



MATERIAL DAMAGE POLICY WORDING

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Steadfast 
THE STRENGTH YOU NEED

Material Damage Policy Wording

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Introduction

Welcome

Welcome to Vero. Thank you for selecting **us** as **your insurer**.

About this policy

This insurance policy is underwritten by Vero Insurance New Zealand Limited.

Your Material Damage Policy consists of:

1. this policy document, and
2. the **schedule**, and
3. any endorsements or warranties that **we** apply, and
4. the information **you** have provided in the **application**.

About Steadfast

Steadfast NZ Limited (Steadfast) is part of Steadfast Group Limited, an Australian Stock Exchange listed company. It includes a network of insurance brokerages who operate in New Zealand as Steadfast brokers. This policy is available exclusively to you through a Steadfast broker.

Steadfast does not issue, guarantee or underwrite this policy.

Your duty of disclosure

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** or anyone acting on **your** behalf must tell **us** everything **you** know (or could reasonably be expected to know) that a prudent insurer would want to take into account in deciding:

1. to accept or decline **your** insurance, and/or
2. the cost or terms of the insurance, including the excess.

You also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** or anyone acting on **your** behalf breaches this duty, **we** may treat this policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

Examples

We have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in *italics* and do not affect or limit the meaning of the section they refer to.

Headings

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

Defined words

If a word is shown in **bold**, it has a specific meaning. There is a list of these words and what they mean at the back of this policy in the section 'DEFINITIONS'.

Insurance agreement

Our agreement

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

What you are covered for

Loss to insured property

We will indemnify **you** for **accidental loss** to any of the **insured property** occurring at the **situation** during the **period of insurance**.

You will be indemnified by payment or, at **our** option, by repair or by replacement of the lost or damaged property.

Subject to reinstatement of the sum insured once repaired or replaced, **our** liability in any one **period of insurance** will not exceed the total sum insured; and where sums insured have been declared to **us** or included in the **schedule** for more than one **situation**, item and/or category of **insured property**, **our** liability will not exceed in respect of each **situation**, and each item or category of **insured property** at a **situation**, the applicable sum insured.

Automatic policy extensions

In addition to the cover under 'What You Are Covered For - Loss to Insured Property' above, **we** also provide the following Automatic Policy Extensions.

Unless expressly stated otherwise:

- (a) any amounts payable under these Automatic Policy Extensions are included within 'What We Will Pay – Maximum Amount Payable'. They are not additional;
- (b) these Automatic Policy Extensions are subject to all terms, conditions and exclusions of this policy;
- (c) some Automatic Policy Extensions may be subject to separate sub-limits and **excesses**, as specified.

Alternative residential accommodation

If the **insured property** is a **residential unit** that is owned and occupied by **you**, or any of **your** directors or employees and it cannot be lived in due to **accidental loss** to the **residential unit**, where that **loss**:

1. is covered by this policy, or
2. would have been covered by this policy, but is covered by the Natural Hazards Insurance Act 2023 instead,

then **you** are insured for the reasonable additional costs of temporary accommodation that is of a similar standard to the **residential unit** for:

- (a) **you**, or any of **your** directors or employees, and
- (b) **your**, or any of **your** director's or employee's, domestic pets.

The most **we** will pay for any **event** is \$25,000 per **residential unit**, (unless a different amount per **residential unit** is shown in the **schedule**) up to a total of the sum insured shown in the **schedule** for Alternative Accommodation. However, in all cases **we** will not pay more than 12 months' rent for any **event**.

Payment under this extension is in addition to 'What We Will Pay - Maximum Amount Payable'.

If **you** have alternative accommodation cover under any other policy with **us**, then the most **we** will pay under all policies in total per **residential unit** for any **event** is the highest applicable limit.

Burglary cover

You are insured for **accidental loss** to **insured property**:

1. at the **situation**, or
2. during the period the **insured property** is covered by:
 - (a) Automatic Policy Extension Portable Electronic Equipment Cover, or
 - (b) Automatic Policy Extension Temporary Removal Cover, or
 - (c) Automatic Policy Extension Transit Cover, or
 - (d) Automatic Policy Extension Unspecified Locations, or
 - (e) Automatic Policy Extension Working from Home,

caused by theft or attempted theft:

1. accompanied by threat of violence, or actual violence, to any person, or

2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or
3. involving physical evidence of violent and forcible entry to, or exit from, a securely locked motor vehicle or **storage container**, or
4. of a permanently attached part of the building by the forcible removal of it.

If the **loss** is covered by one of the Automatic Policy Extensions referred to in 2 (a), (b), (c), (d) or (e) above, any sub-limit detailed in that extension also applies to the cover under this extension.

Policy Exclusion – Losses Not Covered – 5.(a) theft or attempted theft – does not apply to the cover provided under this extension.

Capital additions cover

You are insured for:

accidental loss to a **building** or **contents**, located in New Zealand, that **you** acquire during the **period of insurance**, provided **you** own or are legally responsible for that property, and

1. appreciation in value of a **building** or **contents** that results solely from a physical:
 - (a) alteration, or
 - (b) addition, or
 - (c) improvement,provided that **you** notify **us** within 90-days of **you** acquiring the property or the physical works being completed.

Once **you** have notified **us**:

1. **we** may charge **you** additional premium, and
2. any increased value of the property will be added to **your** sum insured.

The most **we** will pay under this extension during any **annual period** is:

- (a) 10% of the sum insured for the **building** and 10% of the sum insured for the **contents**,
or
- (b) \$100,000 in total for both,

whichever is the lesser.

Constructive loss

In the event of **accidental loss** to **insured property** at the **situation** comprising any **building** shown in the **schedule** as insured for 'Basis of Settlement – Reinstatement', where the building is damaged not **destroyed**, and the cost of **reinstatement** of that **building** is 60% or more of 'What We Will Pay – Maximum Amount Payable', then that **building** will be treated as having been **destroyed** where the following conditions exist:

- (a) The **reinstatement** of the insured **building** is prevented by sole reason of **regulations**;
or
- (b) In any other instance where by agreement between **you** and **us** it is the most practical and/or economic method of settlement.

Demolition costs

You are insured for the costs necessarily incurred for any of the following purposes in consequence of **accidental loss** to **insured property** at the **situation**:

1. demolish, dismantle, shore or prop **insured property**, and
2. dispose of debris (including any kind of solid, liquid or gas), and
3. clear, clean and repair gutters, drains and the like, and
4. recover, defend, safeguard, remove, store, and return **stock** and **contents**, whether damaged or **undamaged**, and
5. temporarily repair and secure **insured property** to make it comply with safety rules and **regulations** or suitable for continued use,

provided that the costs arise from a valid claim under this policy.

Disclaimers and release of liability

Where **you** are required by legislation or by contractual agreement to release:

1. the Fire Service Commission;
2. any fire protection installation, service or equipment suppliers;
3. any Oil Company;
4. Corporation, Authority or Quasi Government organisation;
5. any Municipal or Local Authority;
6. any State Owned Enterprise;
7. any rail division of Toll NZ Limited;
8. any Lift Installation or Maintenance Engineers;
9. any storage of goods for, or leasing property to, **you**; or
10. any other party to an agreement that has been declared to and accepted by **us**;

from liability arising from loss covered by this Material Damage policy, the release is allowed without prejudice to this insurance and notwithstanding the subrogation action **we** may take under the 'How to Claim' section of the policy.

Docks, piers, wharves and road bridges

You are insured for **accidental loss** to docks, piers, wharves or road bridges owned by **you** that form part of **your insured property** and are at the **situation** shown in the **schedule**, subject to a combined limit of \$100,000 at any one **situation**, unless specified for a greater amount in the **schedule**.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion– Types of Property Not Covered – 4.(f) road bridges or road tunnels; and
- (b) Policy Exclusion– Types of Property Not Covered – 4.(h) docks, piers, or wharves.

Electric motors cover

You are insured for sudden and **accidental loss** to:

1. electric motors and starters not exceeding 7.5kw (10 hp), and
2. distribution switchboards and permanently installed electric reticulation,
at the **situation** provided that the damage is **fusion immediately preceded by**:
 1. the failure of electrical insulation, or
 2. an identifiable abnormal electric current fluctuation from any power supply network, or
 3. electrically induced self-heating.

Policy Exclusion Damage to Machinery does not apply to the cover provided under this extension.

Employee effects cover

You are insured for **accidental loss** to the clothing, personal effects and tools of trade of **your** directors and employees (but not **your** contractors). **We** will cover this property as if it were **contents**, provided that:

1. the property is at the **situation**, or
2. the property is being worn, carried or used by **your** directors or employees while they are acting in the course of their directors' duties or employment, anywhere in New Zealand.

The most **we** will pay under this extension:

1. is \$5,000 for any **event**, per person, and
2. in total during the **annual period** is the sum insured shown in the **schedule** for **contents**.

Expediting costs cover

You are insured for the reasonable costs of express freight and overtime to expedite the repair or replacement of **insured property** following a **loss** covered under this policy.

You must have **our** prior approval before incurring any costs.

Our approval will be based on the economic benefit gained.

Policy Exclusion Consequential Financial Loss does not apply to the cover provided under this extension.

Fire fighting equipment

You are insured for the reasonable costs **you** incur to replenish **your** portable hand-held fire fighting equipment after the equipment has been used to protect **your insured property** from **loss**, or immediate and imminent threat of **loss**, provided that the **loss** would be covered under this policy if it did occur.

The most **we** will pay under this extension in total during any **annual period** is \$10,000.

Gradual damage

You are insured for **accidental loss** to the **insured property** at the **situation** 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 installed at the **situation**. 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 structure and any pipe that is hidden from view that is connected to an appliance, such as a washing machine or dishwasher.

Provided **we** have accepted a claim for the **loss**, the limit includes the cost of searching for the source of the problem if it is reasonably incurred.

Our liability in respect of any one **loss** will not exceed \$10,000.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Losses Not Covered – 1.(a) action or effects micro-organisms, mould, mildew, rot, fungi; and
- (b) Policy Exclusion – Losses Not Covered - 1.(b) gradual deterioration.

Illegal substances

You are insured for **accidental loss** to the **building** and/or **contents** within the **building** shown in the **schedule**, in connection with the manufacture, supply, storage, possession, distribution or use of any controlled drug as defined in the Misuse of Drugs Act 1975, including methamphetamine, or any pre-cursor chemicals or materials used in any of these activities, provided that:

- (a) the **building** is tenanted, and
- (b) when the **accidental loss** occurred there was a signed tenancy agreement in place for an ongoing period of no less than 90 days, and
- (c) **you** or the person who manages the tenancy on **your** behalf has met the landlord's obligations.

The most **we** will pay under this extension is \$50,000 for any one **event**, up to a maximum of \$250,000 in any **annual period**. However, for **accidental loss** resulting from fire or explosion the most **we** will pay is the sum insured declared in the **schedule**.

For the purpose of this extension "landlord's obligations" means **you** or the person who manages the insured property on **your** behalf must:

- (a) exercise reasonable care in the selection of tenant(s) by obtaining at least satisfactory verbal or written references, and
- (b) complete an external and internal inspection of the property at a minimum of six monthly intervals and upon the change of every tenant(s), and
- (c) keep a written record of the outcome of each inspection and provide a copy to **us** if a copy is requested.

Cover under this extension will only apply where, at the time of the claim being made, the level of chemical contamination exceeds $15\mu\text{g}/100\text{cm}^2$. We will only pay for decontamination to the extent required to achieve a post remediation level of less than $1.5\mu\text{g}/100\text{cm}^2$.

Policy Exclusion Illegal Substances does not apply to the cover provided under this extension.

Inventory

You are insured for the costs reasonably incurred by **you** in taking an inventory to establish the value of lost or damaged **insured property** following a **loss** covered by this policy.

However, the indemnity provided will not increase **our** liability beyond the total sum insured in the **schedule**.

Landslip

This policy extends to cover **accidental loss** or damage to any **insured property** directly or indirectly consequent upon:

1. landslip that is neither gradual nor progressive; and/or
2. the movement (whether by way of falling, sliding or flowing) of ground; but excluding:
 - (a) subsidence; and/or
 - (b) the expansion, shrinkage, compaction or erosion of soil.

The most **we** will pay under this extension is \$500,000 for any one **event**. An excess of \$15,000 applies for each event under this extension, unless a higher amount appears in the **schedule**.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Losses Not Covered – 6.(b) landslip and subsidence; and

- (b) Policy Exclusion – Losses Not Covered – 6.(e) settling, warping or cracking caused by earth or other movements.

Money cover

You are insured for sudden and **accidental loss** of **money**, provided that the **loss** occurs in any of the circumstances outlined below:

Money Section A

1. **money** in transit, or
2. **money** at the **situation** during **business hours**, or
3. **money** at the **situation** in a securely locked safe or strong room outside **business hours**.

Money Section B

1. **money** at the **situation** outside **business hours** and not in a securely locked safe or strong room, or
2. **money** at residential premises occupied by **you** or any director, employee, or agent, authorised to have possession of the **money**.

This extension does not provide cover for **loss** of **money**:

1. caused by errors in receiving it or paying it out, or
2. occurring while the **money** is entrusted to any person other than:
 - (a) **you** or any director or executive officer of **yours**, or
 - (b) any employee or agent of **yours**, or
 - (c) any professional **money** carrier, or
3. resulting from payment of **money** in exchange for any cheque that is subsequently dishonoured, or
4. occurring while the **money** is in an unlocked and unoccupied vehicle, or
5. caused by theft or fraud by any of **your** employees, unless the **loss** is discovered within three consecutive **business days** of the act of theft or fraud, or
6. through electronic means.

The most **we** will pay under this extension is:

1. \$10,000 or the 'Special Carry' sum insured (during the months specified) for any **event** under Money Section A, and
2. \$3,000 for any **event** under Money Section B,

unless a different amount for Money Section A or Money Section B is shown in the **schedule**.

Payment under this extension is in addition to 'What We Will Pay - Maximum Amount Payable'.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Types of Property Not Covered – 5. Money;
- (b) Policy Exclusion – Types of Property Not Covered – 6. Insured property in transit;
- (c) Policy Exclusion – Losses Not Covered – 5.(a) theft or attempted theft; and
- (d) Policy Exclusion – Losses Not Covered – 5.(c) theft or attempted theft or fraud by you or an employee of yours.

Portable electronic equipment cover

You are insured for **accidental loss** to **portable electronic equipment**, while away from the **situation** and whilst in transit and located anywhere in the world.

The most **we** will pay under this extension is \$25,000 in total for any one **event**.

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

If any of the **portable electronic equipment** is a **computer system**:

1. Policy Exclusion Computer System and Data does not apply to that **portable electronic equipment**;
2. there is no cover under this extension for:
 - (a) Computer **software, computer system** records, and **data**, including the replacing or reproducing of information contained in or on them;
 - (b) the loss of value of the information contained in or on computer **software, computer system** records and **data**.
3. This extension does not apply to any **accidental loss** or damage in any way connected to a **cyber act** or to any action taken in controlling, preventing, suppressing or remediating any **cyber act**.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Types of Property Not Covered – 4.(l) property located outside New Zealand; and
- (b) Policy Exclusion – Types of Property Not Covered – 6. insured property in transit.

Property under construction

You are insured for **accidental loss** to any **building** and **contents** at the **situation** during the course of:

1. demolition, or
2. installation, construction or erection, or
3. testing and commissioning following 2. above,

provided that:

1. the property is owned, will be owned or will be occupied by **you**, and
2. the completed value of the contract works does not exceed \$100,000.

This extension does not apply to any **computer system**.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Types of Property Not Covered – 1.(a) insured property during demolition;
- (b) Policy Exclusion – Types of Property Not Covered – 1.(b) insured property during installation, construction or erection; and
- (c) Policy Exclusion – Types of Property Not Covered – 1.(c) insured property during testing following 1.(b) above.

Protection costs cover

You are insured for reasonable costs **you** incur to temporarily protect **insured property** by preventing or minimising an imminent **accidental loss**, provided that the **loss** would be covered under this policy if it did occur.

The most **we** will pay under this extension is \$250,000 any one **event**.

Redundant foundations

You are insured for **undamaged** foundations that are made redundant, where the **insured property** resting on them has been **destroyed** as a result of a **loss** covered by this policy. Where the redundant and **undamaged** foundations are not demolished, and the presence of them increases the market value of the **site** to which they are fixed, the amount of the market value increase will be deducted from the amount payable for **your** claim.

Policy Exclusion Consequential Financial Loss 6. loss of use of any property, does not apply to the cover provided under this extension.

Redundant plant and stock

You are insured for any of the following provided it is also **insured property**:

1. **stock** rendered redundant as a result of **loss** covered by this policy to other **insured property**.
2. (a) plant which is interdependent with **insured property**, and/or
(b) spare parts held exclusively for **insured property**, rendered redundant as a result of **loss** covered by this policy to its respective **insured property** in (a) or (b) above.

Regardless of any Basis of Settlement shown in the **schedule**, **we** will only ever pay **you** the indemnity value of the redundant plant and/or spare parts.

Policy Exclusion Consequential Financial Loss 6. loss of use of any property, does not apply to the cover provided under this extension.

Refrigerated goods

You are insured for:

1. **accidental loss** to goods in refrigerated cabinets or chambers arising from **accidental** stoppage, damage, or malfunction of refrigerating plant. The words "goods in refrigerated cabinets or chambers" are deemed to include goods that are at the **situation** at the time of the **event** and that would, but for the **event**, have been placed in the refrigerated cabinets or chambers; and
2. expenses reasonably incurred to avoid or minimise the **loss** insured by 1. above by either transferring the threatened goods to alternative storage or by other means; provided that this extension does not cover damage due to the disconnection of the public electricity supply where the electricity supplier has given more than 24 hours prior notice of disconnection.

The most **we** will pay under this extension is \$10,000 for any one **event** unless a different amount for Refrigerated Goods is shown in the **schedule**.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Losses Not Covered – 1.(a) action or effects of micro-organisms, mould, mildew, rot, fungi;
- (b) Policy Exclusion – Losses Not Covered – 1.(b) gradual deterioration;
- (c) Policy Exclusion – Losses Not Covered – 2.(a) loss immediately preceded by interruption of the supply of water, gas, electricity, or any fuel to the situation;

- (d) Policy Exclusion – Losses Not Covered 2.(c) loss immediately preceded by a change in artificially controlled temperature or atmosphere; and
- (e) Policy Exclusion Damage to Machinery.

Rewards cover

You are insured for a reward that **you** offer and pay to successfully secure the return of **insured property** that suffers **accidental loss**, provided that:

1. the **loss** is covered under this policy, and
2. **you** have **our** prior approval to offer the reward.

Smoke damage

For the avoidance of any doubt where adjoining or adjacent premises that are not owned by or occupied by **you** or in **your** care, custody or control are damaged by fire, any damage to **insured property** by smoke, or by water or other material used in the extinguishing of the fire, is deemed to be fire damage to the **insured property**.

Policy Exclusion – Losses Not Covered – 3.(c) fumes, gas, dust, smoke or soot does not apply to the cover provided under this extension.

Social club cover

You are insured for **accidental loss** to property and **money** of any:

1. social club, and/or
 2. sports club or similar body,
- provided that the clubs' activities are principally for the benefit of **your** employees.

We will cover:

1. this property as if it were **contents**, and
2. **money** on the same basis as provided by Automatic Extension: Money Cover.

Stolen keys cover

You are insured for the reasonable costs to:

1. open a safe or strong room, and
2. alter or replace locks, keys and combinations that give access to **your insured property**, provided that the costs are incurred because the keys or combinations are:
 1. stolen, or
 2. believed on reasonable grounds to have been duplicated without proper authority, during the **period of insurance**.

Policy Exclusion – Losses Not Covered – 5.(a) theft or attempted theft does not apply to the cover provided under this extension.

Subsidence

This policy extends to cover **accidental loss** or damage to any **insured property** directly or indirectly consequent upon:

1. subsidence, that is neither gradual nor progressive, of land beneath or adjacent to the affected property; and/or
2. the movement (whether by way of sinking, collapsing, sliding or flowing) of ground; but excluding:
 - (a) landslip;
 - (b) compaction or erosion of soil;
 - (c) the normal settling, expansion or shrinkage of any building or its foundations; and/or
 - (d) movement as a result of the water-table drying out from atmospheric or climatic conditions.

The most **we** will pay under this extension is \$500,000 for any one **event**. An excess of \$15,000 applies for each event under this extension, unless a higher amount appears in the **schedule**.

The following Policy Exclusions do not apply to the cover provided under this extension:

- (a) Policy Exclusion – Losses Not Covered – 6.(b) landslip and subsidence; and
- (b) Policy Exclusion – Losses Not Covered – 6.(e) settling, warping or cracking caused by earth or other movements.

Sustainable rebuilding costs

You are insured for the reasonable costs **you** incur to upgrade the **building** with **sustainable products** following a **loss** covered by this policy, provided that:

1. the **building** is **destroyed**, and
2. the 'Basis of Settlement – Reinstatement' applies to the **building**, and
3. **you** replace the **building**, and
4. the **sustainable products** are first approved by **us**.

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

1. 5% of the actual cost to replace the **building**, or
 2. \$250,000 in total,
- whichever is the lesser.

Payment under this extension is included within the **building** sum insured. Refer to 'What We Will Pay – Maximum Amount Payable'.

Temporary removal cover

You are insured for **accidental loss** to **contents** while **temporarily removed** from the **situation** to another location within New Zealand but excluding while in transit to that location. The most **we** will pay under this extension shall not exceed that which would have been recoverable had the loss occurred at the **situation**.

Tenanted premises

You are insured for **accidental loss** to:

1. glass, and
2. doors and windows, and
3. light fittings and power points, and
4. floor coverings,

that are not owned by **you** at the **situation**, provided that:

1. **you** are responsible to arrange and bear the cost to repair them under the terms of **your** lease agreement, and
2. the provisions of sections 268 to 272 of the Property Law Act 2007 do not release **you** from this responsibility.

Theft cover

You are insured for **accidental loss** to **insured property** caused by theft occurring:

1. at the **situation**, or
2. when the **insured property** is covered by:
 - (a) Automatic Policy Extension Portable Electronic Equipment, or
 - (b) Automatic Policy Extension Temporary Removal Cover, or
 - (c) Automatic Policy Extension Transit Cover, or
 - (d) Automatic Policy Extension Unspecified Locations, or
 - (e) Automatic Policy Extension Working from Home.

An excess of \$2,500 applies for each **event** under this extension, unless a higher excess for Theft Cover is shown in the **schedule**.

Policy Exclusion - Losses Not Covered – 5.a) theft or attempted theft does not apply to the cover provided under this extension.

Transit cover

You are insured for **accidental loss** to **contents** and/or **stock** during any transit beginning and ending within New Zealand.

We will include **your** liability for general average and salvage charges where the contract of carriage or governing law and practice make **you** liable for such payments.

No cover is provided under this extension for:

- (a) **contents** and/or **stock** otherwise insured under another insurance policy, or
- (b) **portable electronic equipment**.

The most **we** will pay under this extension is:

1. \$5,000 any one portable tool of trade, including their standard accessories, and
2. \$25,000 in total for any **event**,

unless a different amount for Transit Cover is shown in the **schedule**.

Policy Exclusion – Types of Property Not Covered – 6. Insured property that is in transit does not apply to the cover provided under this extension.

Unharmful property cover

You are insured for the reasonable cost to:

1. damage, demolish or remove, and
2. subsequently repair, replace or reassemble, to a condition the same as but not better nor more extensive than its condition immediately prior to the damage, demolition or removal

insured property that has not suffered **accidental loss**, if this action becomes necessary to repair or replace **insured property** that has suffered a **loss** which is covered by this policy.

We will pay these costs provided that they are not being incurred solely to comply with any **regulations**.

Unspecified locations

You are insured for **accidental loss** to **contents** and/or **stock** while situated at any unspecified location in New Zealand away from the **situation** but excluding while in transit.

This extension does not apply to:

1. **contents** and/or **stock** that are **temporarily removed**, and
2. any **portable electronic equipment**, and
3. any **office equipment** while situated at the residence in New Zealand of any of **your** employees, and
4. any portable tools of trade.

The most **we** will pay under this extension is:

1. \$50,000 for any **event**, or
2. the sum insured for **contents** and/or **stock**,

whichever is the lesser, unless a different amount for Unspecified Locations is shown in the **schedule**.

Working from home

You are insured for **accidental loss** to **office equipment** while situated at the residence in New Zealand of any of **your** employees for the purpose of working from home.

The most **we** will pay under this extension is:

1. \$10,000 for any **event**, or
2. the sum insured for **contents**,

whichever is the lesser, unless a different amount is shown in the **schedule**.

If any of the **office equipment** is a **computer system**:

1. Policy Exclusion Computer System and Data does not apply to that **office equipment**;
2. There is no cover under this extension for:
 - (a) Computer **software**, **computer system** records, and **data**, including the replacing or reproducing of information contained in or on them;
 - (b) the loss of value of the information contained in or on computer **software**, **computer system** records and **data**.
3. This extension does not apply to any **accidental loss** or damage in any way connected to a **cyber act** or to any action taken in controlling, preventing, suppressing or remediating any **cyber act**.

Optional policy extensions

These optional extensions only apply where specified in the **schedule**.

Unless expressly stated otherwise:

- (a) any amounts payable under these Optional Policy Extensions are included within 'What We Will Pay – Maximum Amount Payable'. They are not additional;
- (b) these Optional Policy Extensions are subject to all terms, conditions and exclusions of this policy;
- (c) some Optional Policy Extensions may be subject to separate sub-limits and **excesses**, as specified.

Machinery breakdown

You are insured for **accidental loss** of any **machine** from mechanical or electrical breakdown, derangement or failure.

The most we will pay under this extension is \$10,000 any one **event**, and in total during the **period of insurance**. This sub-limit applies to the combined Material Damage **loss** covered under this policy and the business interruption **loss** covered under **your business interruption policy**. This extension does not provide cover for **loss** to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.

For the purpose of this extension the following definitions apply:

"breakdown "

The actual stopping or failing of the **machine** due solely to internal stress or a fault in the machinery whilst in use and not by any cause external to the affected machine.

Policy Exclusion Damage to Machinery does not apply to the cover provided under this optional extension.

Natural disaster cover

You are insured for **natural disaster damage** to **insured property**.

The excesses shown in the **schedule** will apply to the aggregate of:

1. all **natural disaster damage** claims under this policy, and
2. all **natural disaster damage** claims under the **business interruption policy** (if applicable), arising from any one **event** at each **common site** are shown in the policy **schedule**.

Where the **insured property** that suffers **natural disaster damage** has been **temporarily removed**, the **site sum insured** excess applicable will be that of the **insured property's** original **situation**.

Where **insured property** is covered wholly or in part by the Natural Hazards Insurance Act 2023 (**NHI Act**), the following applies:

1. What we will pay if Toka Tū Ake Natural Hazards Commission (NHC) Cover applies
If NHC Cover applies:
 - (a) this policy only pays in excess of the maximum cover under the **NHI Act**, and
 - (b) the most **we** will pay for **loss** to **insured property** from any **event** is the difference between **your** NHC entitlement (whether or not that is actually paid to **you**) and 'What We Will Pay – Maximum Amount Payable' under this policy for that **loss**.
 - (c) This policy does not insure imminent damage as determined by the NHC under the **NHI Act**.

Imminent damage (under the **NHI Act**) means:

any physical loss or damage to a residential building or residential land that has not yet occurred if:

- i. a natural hazard has occurred ('the initial event') and
- ii. NHC is of the opinion that, as a direct result of 'the initial event', the loss or damage is more likely than not to occur within 12 months after 'the initial event' first occurred.

NHC entitlement means

An amount payable to **you** or for **your** benefit by the NHC as a result of **loss** to the **insured property**; and any amount that would have been payable but for:

1. the application of an excess under the **NHI Act**,
2. a failure by **you** to correctly notify a claim to the NHC within the time required under the **NHI Act**,
3. a decision by the NHC to decline a claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever,
4. any act or omission on **your** part, the part of **your** agent, or the part of the NHC.

2. Excess

The **natural disaster damage** excess is reduced by any payment made by the NHC except for payments for land.

The following Policy Exclusions do not apply to the cover provided under this optional extension:

- (a) Policy Exclusion – Losses Not Covered – 6.(b) landslip or subsidence;
- (b) Policy Exclusion – Losses Not Covered – 6.(e) settling, warping or cracking caused by earth or other movements; and
- (c) Policy Exclusion Natural Disaster.

Seasonal stock adjustments

Where **stock** has suffered a **loss** covered by the policy, the maximum amount payable for **stock** is increased by 20% for the months of: October, November and December, unless another percentage or period for the Seasonal Stock Increase is shown in the **schedule**. The percentage increase under this optional extension is payable in addition to 'What We Will Pay – Maximum Amount Payable'.

Exclusions

Types of property not covered

This policy does not insure:

1. any **insured property** during:
 - (a) demolition, or
 - (b) installation, construction or erection, or
 - (c) testing and commissioning following 1.(b) above.
2. jewellery, precious stones, furs, precious metals or bullion, except if any of these items are:
 - (a) **stock** of **your** business, or
 - (b) a component of any plant or machinery that is insured under this policy as **contents**.
3. any of the following (including plant attaching to, or accessories in or on any of them):

- (a) any vehicle or trailer that is required to be registered or licensed to travel on a public road,
 - (b) any mechanically or electrically propelled vehicles (including railway locomotives and rolling stock),
 - (c) watercraft of any kind,
 - (d) aircraft of any kind,
- except if any of these items are **stock** of **your** business, and at the time of the **loss** they are at the **situation** and are:
- (i) stationary, or
 - (ii) not in operation, or
 - (iii) not being used,
4. any of the following property:
- (a) standing timber or growing crops,
 - (b) live plants including any trees, shrubs, hedges or grass, other than those forming part of **landscaping**,
 - (c) livestock,
 - (d) any living creature,
 - (e) dams, canals, or reservoirs,
 - (f) road bridges or road tunnels,
 - (g) railways, railway bridges or railway tunnels,
 - (h) docks, piers, or wharves,
 - (i) mining property located below ground level,
 - (j) any land, earth or fill (including topsoil and backfill),
 - (k) transmission and distribution lines not located at the **situation**,
 - (l) property located outside New Zealand,
- except if the item of property is specifically listed in the **schedule** as being insured.
5. **money**.
6. **insured property** that is in transit away from the **situation**.

Losses not covered

This policy does not insure:

1. **loss** directly or indirectly caused by or resulting from:
 - (a) action or effects of micro-organisms, mould, mildew, rot, fungi, other than direct **loss** by fire as a result of any of these, or
 - (b) gradual deterioration, other than direct **loss** by fire as a result of this.
2. **loss immediately preceded by** any of the following:
 - (a) interruption of the supply of water, gas, electricity, or any fuel to the **situation**,
 - (b) total or partial stoppage of work, or interruption or cessation of any process,
 - (c) a change in artificially controlled temperature or atmosphere.
3. **loss** directly caused by or resulting from any of the following:
 - (a) action of vermin or pests,
 - (b) action of light, or inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish),
 - (c) fumes, gas, dust, smoke or soot,
 - (d) maintenance of **insured property** including servicing, cleaning and subsequent testing,
 - (e) spontaneous fermentation,
 - (f) wear and tear, corrosion or rust,
 - (g) marring or scratching,
 - (h) slowly developing deformation or distortion

This exclusion only applies to the **insured property**, or to the part of the **insured property** (as applicable), directly affected. It does not apply to any resultant **accidental loss** to separate **insured property**, or to other parts of the same **insured property** (as applicable).

4. **loss** that is:
 - (a) only evidenced by an unexplained disappearance,
 - (b) only revealed by the taking of an inventory,
 - (c) due to clerical or accounting errors.
5. **loss** caused by any of the following:
 - (a) theft or attempted theft,
 - (b) any fraudulent scheme or device, or false pretence practised on **you** or any other person,
 - (c) theft, attempted theft or fraud by **you** or an employee of **yours**.
6. **loss** following any of these events:
 - (a) exposure to weather conditions if the property is not designed to be left in the open (unless reasonable precautions have been taken to protect the property from those conditions),
 - (b) landslip or subsidence,
 - (c) erosion or expansion of the ground,
 - (d) normal settlement, normal shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements.
 - (e) settling, warping or cracking caused by earth or other movements.

Building defects

This policy does not insure **loss** as a result of or in connection with the failure of any **building** or structure to contain or incorporate:

- (a) materials; or
- (b) a design; or
- (c) a system; or
- (d) a standard of workmanship;

that effectively prevents or manages the presence or penetration of moisture or water to which the **building** or structure might reasonably be subjected.

This exclusion does not apply to loss that is caused by or directly arises from the leakage of internal pipes, internal water reticulation systems or internal cisterns.

Communicable disease

This policy does not insure any **loss**, liability, claim, cost, expense or other sum of whatsoever nature (including any increased or additional costs or expenses of a claim to which this exclusion does not otherwise apply) directly or indirectly arising out of, contributed to by, or in connection with:

- (a) **communicable disease**; or
- (b) fear or threat (whether actual or perceived) of **communicable disease**; or
- (c) actions taken by any person, entity or public authority to response to, control, prevent or suppress **communicable disease**;

regardless of any other cause or event contributing concurrently or in any other sequence.

Computer system and data

1. This policy does not insure any **loss**, liability, cost, expense or other sum of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in

connection with any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a **computer system**.

Subject to the other terms, conditions and exclusions of this policy, this exclusion does not apply to **loss** to **insured property** except where such **loss** is directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with:

- (a) a **cyber act**, or
- (b) any action taken in controlling, preventing, suppressing or remediating any **cyber act**.

2. This policy does not insure against any **loss**, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**,
- (b) error in creating, amending, entering, deleting or using **data**,
- (c) total or partial inability or failure to receive, send, access or use **data** for any time or at all,
- (d) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including
- (e) any amount pertaining to the value of such **data**,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Confiscation

This policy does not insure **loss** in connection with confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any immediate and imminent threat of **loss** provided that the **loss** would be covered by this policy if it did occur).

Consequential financial loss

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

- 1. delays,
- 2. loss of market,
- 3. penalties,
- 4. rates, taxes, duties, development charges,
- 5. other charges or assessments arising out of capital appreciation, that are payable to comply with any **regulations**,
- 6. loss of use of any property.

Costs not insured

This policy does not insure the cost of putting right:

- (a) or repairing or replacing faulty materials;
- (b) faulty workmanship;
- (c) work performed to a faulty or defective design, plan or design specification; or
- (d) faulty or defective work where the fault or defect results from an error or omission in design, plan or design specification;

- (e) altering or modifying any part of any refrigeration or air conditioning plant to enable the plant to operate with a more ozone friendly refrigerant;

but this exclusion does not apply to any consequential damage occurring as a result of (a) to (e) above that is not otherwise excluded.

Damage to machinery

This policy does not insure any **machinery breakdown** of a **machine**. This does not apply:

- (a) where sudden and **accidental loss** covered under this policy (or that would have been covered if the property was insured under this policy) occurs completely outside the **machine** resulting in the **machinery breakdown** occurring. However, this proviso does not apply to **machinery breakdown** resulting directly or indirectly from any:
 - (i) error in setting, programming or operating the **machine**, or
 - (ii) **stock** or part of the **machine** being drawn into the **machine**, or
 - (iii) failure to service or maintain the **machine** correctly, or
- (b) to resultant **accidental loss** to other parts of the **machine** that is not **machinery breakdown**.

Damage to boilers and pressure vessels

This policy does not insure the cost of repairing or replacing any part of a boiler or **pressure vessel** that suffers **loss** through:

1. explosion, overheating, rupture, bursting or collapse (but not pressure caused by chemical explosion), or
2. cracking or leaking.

This exclusion does not apply to any resultant **accidental loss** to other parts of the boiler or **pressure vessel** arising from the above.

Illegal substances

This Policy does not insure **loss** to **insured property** arising from the manufacture, supply, storage, possession, distribution or use of any controlled drug as defined in the Misuse of Drugs Act 1975 including methamphetamine, or any pre-cursor chemicals or materials used in any of these activities in or near the **insured property**. This exclusion does not apply to **loss** to **insured property** caused by fire or explosion, including resulting smoke damage.

Natural disaster

This policy does not insure **natural disaster damage**.

Nuclear

There is no cover under this policy for any claim, **loss**, damage, liability, death or disablement resulting from or directly or indirectly caused by or arising in connection with:

nuclear weapons material, ionising radiations or contamination from any nuclear fuel, or from any nuclear waste which results from the combustion (including self sustaining process of nuclear fission) of nuclear fuel.

Production processes

This policy does not insure **loss** to **insured property** while undergoing any **production process** where any part of that **production process** (including any **accidental** modification of the process), causes or contributes towards the **loss** in any way.

Seepage, pollution and contamination

This policy does not insure **loss** in connection with seepage, pollution or contamination except if the seepage, pollution or contamination results from sudden and **accidental loss** to **insured property**, which is otherwise covered under this policy.

Seismic strengthening

This policy does not insure any additional cost necessary only to comply with **regulations** applicable to the repair, replacement or reinstatement of damaged **insured property** (or any portion of it) in connection with:

- (i) property being an earthquake-prone building as described in the Building Act 2004 (and any substitution of, or amendment to, replacement of or statutory regulation made under this Act); or
- (ii) the seismic capacity of the property; or
- (iii) the performance of the property in an earthquake.

For the avoidance of doubt, the costs to reinstate the level of seismic capacity or earthquake performance which applied to the **insured property** prior to the damage are not excluded by this policy.

Terrorism

This policy does not insure any **loss**, damage, liability, death, injury, illness, or any other form of cover otherwise available under this policy of whatsoever nature directly or indirectly caused by, resulting from or arising in connection with:

any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to such **loss**, damage, liability, death, injury, illness, cost or expense or action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**.

Transmission and distribution lines

This policy does not insure any above ground transmission and distribution lines, including wires, cables, poles, pylons, standards, towers, other supporting structures and any equipment of any type which is related to such installations.

This exclusion applies to all equipment other than that which is on or within 300 metres of an insured structure and which is **your** responsibility.

This exclusion applies both to physical **loss** to the equipment and all business interruption, consequential loss, and/or other contingent losses related to transmission and distribution lines, other than losses following loss or damage not excluded in the above paragraph and/or as insured under the Contingent Business Interruption automatic extension of the **business interruption policy**.

War

There is no cover under this policy for any claim, **loss**, damage, liability, death or disablement resulting from or directly or indirectly caused by or arising in connection with: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, military rising, mutiny, rebellion, revolution, insurrection, military or usurped power.

How we will pay

Basis of settlement: Reinstatement

This basis of settlement applies to those items or categories of **insured property** that are shown on the **schedule** to be insured for Reinstatement.

In the event of any **insured property** to which this basis of settlement provision applies suffering **loss**, the basis on which the amount payable is to be calculated will be the cost of **reinstatement** of that property.

Insurance under this basis of settlement provision is subject to the special provisions set out below.

No **insured property** that has suffered **loss** will be considered **destroyed** for the purposes of this basis of settlement provision by reason only of any cost in **reinstatement** to comply with **regulations** which is not payable under this basis of settlement provision.

Equivalent building means a **building** or structure that is nearly as practicable the same as the **building** or structure lost or **destroyed**, using modern equivalent materials, skills and techniques that are readily available in the country that the lost or **destroyed building** is located in, and incorporating such alterations that are necessary to comply with any **regulations** that are in force on the date that the **loss** occurs, but subject to any limitations or exclusions to such **regulations** in this Material Damage policy.

Where, as a result of any special circumstances no **building** or structure that falls within the scope of the paragraph above:

(a) can be constructed:

a **building** or structure that is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the **building** or structure lost or **destroyed**; or

(b) is suitable to **your** reasonable requirement:

then with **our** consent (which will not be unreasonably withheld), a **building** or structure that 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 to an equivalent capacity.

Reinstatement means in respect of **insured property** that has suffered **loss**:

(a) where property is **destroyed**, its replacement by an **equivalent building** or by **equivalent plant** as the case may require; or

(b) where property has suffered **loss** but is 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, using modern equivalent materials, skills and techniques that are readily available and which, if the property is a **building**, are readily available in the country that the **building** is located in.

Special provisions:**1. Compliance with regulations**

The amount payable under this basis of settlement provision will include the cost incurred in **reinstatement** which is necessary to comply with any **regulations** that are in force on the date that the **loss** occurs.

Provided that the amount payable will not include any such cost:

- (a) to the extent to which the work had already been required of **you** by notice served before the happening of the **loss**; or
- (b) in respect of **undamaged** property or **undamaged** portions of property (unless foundations are expressly excluded from the insurance under this Material Damage policy) whether or not the **undamaged** property or portion comprises a separate **building** or structure or a separate item of plant or equipment; or
- (c) to the extent to which the work is required, whether in whole or in part, because damaged (but not **destroyed**) property (or any portion of it):
 - (i) is an earthquake-prone building as described in the Building Act 2004 (and any substitution of, or amendment to, replacement of or statutory regulation made under this Act); or
 - (ii) does not comply with any **regulations** applicable at the time of **reinstatement** in connection with:
 - the seismic capacity other than foundations of the property; or
 - the performance of the property in an earthquake.

whether or not the work is also required in order to comply with any other **regulations**.

Notwithstanding any other provision in this basis of settlement provision or the Material Damage policy, **we** are not liable to pay any cost incurred in **reinstatement** which is necessary to comply with **regulations** other than in accordance with the terms of this special provision.

2. Site of reinstatement

Where property is **destroyed** the work of **reinstatement** must be carried out on the same **site**. The work may be carried out upon another **site** only:

- (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 **your** reasonable requirements, in which case, and with **our** consent (which will not be unreasonably withheld), **reinstatement** may be carried out on an alternative **site** in the same country as the current site.

3. Limitations on amount payable

- (a) Where the work of **reinstatement** is carried out in terms of paragraphs (a) or (b) of the **equivalent building** definition, or on any location other than the original location at the same **site**, **our** liability in respect of the cost of **reinstatement** will not exceed the cost that would have been incurred had **reinstatement** been carried out in terms of the first paragraph of the **equivalent building** definition on the original location.
- (b) Where the **insured property** is damaged but not **destroyed**, **our** liability will not exceed the amount **we** could have been called upon to pay for **reinstatement** if the property had been **destroyed**.

- (c) Our liability under this basis of settlement provision in respect of any item or category of **insured property** at the **situation** will not exceed the lesser of the total sum insured at the **situation** or any other sum declared to **us** or included on the **schedule** in respect of that item or category of **insured property** at the **situation** as set out in 'What We Will Pay – Maximum amount payable'. The sum insured adjustment for existing **loss** provided for in 'What We Will Pay - Sum insured adjustment on renewal for unrepaired items' will apply to all sums insured for **reinstatement**. In the case of **natural disaster damage**, the applicable sums insured will be those declared to **us** or otherwise specified on the **schedule** in respect of **natural disaster**, to which the **sum insured** adjustment for existing **loss** provided for in "What We Will pay - Sum insured adjustment on renewal for unrepaired items" will also apply.

4. Circumstances where this basis of settlement provision does not apply

No payment, beyond the amount that would have been payable had this basis of settlement provision not been incorporated in this Material Damage policy, will be made:

- (a) if **you** elect not to reinstate the property;
- (b) if the work of **reinstatement** is not commenced and carried out with reasonable despatch;
- (c) until the cost of **reinstatement** has been actually incurred; or
- (d) where a **building** or structure is damaged, but not **destroyed**, and the repair of the **loss** is not permissible by reason of any **regulations**, or by reason of the **undamaged** portion of the property.

Where, by reason of any of these circumstances, no payment is to be made beyond the amount that would have been payable if this basis of settlement provision had not been incorporated in this Material Damage policy, **your** and **our** rights and liabilities in respect of the **loss** will be the same as if this basis of settlement provision had not been incorporated in this Material Damage policy.

5. Valuation of the property

- (a) Prior to the commencement of each **period of insurance**, and in respect of that period, at **our** request **you** must provide **us** with a certificate by a valuer approved by **us** specifying the estimated cost of **reinstatement** (as defined in this policy) of any item or items of **insured property** to which this basis of settlement provision applies.
- (b) The certificate must also contain such other estimates or information as **we** may reasonably require.
- (c) The sum to be insured under this basis of settlement provision in respect of each item will not be less than the amount specified in the certificate in respect of that item, unless **we** have agreed in writing to a lesser sum to be insured.

Additional costs you are covered for

Where **insured property** has suffered a **loss** covered by this policy, then included in 'What We Will Pay - Maximum amount payable' for the **insured property** are:

Fees and Other Costs

Necessary and reasonable costs incurred for:

1. architect's, engineer's, surveyor's, building consultant's fees, and/or
2. consents and associated legal fees, and/or
3. training consultants and IT technicians,

to repair or replace the damaged, lost or **destroyed insured property** following a **loss** covered by this policy.

Payment under this provision is included within the **building** sum insured. Refer to 'What We Will Pay – Maximum amount payable'.

Claims Preparation Costs

Necessary and reasonable costs incurred to assess or prepare a claim following a **loss** covered by this policy, provided **you** are unable to recover such costs under a separate business interruption policy.

You are not insured for any costs incurred to investigate or negotiate a claim made under this policy.

The most **we** will pay for any **event** is \$25,000.

Payment under this provision is included within the **building** sum insured. Refer to 'What We Will Pay – Maximum amount payable'.

Basis of settlement: certain types of property

The method of indemnity for the following types of **insured property** will be as follows, regardless of any basis of settlement shown in the **schedule** to the contrary.

Stock

For **loss** to **stock** that is not **customers' goods**, **we** will indemnify **you** by using one of the following methods:

1. for raw materials, supplies and other merchandise not manufactured by **you**:
 - (a) the replacement cost at the time of replacement, provided that the replacement is carried out within a reasonable period of time, or
 - (b) if this property is not replaced, the market value of it at the time and place of the **loss**.
2. for materials in the process of manufacture: the replacement cost of the raw materials and the cost of labour and other overhead charges expended at the time of the **loss**.
3. for finished goods: the replacement cost of the raw materials and the cost of labour and other overhead charges expended before any allowance for profit, or the cost of re-stocking these goods, whichever is the lesser.

For **loss** to **stock** that is **customers' goods**, **we** will at **our** option pay:

1. the indemnity value of the **customers' goods**, or
2. the cost to repair the **customers' goods**, as near as reasonably possible, to the condition they were in immediately prior to the **loss**.

Works of Art

Where there is **loss** to **insured property** comprising a **work of art**, **we** may appoint an independent and suitably qualified valuer or restorer to determine whether the **work of art** can be restored to its pre-damage condition.

If the valuer or restorer determines that the **work of art** cannot be economically restored to its pre-damage condition, the **work of art** will be deemed destroyed. Its pre-damage value will be determined by the valuer, or, providing the restorer is suitably qualified, by the restorer. The amount payable as indemnity will be the difference between the pre-damage value and any salvage value of the damaged **work of art**.

If the valuer or restorer determines that the **work of art** can be economically restored to its pre-damage condition, the amount payable as indemnity will be the cost of restoration or, if the restoration is not carried out, the restorer's reasonable estimate of the cost of restoration.

In the event of the total loss of any **work of art**, or **works of art**, that forms part of a set, **we** agree to pay **you** the full amount of the value of such set and **you** agree to surrender the remaining article or articles of the set to **us**.

Providing a **work of art** has been satisfactorily restored following **loss**, this insurance does not cover any diminution of value due solely to the fact of the work of art having been damaged and restored. The onus of proving that any restoration work is unsatisfactory rests with **you**.

Software

For **loss** to **computer systems**, **we** will pay the reasonable cost of restoring, re-setting or re-programming the **software** that is necessary to operate any **computer system**, electronic equipment or **machine** insured under this policy.

Portable Electronic Equipment

For **loss** to **portable electronic equipment** more than 3 years old **we** will at **our** option pay:

1. the indemnity value of the **portable electronic equipment**, or
2. the cost to repair the **portable electronic equipment**, as near as reasonably possible, to the condition it was in immediately prior to the **loss**.

Limited Lifetime Construction Materials

For **loss** to:

1. cladding, roofing or skylights, where they are made of plastic, polycarbonate, acrylic or PVC materials, and/or
2. any textile awnings or shade sails,

we will at **our** option pay:

- (a) the indemnity value of the materials, or
- (b) the cost to repair the materials, as near as reasonably possible, to the condition they were in immediately prior to the **loss**.

The indemnity value of the materials will be depreciated over the lifetime of the product based upon the manufacturer's UV rating.

Office Equipment Upgrade

For **loss** to **office equipment**, **we** will pay the cost for **you** to replace the equipment with an alternative model(s) of **office equipment**, provided that:

1. the alternative model has more energy-efficient features, and
2. the alternative model has otherwise comparable features and capabilities, and
3. the **office equipment** is **destroyed**, and
4. **we** approve the upgrade.

What we will pay

Maximum amount payable

The amounts shown in the **schedule of insured property** are the sums insured declared by **you** for insurance purposes. The maximum **we** will pay in total during the **period of insurance** for **loss** or damage to any item of **insured property** will not exceed 110% of the sum insured during the **period of insurance** for that item up to a maximum of the total sum insured in the **schedule**. Where sums insured have been declared to **us** or included on the **schedule** for more than one **situation**, item and/or category of **insured property**, **our** liability will not exceed in respect of each **situation**, and each item or category of **insured property** at a **situation**, the 110% of the applicable sum insured.

Any provision in this policy for **our** liability to be greater than the sum insured for any item does not apply to **natural disaster damage**.

Reinstatement of sum insured once repaired

The sum insured will only be reinstated as follows:

If the **insured property**:

1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the **insured property** that suffered the **loss** is progressively repaired or replaced.
2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the **insured property** that suffered the **loss** has been completed.

The sum insured will not reinstate following **natural disaster damage** unless **we** have agreed to the reinstatement in writing.

We may ask **you** to pay an additional premium for any reinstatement of the sum insured.

Sum insured adjustment on renewal for unrepaired items

The sum insured for any item of **insured property** that has suffered **loss** in any previous **annual period** and that has not been repaired or replaced at the start of the current **annual period** is:

1. the maximum amount payable for that item, less
2. the estimated cost of repairing or replacing the existing unrepaired or non-replaced **loss**.

The sum insured will only be reinstated to its pre-**loss** level as follows:

If the **insured property**:

1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the **insured property** that suffered the **loss** is progressively repaired or replaced.
2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the **insured property** that suffered the **loss** has been completed.

The sum insured will not reinstate following any claim arising from **natural disaster damage** unless **we** have agreed to the reinstatement in writing.

We may ask **you** to pay an additional premium for any reinstatement of the sum insured.

Sub limits

If any sub limit in this policy is higher than the maximum amount payable for the applicable **insured property** as shown in the **schedule**, the sub limit does not apply and the most **we** will pay is the maximum amount payable.

Items of insured property with limited cover

The amount **we** will pay for some items of **insured property** is limited as follows:

Customers' goods

The most **we** will pay for **customers' goods** in total during an **annual period** is \$20,000 unless a different amount for **customers' goods** is shown in the **schedule**.

Site Improvements

The most **we** will pay for **site improvements** at the **site** in total during any **annual period** is:

1. 5% of the maximum amount payable for **building(s)** at that **site**, or
2. \$250,000,

whichever is the lesser, unless a different amount for **site improvements** is shown in the **schedule**.

Landscaping

The most **we** will pay for **landscaping** at the **site** in total during any **annual period** is:

1. 5% of the maximum amount payable for **building(s)** at that **site**, or
2. \$25,000,

whichever is the lesser, unless a different amount for **landscaping** is shown in the **schedule**.

Works of Art

The most **we** will pay for any individual **work of art** for any **event** is \$25,000 unless a different amount for that **work of art** is shown in the **schedule**.

Excess

Each **loss** or series of **losses** arising out of one **event** at any **situation** will be adjusted separately. The adjusted **loss** will be net of salvage and other recoveries. From each adjusted **loss**, the excess amount specified in the **schedule** will be deducted.

A series of **events** arising from any one cause during any period of 72 consecutive hours will be treated as one **event** for the purpose of applying the excess.

From the amount otherwise payable under the policy, **we** will deduct the excess amount or excess percentage shown in the **schedule**. The excess will in all cases apply to the adjusted **loss** within the coverage of the policy.

One excess

If a single **event** causes sudden and **accidental loss** to tangible property that **you** insure with **us** under this or any other policy only one excess will apply being the highest applicable individual policy excess. This does not apply to **natural disaster damage**.

GST

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

1. all sums insured exclude GST, and
2. all sub limits exclude GST, and
3. all excesses include GST, and

GST will be added, where applicable, to claim payments.

How to claim

What you must do

If anything happens that may lead to a claim under this policy, **you** must:

1. do what **you** can to take care of the **insured property** to prevent any further **loss**, expense or liability, and
2. tell **us** as soon as possible, and
3. notify the police as soon as possible if **you** think any **loss** was caused by an illegal act, and
4. allow **us** to examine the **insured property** before any repairs are started, and
5. not destroy or dispose of anything that is or could be part of a claim, and
6. send to **us** as soon as possible anything **you** receive from anyone about a claim or possible claim against **you**, and
7. give **us** any information or help that **we** ask for, and
8. consent to **your** personal information, in connection with the claim, being:
 - (a) disclosed to **us**, and
 - (b) transferred to the Insurance Claims Register Limited.

What you must obtain our agreement to do

You must obtain **our** agreement before **you**:

1. incur any expenses in connection with any claim under this policy, or
2. negotiate, pay, settle, admit or deny any claim against **you**, or
3. do anything that may prejudice **our** rights of recovery.

Dishonesty

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

1. decline **your** claim either in whole or in part, and/or
2. declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

Actions we may take

1. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery. If **we** initiate a recovery **we** will include **your** excess, and any other uninsured **losses** suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

You must fully co-operate with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

2. Recoveries

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

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

3. Reparation

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

4. Branded Stock

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

Mutually acceptable assessors

Where **we** appoint any loss adjuster, assessor, surveyor, valuer or investigator to any claim under this policy, the appointee must be mutually acceptable to both **you** and **us**.

General conditions

How we will administer this policy

1. Cancellation

BY YOU

You may cancel this policy at any time by notifying **us**. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium due for the used portion of the **period of insurance**.

BY US

We may cancel this policy by giving **you** or **your** broker notice in writing or by electronic means at **your** or **your** broker's last known address. **Your** policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

2. Change of Terms

In the following circumstances, **we** may change the terms of this policy (including the excess) during the **period of insurance**:

1. **we** are no longer able to obtain or retain full reinsurance protection from natural disaster events covered by this policy on terms acceptable to **us**; or
2. in response to a material change to relevant law; or
3. to increase cover or add new cover; or
4. to allow for a material change in the risk profile of a group of similar policy holders (or similar insured property) that will not be commercially sustainable for **us** under current policy terms.

We may change the terms by sending a letter, facsimile, or e-mail advising **you** of this to **you** at **your** last known postal address, facsimile number, or e-mail address, or to **your** Steadfast broker. The change or changes will take effect at 4.00pm on the 30th day after the communication has been sent.

If **you** are not happy with the change of terms, **you** may terminate the policy on 14 days' notice. **We** will refund any unused premium.

3. Other Insurance

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

This policy does not cover **your loss** at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

This does not apply to cover provided by Automatic Policy Extension Employee Effects Cover or Automatic Policy Extension Tenanted Premises, or to cover for **customers' goods**.

4. Interests of Other Parties

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

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

Any party who is recorded as having a financial interest under this policy is not covered by this policy and does not have rights to claim under this policy.

5. Separate Insurance

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the sum insured and any sublimit in this policy will apply to the aggregate of all amounts payable to all insureds for any **event**.

6. Premium Adjustments

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

Within 3 months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are.

We will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

7. Stock Declarations

Where **stock** is insured on a Stock Declaration basis, the premium charged on the item **stock** is provisional and represents 75% of the full premium payable for that item. At the end of each **annual period we** will adjust it as follows:

1. **you** must give **us** a declaration of the actual value of the **stock you** held on the last business day of each month for the **annual period**. This must be received by **us** within six weeks from the end date of the **annual period**,
2. if a monthly declaration exceeds the sum insured then **we** will adjust it back to the sum insured for the purpose of calculating **your stock** averages,
3. if no declaration is received for any one month, the **stock** sum insured will apply for that month,
4. the average of the monthly declarations will be calculated at the end of the **annual period** and the final premium payable will be based on the greater of:
 - (a) that average, or
 - (b) one half of the sum insured on **stock**,
5. **we** will re-calculate **your** actual premium based on the actual figures. The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending upon the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

8. Co-insurance

It is agreed that the insurer in respect of this policy is the insurer or insurers who accept(s) to its/their account the percentage stated against its/their name.

The subscribing insurer obligations under this contract of insurance to which they subscribe are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.

Laws and acts that govern this policy

1. **Governing Law and Jurisdiction**

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

2. **Legislation Changes**

Any reference to any Act of Parliament or subordinate rules referred to in this policy include any amendments made or substitutions to that law.

3. **Insurance Law Reform Acts**

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

4. **Currency**

Any amounts shown in this policy and in the **schedule** are in New Zealand dollars.

Your obligations

1. **Breach of Any Condition**

If:

1. **you**, or
2. any other person or entity **we** cover under this policy, or
3. anyone acting on **your** behalf,

breaches any of the terms and/or conditions of this policy, **we** may:

- (a) decline **your** claim either in whole or in part, and/or
- (b) declare either this policy or any or all insurance **you** have with **us** to be of no effect and to no longer exist.

The insurance provided by this policy will not be invalidated or prejudiced by reason of any breach of term and/or condition of this policy where the breach occurs without **your** knowledge and consent.

Provided that notice is given to **us** as soon as practicable once **you** become aware of any such breach and **you** agree to pay an appropriate additional premium if required.

2. **Complete and Correct Statements and Answers**

You or any person acting on your behalf must make sure all statements made to **us** are in every respect correct and complete, when **you**:

- (a) apply for this insurance, and/or
- (b) notify **us** regarding any change in circumstances, and/or
- (c) make any claim under this policy and provide any further communication regarding the claim.

3. **Reasonable Care**

You must take reasonable care at all times to avoid circumstances that could result in a claim.

Your claim will not be covered if **you** are reckless or grossly irresponsible.

4. **Change in Circumstances**

You must notify **us** immediately if, after **we** have accepted **your application** for this policy, there is a material:

1. increase in the risk covered, or
2. alteration of the risk covered.

We may change the terms of this policy in response to any material change in circumstances **you** or anyone else advises **us** of. The change in terms will be effective from the date of the change in circumstances.

Information that is 'material' includes any information that might influence the decision **we** make about either:

- (a) accepting **your** insurance, or
- (b) setting the terms of **your** insurance.

If in any doubt, notify **us** anyway.

The 'risk covered' refers to both:

- (a) the actual property or liabilities insured, and
- (b) **you** or other persons covered by this policy.

Repairs or reinstatement by the insured

We will allow **you** to undertake any repair or replacement work in relation to the **loss** covered under this policy and due allowance will be made for a reasonable margin of profit provided that:

- 1. **we** are satisfied **you** have the required qualifications and capability to undertake such work, and
- 2. **your** charges and/or costs are competitive.

Renewal terms

If **we** intend to refuse renewal of this policy, or to offer renewal on any terms less favourable to **you** than those applying during the current **period of insurance**, **we** must give **you** notice of that intention. The notice must be received by **you** not less than 30 days before the expiry of the current **period of insurance**. If the notice is not received by that time **we** will, if so required by **you**, extend the current **period of insurance** so that it will expire not less than 30 days after the notice is received by **you**. **You** undertake to pay a pro-rata proportion of the annual premium for the period of any extension.

Waiver of recovery

This policy will not be invalidated or prejudiced by reason of **you**:

- 1. having waived any right of recovery or indemnity **you** may have against any:
 - (a) party to a contract or agreement with **you** in the ordinary course of business, provided the contract or agreement is not for the supply of goods or services by **you** and the waiver was made in writing before the **loss** occurred, or
 - (b) related company forming part of a group of related companies of which **you** are a member. For the purpose of this General Condition, 'related company' has the same meaning as the definition of those words in the Companies Act 1993, or
 - (c) other party provided that the waiver is made and has been declared to and accepted by **us**, or
- 2. having to release from liability any party in accordance with any legislative or regulatory requirement.

Sanctions

This policy will not provide cover, service, or benefit, or pay anything in connection with your policy, including any premium refund, if doing so may breach or risk exposure to any of the following.

- 1. Penalties, sanctions, prohibitions, proscriptions, preventions, or restrictions under United Nations resolutions.
- 2. Sanctions, proscriptions, preventions, laws or regulations of New Zealand, Australia, the United Kingdom, the United States of America, or the European Union.

Definitions

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

Accidental

Unintended and unforeseen by **you**.

Act of terrorism

An act including but not limited to the use of force or violence and/or the threat of that, including the intention to influence any government or to put in fear the public or any section of the public which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s).

Annual period

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

(a) **you** pay the premium monthly, or

(b) the **period of insurance** is for more than 12 months,

the annual period is the current 12 month period calculated consecutively from the date this policy first started.

Application

The information provided by **you** to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**. It also includes any subsequent information **you** provide **us** with.

Building

Any of the following:

(a) any building,

(b) underground and above ground services directly associated with the building,

(c) permanent fixtures and fittings at the building(s), including but not limited to signs, sprinkler systems, wired alarm systems, and wired security cameras,

(d) **site improvements**,

(e) **landscaping**,

provided that the property is:

(a) owned by **you** (including joint ownership with others), and

(b) located at the **situation** at the start of the **period of insurance**.

Business days

The days **your** business usually operates.

Business hours

The hours that:

- (a) **you** or any director or manager of **yours**, or
- (b) any of **your** employees who are entrusted with the care, custody or control of **money**, are on **your** business premises for the purpose of **your** business.

Business interruption policy

The insurance policy, that **we** call the business interruption policy, that **you** have with **us** that covers the financial interruption or interference with **your** business operations.

Common site

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

Communicable disease

- (a) any disease (whether human, animal, plant or otherwise) which can be transmitted directly or indirectly from any organism to another organism by means of any substance or agent (including without limitation any virus, bacterium, parasite or other organism or any variation thereof, whether living or not), where the disease, substance or agent can cause or threaten:
 - i. damage to human health or welfare; or
 - ii. damage to, deterioration of, loss of value of, marketability of or loss of use of property; or
- (b) any infectious Disease or Quarantinable Disease as defined in or declared under the Health Act 1956.

A reference to the Health Act 1956 includes any amendment, replacement or successor legislation. A reference to Infectious Disease or Quarantinable Disease has the meaning found in any replacement definition or of any equivalent or substantially similar term defined in or declared under any amendment, replacement or successor legislation.

Computer system

Any computer, hardware, **software**, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), electronically controlled equipment (including but not limited to data processing), server, cloud or microcontroller including any similar system or any configuration of the systems mentioned above and including any associated input, output, **data** storage device, networking equipment or back up facility.

Contents

Any of the following used in connection with **your** business:

- (a) machinery, plant, tools and chattels,
- (b) business fixtures, fittings and furnishings,
- (c) if **you** are a tenant, tenant's improvements to the leased building of any type,
- (d) any other property (other than a building) of a similar nature,

provided that:

- (i) they are owned by **you** (including joint ownership with others), or
- (ii) they are leased, hired or borrowed by **you**.

The term "contents" does not include **stock** or employee's property.

Customers' goods

Property, other than a building, that:

- (a) is owned by **your** customers, and
- (b) is in **your** temporary possession or temporary legal control in the course of **your** business activities.

Customers' goods do not include **contents**.

Cyber act

An unauthorised, malicious or criminal act or series of related unauthorised malicious or criminal acts, regardless of time and place, or the threat or hoax of any such act or series of related acts involving access to, processing of, use of or operation of any **computer system**.

Data

Information, facts, concepts, code or any other information of any kind that is converted, recorded or transmitted in a form to be accessed, communicated, displayed, distributed, interpreted, processed, transmitted, stored or used in or by a **computer system**.

Destroyed

So physically damaged by an insured **loss** that the property, by reason only of that **loss**, cannot be repaired.

Event

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

Fusion

The process of fusing or melting together of windings or wiring following damage to the insulating material as a result of overheating.

Immediately preceded by

The event occurring in sequence immediately prior to the **loss**.

If there is a chain of events, this will be the last event occurring immediately prior to the loss.

Insured property

Tangible property of every description not expressly excluded, all being **your** own, or held by **you** jointly, or in trust, or on commission and for which **you** are legally responsible within the following categories:

- (a) **buildings**
- (b) **contents**

- (c) **stock**
- (d) other property as particularly described in the schedule.

For determining, where necessary, the category under which any property is insured, we agree to accept the designation under which the property is entered in your records.

Landscaping

Permanently sited live plants, ornamental trees, shrubs, hedges or grass including rock work, paving and ornamentation used to adorn or improve the grounds at the **situation**, except if any of these items are **stock** of **your** business.

Loss

Sudden physical loss or damage occurring during the **period of insurance** and not the subject of a policy exclusion.

Machine

Any device that:

- (a) converts and directs motion or energy, and/or
- (b) performs any electronic process,
including any protective component connected with that device.

Machinery breakdown

1. any mechanical, hydraulic, electrical or electronic:
 - (a) breakdown or failure, or
 - (b) cessation of function, or
 - (c) malfunction, or
 - (d) derangement, or
2. **fusion** of any nature.

Money

Any of the following, where they are associated solely with **your** business operations:

- (a) current coin, bank and currency notes,
- (b) cheques and travellers' cheques,
- (c) bank drafts and money orders,
- (d) phone cards,
- (e) unused postage and revenue stamps,
- (f) credit card vouchers, redeemable vouchers and tokens,
- (g) franking machine credits,
- (h) other tangible negotiable instruments. *For example, promissory notes or bills of exchange.*

Natural disaster

- (a) earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, or subterranean fire; or

(b) fire occasioned by, through or in consequence of any perils shown in (a).

Natural disaster damage

- (a) **loss** or damage directly or indirectly caused by or resulting from **natural disaster**;
- (b) **loss** or damage occurring (whether accidentally or not) as the direct result of measures taken under proper authority to avoid the spreading of, or otherwise to reduce the consequences of, any such damage but (except for the purposes of the business interruption section) does not include any damage for which compensation is payable under any Act of Parliament or the regulations under any Act.

NHI Act

Natural Hazards Insurance Act 2023 and any Act in substitution of that Act.

Office equipment

Any of the following office equipment: desktop computers that are not covered under "Policy Extension - Portable Electronic Equipment Cover", office desks, office chairs, fax machines, printers, document scanners, refrigerators and dishwashers, provided that:

- (i) it is owned by **you** (including joint ownership with others), or
- (ii) it is leased, hired or borrowed by **you**.

The term "office equipment" does not include **stock** or employees' property.

Pre 1935 building risks

Where:

- (a) the **building** is, or
 - (b) the **contents** and/or **stock** are,
- located in any building, or part of a building, originally constructed prior to 1935.

Period of insurance

The period shown in the *schedule* commencing on the 'From' date and expiring at 4.00pm on the 'To' date.

Portable electronic equipment

Cell phones, video data projectors, digital cameras, other audio visual equipment, portable computing devices and portable data storage devices, provided that the items are:

- (i) owned by **you** (including joint ownership with others), or
- (ii) leased, hired or borrowed by **you**.

The term "portable electronic equipment" does not include **stock** or employee's property.

Pressure vessel

The parts of any **insured property** or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including:

- (a) all integral parts, and
- (b) controls, and

(c) systems (other than systems forming part of a building or structure).

Production process

Any process of producing, making, treating or servicing goods.

Refrigerated stock

Perishable goods and/or their containers/packaging that are kept in a refrigerated storage chamber at the **situation**.

Region

The areas of land in each of the named Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.

Regulations

Building regulations or other regulations that are:

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

Residential unit

Each self-contained part of the **building** designated for separate residential occupancy.

Schedule

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

Site

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

Site improvements

Site improvements are:

- (a) footpaths, driveways, car parks, **site** roads, and yards, of permanent construction,
- (b) permanently sited water storage tank, septic tank or heating oil tank,
- (c) retaining walls,
- (d) gates, fences.

Site sum insured

The total sum insured for all **insured property** located at each **situation** which is insured under this Material Damage policy. In the event that the total sum insured for the property which applies in the event of **natural disaster damage** is different to that applying in the event of damage

other than by **natural disaster**, the **site** sum insured shall be the total sum insured applying to damage other than by **natural disaster**.

Situation

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

This includes:

- (a) All premises owned, leased or used by **you** as detailed in the policy **schedule** attaching to this policy.
- (b) Trade shows or exhibitions where any **insured property** is located to a limit of \$50,000 for any one trade show or exhibition.

Where a public road separates premises, it is deemed to be a separate location for the purpose of this definition.

Software

Programs, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment including any operating system.

Stock

Any of the following:

- 1. Stock and materials in trade provided that they are:
 - (a) owned by **you** (including joint ownership with others), or
 - (b) in **your** temporary possession in the course of **your** business activities.
- 2. **Customers' goods.**

Storage container

Any fully enclosed:

- (a) shipping container or similar, or
- (b) portable shed or similar structure, or
- (c) non-portable container, such as a metal or wooden container that has been built into or secured to a vehicle.

Sustainable products

Sustainable products are:

- (a) products that increase the efficiency of the **building** relating to the use of energy and/or water,
- (b) rebuilding materials that reduce environmental impacts.

Sustainable products do not include the following:

- (a) fire protection devices or systems,
- (b) security devices or systems,
- (c) natural hazard protection.

Examples of sustainable products include the following:

- (i) double glazing,*
- (ii) solar water heating systems,*

- (iii) environmentally friendly timber,*
- (iv) environmentally friendly paints and/or carpets,*
- (v) rainwater collection tanks and/or water efficient interior plumbing,*
- (vi) natural lighting and/or ventilation,*
- (vii) 'Best Practice' insulation (as recommended by Standards New Zealand),*
- (viii) Energy Star-rated electrical equipment and/or interior lighting systems,*
- (ix) Energy Star-qualified roof materials,*
- (x) facilities to encourage the use of alternative transport (e.g. bicycle storage),*
- (xi) wind turbines.*

Temporarily removed

Contents that:

- (a) **you** have removed from their original location for maintenance, service or repair, and
- (b) **you** intend to return to their original location, once that maintenance, service or repair has been completed.

Undamaged

Not directly or physically damaged by an **event** that would be covered by this policy.

We, us, our, company

Vero Insurance New Zealand Limited. **We** may also use the words 'us', 'our' or 'company' to describe Vero.

Work of art

An object of artistic or cultural value including but not limited to pictures, paintings, prints, sculptures or ornaments, hand woven carpets, rugs or mats.

You, your, Insured

The person(s) or entity named in the **schedule** as 'Insured' and any subsidiary company, more than half the nominal value of whose equity share capital is owned by the named Insured either directly or through other subsidiaries; and any entity over which an Insured exercises management control. **We** may also use the word 'Insured' to describe you.

Vero/Steadfast Material Damage Wording - (07/2024)