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. The senior lawyer's determination shall be final and binding. The costs of the senior lawyer's determination are to be borne by the **insurer**.

For so long as the proportion of **defence costs** to be advanced under the policy remains not agreed and undetermined, the **insurer** shall advance the proportion of the **defence costs** which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any **defence costs** incurred prior to agreement or determination.

Loss Mitigation As soon as the **insured** discovers a **direct financial loss** involving an

identified **employee**, the **insured** must immediately take all necessary steps to prevent any additional **direct financial loss** being caused by the same identified **employee**. Any further **direct financial loss** caused by the same **employee** after the date of **discovery** will not be covered by this policy.

Preservation of Right to Indemnity	In the event and to the extent that the company is permitted or required to indemnify any insured person in respect of a claim , but for whatever reason fails or refuses to do so, then the insurer shall pay on behalf of the insured person any loss arising from such claim . In such event the retention applicable to directors and officers cover shall be paid by the company to the insurer . In the event of the company being placed in liquidation (other than voluntary liquidation) no retention shall apply.
Recovery	This policy and any rights under it may not be assigned without the prior written consent of the insurer . Upon payment, the insurer shall be subrogated to all rights of recovery of the insured even if the insured has not been fully compensated for its loss and be entitled to pursue and enforce such rights in the name of the insured .
Related Claims	If notice of a claim or circumstance is given as required by this policy , then any subsequent claim alleging, arising out of, based upon or attributable to the facts alleged in that claim or described in that circumstance notice shall be deemed first made against an insured and reported to the insurer at the time the required notices were first provided. Any claim arising out of, based upon or attributable to continuous, repeated or related management liability, statutory liability, personal injury, or property damage shall be considered a single claim .
Related Dishonest Acts	Any direct financial loss resulting from a series of continuous, repeated or related dishonest acts shall be considered a single direct financial loss .
Basis of Valuation	With respect to any loss which is covered under this policy , the insurer is not liable for more than: (i) the actual market value of securities, money or precious metals at the close of business on the day the loss was discovered (determined by the value published in the Australian financial review), or the actual cost of replacing the securities, money or precious metals, whichever is less; (ii) the actual cash value of other property (not referred to in (a) above) at the close of business on the day the loss was discovered , or the actual cost of replacing the property with property of like quality or value, whichever is less; (iii) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the insured in order to reproduce books of account and other records; or (iv) the cost of labour for the actual transcription or copying of electronic data furnished by the insured in order to reproduce such electronic data.

General Conditions: All Sections of the Policy

Alteration of Risk	Upon the insured becoming aware of any change in the nature of occupation or other circumstances material to the risk of loss or damage, this insurance will cease in respect of the affected property unless and until the change is accepted by the insurer in writing.
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The **named insured** shall notify **us** in writing within thirty (30) days of any material changes to the **business** description as stated in the **policy schedule**. **We** reserve the right to accept or deny coverage at the time of such notification and to establish a separate rate and **premium** for any such change in description of **business** as set forth in the **policy schedule**.

However, this insurance will not be prejudiced by:

- a) Such changes in the use or occupancy of the **premises** as are usual or incidental to the **insured's business**;
- b) The performance of any structural alterations or repairs to **insured property**, providing the circumstances are reported to the **insurer** in writing within a reasonable time after the **insured** becomes aware of them; and provided that the **insured** agrees to pay a reasonable additional **premium** for the increased risk if so required by the **insurer**;
- c) The cessation of operations or vacancy of any building for a period in excess of 30 consecutive days, providing the circumstances are reported to the **insurer** within a reasonable time after the **insured** becomes aware of them; and provided that the **insured** agrees to pay a reasonable additional **premium** for the increased risk if so required by the **insurer**.

Assignment

This **policy** and any rights hereunder cannot be assigned without our prior written consent.

Authority

It is agreed that the **named insured** acts on behalf of all **insured's** with respect to the exercise of all their rights and the discharge of all their duties in respect of this **policy**, including but not limited to:

- a) Negotiating the terms and conditions of cover;
- b) Binding cover;
- c) The notification of a **claim**, circumstance, **direct financial loss**, **legal proceeding or loss**;
- d) The giving and receiving of any notice of cancellation;
- e) The payment of **premium** and the receipt of any refund of **premium** that may become due;
- f) The payment of the **retention**;
- g) The negotiation and receipt of any endorsement;
- h) The appointment of lawyers to defend a **claim** or **legal proceeding or loss**;
- i) The receipt of amounts payable by **us** under this **policy**.

Cancellation

This **policy** may be cancelled;

- a) By the **insured** at any time, and with immediate effect, by giving notice in writing to the **insurer**. In the event of such cancellation, the **insurer** will be entitled to a pro-rata proportion of the **premium** for the time during which this **policy** has been in force.
- b) By the **insurer** at any time by giving notice in writing to the **insured** of the **insurer's** intention to cancel this **policy**. The cancellation will take effect at 4pm on the 30th day after the notice has been sent. In the event of such cancellation, the **insurer** will refund to the **insured** a pro-rata proportion of the **premium**, less 20% of that pro-rata proportion.

However, if any **claims**, **direct financial loss**, **legal proceedings** or **losses** have been notified to **us** during the relevant **policy period** and prior to the date of cancellation, no refund of **premium** shall be made to the **named insured**.

Changes in The Policy	No change in this policy will be valid unless agreed in writing by the insurer nor shall the requirements of this policy be deemed to be waived unless the insurer agrees in writing.
Compliance	The insured shall comply with all statutory requirements concerning the inspection of passenger lifts and steam pressure apparatus.
Cross Liability	If the insured comprises more than one party, we will provide indemnity to each in the same manner and to the same extent as if a separate policy had been issued to each, provided that our total liability for liability sustained by any or all of the insured's shall not exceed the limit of liability stated in the policy schedule .
Currency	All amounts under this policy are expressed and payable in New Zealand dollars. If judgment is given, settlement is made or other element of loss or under this policy is stated in a currency other than New Zealand dollars, payment under this policy will be made in New Zealand dollars at the cash rate of exchange for the purchase of New Zealand dollars by the reserve bank of New Zealand on the date the final judgment is reached or in the event of a settlement, the date upon which the amount of the settlement is agreed upon.
Duties in the Event of Claim	<p>If anything occurs which could give rise to a claim under this policy the insured must:</p> <p>a) Notify the insurer as soon as practicable;</p> <p>b) in respect of a material damage claim:</p> <ul style="list-style-type: none"> • Promptly take all reasonable steps to prevent further loss or damage; • Inform the police as soon as possible if a criminal act is suspected; • Submit full particulars of the claim in writing to the insurer as soon as practicable after any event from which a claim arises; • At the insured's own expense, provide the insurer with any reasonably required proof and information in respect of the claim. <p>c) In respect of a business interruption claim:</p> <ul style="list-style-type: none"> • Promptly take all reasonable steps to minimise any interruption or interference with the business or to avoid or diminish the loss; • If required, forward to the insurer a statement in writing of the claim certified by an accountant with all particulars and details reasonably practicable, and produce and furnish all books of account and other business books, invoices, vouchers and other documents, proofs, information, explanations and other evidence and facilities as may be reasonably required for investigation and verification of the claim.
Enforceability, Construction and Conformance to Statute.	<p>a) If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is hereby deemed to be severed and to have no effect on any other valid, legal and enforceable provision of this policy.</p> <p>b) If any provision contained in this policy is for any reason held to be invalid, illegal or unenforceable, it will be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law.</p> <p>c) Any provisions of this policy which are in conflict with the statutes or regulations of the state or country wherein this policy is issued are hereby amended to conform to such statutes or regulations.</p>
Fraud	If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used to obtain any benefit under this policy , or if any loss, destruction or damage be occasioned by wilful act or with the insured's

connivance, all benefit under this **policy** shall be forfeited.

Governing Law	Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of New Zealand. The parties agree to submit to the exclusive jurisdiction of the New Zealand courts.
GST	All amounts indicated in this policy and the attached schedule are exclusive of Goods and Services Tax where payable by law.
Headings and Titles	The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this policy . Words in bold typeface have special meaning and are defined or listed in the schedule . Words and expressions in the singular shall include the plural and vice versa. Words that are not specifically defined in this policy have the meaning normally attributed to them.
Inspection	<p>The insurer shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the insured or others, to determine or warrant that such property or operations are safe. The insurer may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this insuring agreement, as far as they relate to the subject matter of this insurance.</p> <p>We may give the insured reports on the conditions that we find. We may also recommend changes. We do not, however, undertake to perform the duty of any person or organisation to provide for the health or safety of the insured's employees or the public. We do not warrant the health and safety conditions of the insured or insured's premises or operations or represent that the insured or insured's premises or operations comply with laws, regulations, codes or standards.</p>
Material Facts	<p>The truth of any statements and answers in any:</p> <ol style="list-style-type: none">claim form;proposal or underwriting information provided for the purpose of obtaining this insurance or any renewal or extension thereof; <p>Given to the insurer by or on behalf of the insured shall be conditions precedent to any liability of the insurer to make payment under this policy.</p>
New Zealand Jurisdiction	All disputes arising out of or under this policy shall be subject to determination by any court of competent jurisdiction within New Zealand.
Non Accumulation	Regardless of the number of years this policy shall continue in force, the number of premiums paid and irrespective of whether it is or may be renewed, the limits of liability as specified in the policy schedules shall not accumulate from year to year or from policy period to policy period .
Other Insurance	If at the time of any claim or occurrence arising under this policy , there is other valid and collectable insurance covering all or part of the same loss, the insurance under this policy shall be excess insurance over and above the amount of liability covered under such other policy of indemnity or insurance and the limits of liability under this policy shall be reduced by an amount equal to the limits of liability afforded under such other policy
Policy Purchase	In granting cover to the insured , the insurer has relied upon all the information and documentation submitted to the insurer in connection with the underwriting of this policy or any prior policy of which this policy is a renewal

or a replacement or which it succeeds in time. Those documents and information form the basis of cover and shall be considered incorporated into and a part of this **policy**.

Reasonable
Precautions

The **insured** shall take all reasonable precautions to:

- a) Avoid or minimise **loss** or damage;
- b) Maintain all **premises**, fittings, appliances, machinery and electronic equipment in safe and sound condition;
- c) Maintain and keep operational all security, protective and warning equipment;
- d) Comply with all statutory regulatory or local authority requirements pertaining to the ownership, occupation and use of the property.

Reference to Statute

In this **policy** references to any statutory provision are to be construed as references to that statutory provision as amended, supplemented, re-enacted, or replaced from time to time and are to include any orders, **regulations**, instruments or other subordinated legislation made under or deriving validity from that statutory provision

Severability –
Proposal

In granting cover under this **policy** the **insurer** has relied upon the declarations and statements which are contained in or constitute the written proposal form or statement of facts together with its attachments and the other information supplied forming part of this **policy**.

Such written proposal form or statement of facts together with its attachments and the other information supplied for coverage shall be construed as a separate proposal form for coverage individually submitted by each **insured person**.

Severability –
Conduct

For the purpose of determining the applicability of the conduct exclusion, the **wrongful acts**, criminal, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of **statute** or law, or knowledge possessed by any **insured person** shall not be imputed to any other **insured person**.

Subrogation

In the event of a payment under this **policy** to the **insured** or on behalf of the **insured** the **insurer** shall be subrogated to and/or receive assignment of all the **insured's** rights of recovery against all persons and organisations and the **insured** shall execute and deliver any and all appropriate instruments and papers and do all that is necessary to assist the **insurer** in the exercise of such rights including prosecuting proceedings in the **insured's** name at the **insurer's** expense. Any such amount so recovered shall first be apportioned to pay the **insured's retention** and secondly to reimburse the **insurer** to the extent of its actual payment hereunder.

Validity

This **policy** shall not be binding upon the **insurer** unless it is countersigned on the **schedule** by an authorised representative of the **insurer**.

General Definitions: All Sections of the Policy

Aircraft	Means a vehicle designed to be used primarily in the air and to be supported by the dynamic reaction of the air upon the vehicle's wings or rotor-blades, and/or by the vehicle's buoyancy in the air. The term aircraft , however, excludes missiles, spacecraft and the ground support or control equipment used therewith.
Aircraft Products	Means: <ul style="list-style-type: none">a) Aircraft and any ground support or control equipment used therewith;b) Any insured product furnished by the insured and installed in aircraft or used in connection with aircraft;c) Any tooling used for the manufacture of (a) or (b) above;d) Any ground handling tools and equipment used in connection with (a) or (b) above including training aids, navigational aids, instruction or manuals;e) Blueprints, engineering or other data furnished by the insured in connection with (a), (b), (c) or (d) above;f) Any advice, service and/or labour furnished by the insured in connection with (a), (b), (c), (d) or (e) above.
Bodily Injury	Means death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease and shall include mental injury, mental anguish and shock.
Buildings	Means buildings, other structures and their appurtenances including but not restricted to the plant, fixtures, pipes and cables pertaining to any of them and located in or about the situation. Including fixed signs and lettering, tanks, poles, power lines and their supports, walls, gates, fences, landscaping, gardens, ornamental trees and shrubs, roads, paths, yards and the like.
Business	Means all usual activities and operations of the named insured as described in the policy schedule and includes: <ul style="list-style-type: none">a) The ownership, tenancy or occupation of premises of the named insured;b) Private work carried out with the consent of the named insured for any executive, partner or senior official of the named insured by an employee;c) The provision or management of canteen, social or sports organisations for the named insured's employees; andd) The provision of the named insured's own internal fire, first aid, medical, security and ambulance services.
Business Hours	Means any hours during which the insured or any principal or any employee entrusted with the care, custody or control of money is on the premises for the purpose of the insured's business .
Claim	Means any: (i) written complaint, proceeding or arbitration seeking damages or non-monetary relief; (ii) criminal charge; and (iii) official, written notice or other demand in connection with an investigation. For the general liability insuring clause, claim means a written demand, notice or other written communication received by the insured seeking a remedy and/or alleging liability or responsibility on the insured's part for an occurrence covered by this policy .

Company	Means the named insured .
Computer Virus	Means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer virus includes but is not limited to 'Trojan horses', 'worms' and 'time or logic bombs'.
Contents of Buildings	Means contents of buildings , chattels in the open or under shelter, tenant's improvements and all other tangible property not being buildings, stock in trade or other property . Including, where the insured is the tenant of the building, glass and other landlord's fixtures and fittings if you are responsible for insuring them and if their value is not included in the sum insured on buildings .
Continuity Date	Means the date specified in the schedule .
Credit Arrangement	Means any credit agreement, extension of credit or hire-purchase agreement, loan or transaction in the nature of a loan, lease or rental agreement, invoice, account, agreement or other evidence of debt.
Customers Accounts	Means all credit accounts of the business .
Defence Costs	Means reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the insurer in the defence, investigation (by or on behalf of any insured), adjustment, settlement or appeal of any claim against an insured for any management liability, personal injury (employers liability only), or statutory liability .
Destroyed	Means so damaged by an insured event that the property by reason only of that damage cannot be repaired.
Direct Financial Loss	Means direct financial loss caused by the loss of money, securities or other Property: (i) owned by the company ; or (ii) in the care, custody or control of the company and for which the company is legally liable. Direct financial loss does not include: (i) wages, salaries or other remuneration or benefits paid by the company to its employees and executives ; (ii) complete or partial non-payment or default under any credit arrangement ; or (iii) any costs, fees or other expenses incurred by the insured in prosecuting or defending any demand, claim or legal proceeding resulting from a direct financial loss which is covered under this policy .
Discovered / Discovery	Means when any executive (who is not in collusion with an employee who has or is attempting to commit a dishonest act) first becomes aware of any facts which would cause a reasonable person to assume that a direct financial loss which may be covered under this policy has been or is likely to be incurred, even though the exact amount or details of the direct financial loss are not known at the time the executive first became aware of such facts.
Dishonest Acts	Means any fraudulent or dishonest acts committed by an employee (acting alone or in collusion with others) with the principle intent to cause the company to sustain a direct financial loss and results in the employee making an improper financial gain for themselves or for any other individual or organisation intended by the employee to receive such gain.
Electronic Data	Means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical

data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Employee

Means any

- (i) past, present or future full-time, part-time, seasonal and temporary employees who are not **executives**, auditors, consultants, secondees or agents;
- (ii) in the case of “fidelity” cover only, a natural person who is a full-time, part-time, seasonal or temporary employee at the time of **discovery**.

For the general liability insuring clause, **employee** includes:

- a) Any person hired or borrowed by the **named insured** from another employer under an agreement by which the person is deemed to be employed by the **named insured**;
- b) Any person under a work experience or similar scheme while engaged and working under the direction and control of the **named insured** in connection with and in the course of the business.

Employment Liability

Means any liability from a **claim** against any **executive** by an **employee** or prospective **employee** of that **company** based upon any **wrongful act** in connection with the employment of or the termination of such **employee** or, decision to not employ the prospective **employee**, including, but not limited to, any employment-related retaliation or harassment.

Cover under this **policy** for **employment liability** is subject to a sub-limit of liability specified in the schedule.

Equivalent Building

Means:

- a) A building or structure which is as nearly as practicable the same as the building or structure lost or **destroyed**, using currently equivalent materials and techniques and incorporating such alterations as are necessary to comply with any building or other **regulations** made under or framed in pursuance of any act of parliament or regulation or by-law of any local authority;
- b) Where, as a result of any special circumstances, no building or structure which falls within the scope of (a) can be constructed; a building or structure which is designed to perform a purpose of function the same as or equivalent to (but not more extensive than) that performed by the building or structure lost or **destroyed**;
- c) Where as a result of any special circumstances, no building or structure which falls within the scope of (a) is suitable to the **insured**'s reasonable requirement, then, with the consent of the **insurer** (which will not be unreasonably withheld), a building or structure which is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the building or structure lost or **destroyed**.

Equivalent Plant

Means any plant or equipment as nearly as practicable the same as or equivalent to the plant or equipment lost or **destroyed**, having regard to the current state of technology, and having an equivalent capacity to that of the lost or **destroyed** plant or equipment but not greater capacity unless plant or equipment with an equivalent capacity is not available and the replacement plant or equipment has the nearest equivalent capacity.

Event

Means any act or omission within the **territorial limits** which may result in the violation of a **statute**.

Executive	Means any natural person who is a past, present or future: (i) duly elected or appointed director or trustee (other than a trustee of an Insolvent entity); (ii) executive officer or senior manager; or (iii) any other person with duties equivalent to those of the positions listed in (i) or (ii) above.
Executive Liability	Means liability: (i) for any wrongful act of any executive or any employee of any company ; or (ii) arising solely from an insured person's status as an executive or employee of a company .
Financial Loss	Means a) A pecuniary or economic loss or expense; b) A decrease greater than 30% of the total consolidated annual revenues of the company as at the end of the company's last financial year.
Fingers, Thumbs Or Toes	Means the digits of a hand or foot .
Foot	Means the entire foot below the ankle.
Fungus(i)	includes, but is not limited to, Any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including moulds, rusts, mildews, smuts and mushrooms.
Gross Profit	Means the amount by which: a) The sum of the turnover and the amount of the closing stock shall exceed; b) The sum of the amount of the opening stock and the amount of the uninsured working expenses. Note: 1. The amount of the opening and closing stocks shall be arrived at in accordance with your normal accounting methods, due provision being made for depreciation. 2. The words and expressions used in the definition shall have the meaning usually attached to them in your books and accounts.
Gross Rentals	Means the money paid or payable to you by tenants in respect of rental of the premises .
Gross Revenue	Means the money paid or payable to you as fees for services rendered in the course of the business at the premises .
Grounding	Means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft , by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by the insured or manufactured, assembled or processed by any other person or organisation according to the insured's specifications, plans, suggestions, orders or drawings or with tools, machinery or other equipment furnished to such persons or organisations by the insured , whether such aircraft so withdrawn are owned or operated by the same or different persons, organisations or corporations. A grounding will be deemed to commence on the date of an occurrence which discloses such condition or on the date an aircraft is first withdrawn from service on account of such condition, whichever occurs first.

Hand	Means the entire hand below the wrist.
Hovercraft	Means any vessel, craft or device made to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Incidental Contracts	Means: <ul style="list-style-type: none"> a) Any written agreement for lease of real or personal property which does not impose upon the named insured: <ul style="list-style-type: none"> i) An obligation to insure such property; or ii) Any liability regardless of fault; b) Any written contract with any entity for the supply of water, gas or electricity but only to the extent of indemnifying any such entity in respect of liability arising out of the business other than contracts for the performance of work or provision of services by the named insured.
Indemnity Period	Means the period beginning with the occurrence of the insured damage and ending not later than the number of months specified in the schedule during which the results of the business shall be affected in consequence of the insured damage .
Injury	Means a bodily injury to an insured person resulting from an accident caused by violent, external and visible means and occurring solely and directly and independently of any other cause including any pre-existing physical or congenital, provided the injury : <ul style="list-style-type: none"> a) Occurs on or after the insured person's inception date of individual insurance, and b) Results in any of the events specified in the schedule within 12 calendar months from the date of such injury.
Insured / you / your	Depending on the context in which it is used in this policy , means: <ul style="list-style-type: none"> a) The named insured as listed in the policy schedule; b) An insured person; <p>For general liability, in addition to a) and b) above, also means:</p> <ul style="list-style-type: none"> c) If the named insured is an individual, the named insured's spouse, but only with respect to the conduct of a business of which the named insured is the sole owner; d) If the named insured is an individual and dies, the named insured's legal representative but only with respect to the legal representative's duties in administering or undertaking the named insured's business; e) The named insured's partners, executives, employees, shareholders or volunteers while acting within the scope of their duties on behalf of the named insured's business; f) Any person or organisation to whom the named insured is obligated by a written insured contract to provide insurance such as is afforded by this policy, but only with respect to their liability arising out of operations conducted by the named insured or on their behalf and not to any greater extent than required by the contract or agreement; and g) Any office bearer or member of social and/or sporting clubs formed with the written consent of the named insured in respect of claims arising from duties

connected with activities of any such club. Cover shall not apply to **personal injury** to or **property damage** of any participants of any game, match, race, practice or trial.

Insured Contract	Means that part of any contract or agreement pertaining to the named insured's business under which the named insured assumes the tort liability of another party to pay for personal injury or property damage to a third person or organisation. However, the personal injury or property damage must arise out of an occurrence that takes place subsequent to the execution of the insured contract . Tort liability means a liability that would be imposed by law upon the other party in the absence of any contract or agreement.
Insured Damage	Means that damage insured under sections one and two of this policy
Insured Event	Means cover under sections one and two of this policy
Insured Person	Means any executive or any employee of any company and any outside executive .
Insured Property	Means buildings, contents of buildings, stock in trade, or other property not expressly excluded all being the insured's own or held by the insured jointly or in trust or on commission, for which the insured is legally responsible, is located at the situation , and is specified in the schedule of sums insured.
Insured's Products	Means any goods or products (after they have ceased to be in the insured's possession or under the insured's control) which is or is deemed (whether by law or otherwise) to have been manufactured, constructed, grown, extracted, treated, imported, exported, produced, processed, assembled, erected, installed, repaired, serviced, sold, supplied or distributed by the insured . Insured products includes any packaging or containers, designs, formulae or specifications thereof, directions, instructions or advice given or omitted to be given in connection with such things other than a vehicle or vending machine.
Insurer / we / us / our	Means American Home Assurance Company (New Zealand branch), trading as AIG New Zealand.
Legal Proceedings	Means litigation, arbitration, mediation, adjudication or any other process of dispute resolution.
Limb	Means the entire limb between the shoulder and the wrist or between the hip and the ankle.
Limit of Liability	Means the amount specified in the schedule .
Litigation	Includes, but is not limited to, any civil, criminal, administrative or regulatory proceeding as well as any official investigation, examination, inquiry, arbitration or adjudication.
Loss	Means: (i) compensatory damages; and (ii) legal costs and expenses of a plaintiff; and (iii) penalties; (iv) punitive and exemplary damages (for the employers liability insuring clause and general liability extension only) That any insured person is legally obligated to pay under the terms of: (a) a final judgment entered against any insured ; or (b) a settlement negotiated by or pre-approved in writing by the insurer .

	<p>Loss includes defence costs, but does not include: (i) fines or penalties (with the exception of any penalties under iii) above); (ii) taxes; (iii) employment-related compensation or benefits; (iv) internal or overhead expenses of any insured person or any company; (v) the cost of complying with non-monetary damages or relief; (vi) matters which may be deemed uninsurable under applicable law; or (vii) punitive and exemplary damages.</p>
Machine	Means any contrivance for the conversion and direction of motion or energy, or for the performance of any electronic process, and includes any protective device in connection with that contrivance.
Management Liability	Means: <p>In the case of any insured person, any:</p> <ul style="list-style-type: none"> (a) Executive liability; (b) Outside executive liability; (c) Employment liability.
Medical Expenses	Means expenses paid by the insured person or by you in respect of the insured person to a duly qualified and registered medical practitioner, physician, surgeon, nurse, hospital and/or ambulance service for medical surgical x-ray hospital or nursing treatment including the cost of medical supplies and ambulance hire. <p>Provided that in the event of the insured person or you becoming entitled to a refund of all or part of such expenses from any other source we will only be liable for the excess of the amount recoverable from such other source.</p>
Medical Persons	Means any medical doctor, medical nurse, dentist and first aid attendant.
Money	Means current local or foreign currency, coins, bank notes, cheques, travellers cheques, registered cheques, unused postage stamps, redeemable vouchers and tokens, bank drafts, money orders, franking machine credits, and other negotiable instruments.
Mould(s)	includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce moulds.
Named Insured	Means the entity specified in the schedule as the policyholder ;
Occurrence	Means an event , including continuous or repeated exposure to substantially the same general conditions, which results in personal injury or property damage neither expected nor intended from the insured's standpoint. <p>All events of a series consequent on or attributable to one source or original cause shall be deemed one occurrence.</p>
Officer	Means any employee who is concerned in, or takes part in, the management of the company regardless of the name that is given to their position.
Other Property	Means other property more particularly described in the schedule .
Output	Means the sale value and/or internal transfer value as between departments insured hereby, of finalised goods and/or partially processed materials or goods of any and every description.
Outside Entity	Means any (i) not-for-profit entity; or (ii) any entity listed as an outside entity in an endorsement attached to this policy.

Outside Executive	Means any: (i) employee or executive of any association who is or was acting at the specific written request or direction of an association as an executive of an outside entity ; or (ii) other person listed as an outside executive in an endorsement attached to this policy .
Outside Executive Liability	Liability: (i) for any wrongful act of any outside executive ; or (ii) arising solely from an insured person's status as an outside executive .
Permanent	Means lasting 12 consecutive months and at the end of that period being beyond hope of improvement.
Personal Injury (Employers Liability)	Means, for the employers liability insuring clause: a) Bodily injury , sickness or disease including death resulting from bodily injury , sickness or disease; and b) Disability shock, mental anguish or injury ; sustained by an employee arising out of or in the course of their employment with the named insured within the territorial limits . For the purposes of this policy disease shall be sustained when the employee is first exposed to conditions in New Zealand out of which the disease being the subject of the claim arose.
Personal Injury (General Liability)	Means, for the general liability insuring clause: a) Bodily injury ; b) False arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution and humiliation; c) Libel, slander, defamation of character or invasion of privacy; and d) Assault and battery not committed by or at the direction of the insured unless committed for the purpose of preventing or eliminating danger to persons or property.
Policy	Means this policy together with any schedule and endorsement issued by the insurer attached or intended to be attached to it.
Policyholder	Means the named insured ;
Policy Period	Means the policy period specified in the first issued schedule or if renewed the policy period specified in the renewal schedule , or any shorter period arising as a result of cancellation of this policy .
Pollutant	Means but is not limited to any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including but not limited to, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids or alkalis of any sort, chemicals and waste. Waste includes but is not limited to, material to be recycled, reconditioned or reclaimed.
Premises	Means a) The premises specified in the schedule ; and b) The interior portion of any building or property owned or occupied by the company as a place to conduct its business .
Premium	Means the annual premium in effect immediately prior to the end of the policy period .

Pressure Vessel	Means a vessel which, in normal use, is subject to generated or applied fluid pressure.
Principal	Means any of the insured's executives , but only in their capacity as such.
Production Process	Means any process of producing, making, treating or servicing goods.
Products Hazard	Means personal injury or property damage arising out of the insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the personal injury or property damage occurs away from premises owned by, leased to, rented to or occupied by the insured and after physical possession of such products has been relinquished to others.
Property Damage	Means: <ul style="list-style-type: none"> a) Physical injury to or destruction of or loss of tangible property including the loss of use thereof at any time resulting therefrom; or b) Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical injury to or destruction of other tangible property.
Rate of Gross Profit	Means the rate of gross profit earned on the turnover during the financial year immediately before the date of the insured damage .
Rate of Wages	Means the rate of wages to turnover during the financial year immediately before the date of insured damage .
Regulations	Means building or other regulations made under or framed in pursuance of any Act of Parliament or regulation or by-law of any local authority.
Reinstatement	Means: <ul style="list-style-type: none"> a) Where property is lost or destroyed, it's replacement by an equivalent building or by equivalent plant as the case may require; b) Where property is damaged but not destroyed, the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.
Residential Property	Means that property that is covered by sections 18 and 20 of the Earthquake Commission Act 1993.
Retention	Means the amounts specified in the schedule applicable to particular covers under this policy;
Retroactive Date	Means the date specified in the schedule .
Schedule	Means the current schedule of insurance which has been numbered and issued by or on behalf of the insurer .
Securities	Means any negotiable or non-negotiable instruments or contracts representing Money or other property including but not limited to shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.
Shortage in Turnover	Means the amount by which the turnover during a period shall in consequence of insured damage fall short of the part of the standard turnover which related to that period.
Site	Means any parcel of land owned or occupied by the insured .
Situation	Means the location or locations referred to in the schedule .

Spore(s)	means any dormant or reproductive body produced by or arising or emanating out of any fungus(i), mould(s) , mildew, plants, organisms or micro-organisms
Standard Gross Rentals	Means the gross rentals during that period in the twelve months immediately before the date of insured damage which corresponds with the indemnity period ; to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after insured damage or which would have affected the business had insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for insured damage would have been obtained during the relative period after insured damage.
Standard Gross Revenue	Means the gross revenue during that period in the twelve months immediately before the date of the insured damage which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the insured damage or which would have affected the business had the insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the insured damage would have been obtained during the relative period after the insured damage.
Standard Turnover	Means the turnover during that period in the twelve months immediately before the date of the insured damage which corresponds with the indemnity period ; to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the insured damage or which would have affected the business had the insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the insured damage would have been obtained during the relative period after the insured damage.
Statute	Means any Act of the New Zealand parliament other than an excluded Act. Statute also includes any amendment to or re-enactment of those Acts, and any regulations or other subordinate legislation made under those Acts.
Statutory Liability	Means liability for penalties for an event .
Stock in Trade	Means stock in trade .
Sub-Limit	Means the amount specified in the schedule . Any specified sub-limit forms part of, and is not payable in addition to, the limit of liability .
Sum Insured	Means the amount specified in the schedule .
Territorial Limits	Means anywhere in New Zealand.
Terrorism	Means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy. Terrorism shall also include any act which is verified or recognised by the

	government of any country in which the insured operates or exports products into, as an act of terrorism.
Tool of Trade	Means any vehicle which has attached as an integral part of such vehicle any equipment for mechanical digging, scraping, grading, slashing, mowing, drilling, lifting or levelling, whilst such equipment is being used for the purpose for which it was designed.
Total Loss	Means the permanent and total physical loss of the body part(s) referenced in the policy schedule . Where that body part is a limb, hand, foot, finger or toe, total loss means the permanent and total physical loss or loss of use of that body part referenced in the policy schedule , or for an eye entire and irrecoverable loss of sight in that eye or for an ear entire and irrecoverable loss of hearing in that ear or speech entire and irrecoverable loss of speech.
Transaction	Means the event of: (i) the policyholder consolidating with, merging with or into or selling all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert; (ii) any person or entity or group of persons or entities acting in concert acquiring control over the senior most governing body of the policyholder ; or (iii) the receivership, bankruptcy, liquidation, administration or legally recognised insolvency of the policyholder .
Turnover	Means the money paid or payable to you for goods sold and delivered and for services rendered in course of the business at the premises .
Undamaged	Means not damaged physically and directly by an event insured under section one of this policy .
Uninsured Working Expenses	Means all expenses subtracted in the annual calculation of insured gross profit for the purpose of premium adjustments (which are not insured under item 1).
Vehicle	Means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.
Wages - Dual Basis	Means <ul style="list-style-type: none"> a) Initial period: the portion of the indemnity period beginning with the commencement of the indemnity period and ending not later than the number of weeks thereafter specified in the schedule. b) Alternative period: the portion of the indemnity period beginning with the commencement of the indemnity period and ending not later than the number of weeks thereafter specified in the schedule.
Wages (Item 6)	Means the remuneration (including a due proportion of bonuses, holiday pay, accident compensation levies and other charges pertaining to wages) of all employees other than those whose: <ul style="list-style-type: none"> a) Remuneration are treated as salaries in your books of account; b) Wages are insured as standing charges under item 1; c) Wages are insured under item 7.
Wages (Item 7)	Means the remuneration (including a due proportion of bonuses, holiday pay, accident compensation levies and other charges pertaining to wages) of all employees other than those whose : <ul style="list-style-type: none"> a) Remuneration are treated as salaries in your books of account;

- b) Wages are **insured** as standing charges under item 1;
- c) Wages are **insured** under item 6.

War

Means **war**, whether declared or not, or any war-like activities including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial, religious or other ends. **War** includes any act of **war**, civil war, invasion, insurrection, and revolution, use of military power or usurpation of government or military power.

Watercraft

Means any vessel or watercraft made to or intended to float on or in or travel on or through or under water.

Wrongful Act

Means any actual or alleged **wrongful act**, error or omission by any:

- (i) **executive** of a **company**;
- (ii) **employee** of a **company**; or
- (iii) **company**.

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