



Business Risks

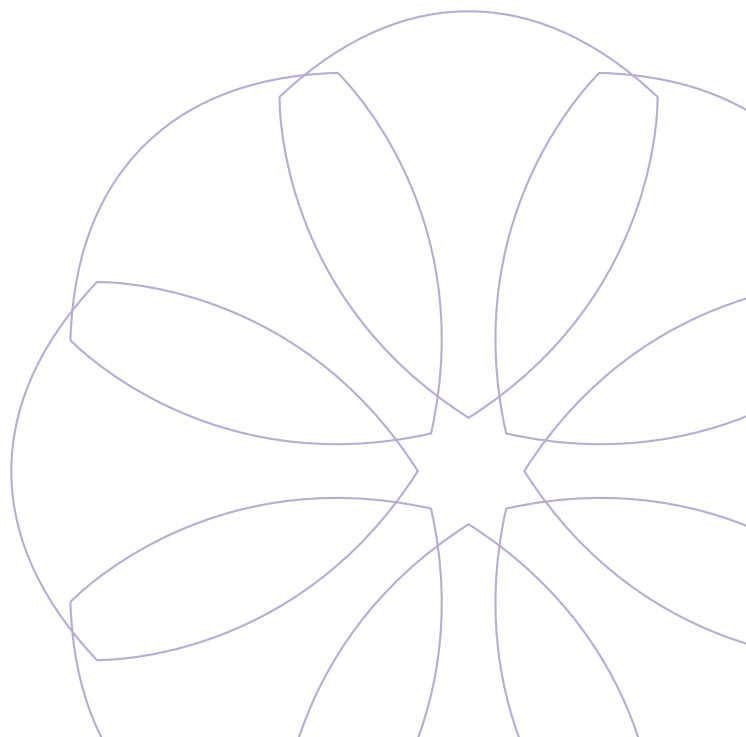


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Policy Document

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Policy Introduction

Important:

Please read the following information.

1 Your policy and how it works

1.1 Your Business Risks Policy is a contract consisting of:

- Your application and any other information you supplied us, and
- Those Covers in this document that are shown in the *schedule* as selected by the inclusion of a monetary amount under the column 'Sum Insured', and
- The *schedule*.

1.2 Once you have agreed to pay the premium, we will insure you under this Business Risks Policy for the *term* shown in the *schedule*.

1.3 The words in this Business Risks Policy in *italics* are defined. The definitions are at the back of this document.

1.4 The headings are for reference only and must not be used in interpreting this document.

2 Your satisfaction guaranteed

2.1 If you are not completely happy with this Business Risks Policy, you may cancel it within 30 days of it commencing, and receive a full refund of your premium. You are not able to claim under it.

3 Your duty of disclosure

3.1 When arranging this Business Risks Policy, you must tell us everything you know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

- Whether to accept your application, and
- If so, on what terms.

Examples of what you must tell us include:

- Circumstances that increase the risk of a claim, e.g. a history of flooding.
- Criminal offending or convictions, e.g. a conviction for theft.
- Previous insurance claims.
- Refusal by another insurer to insure you on standard terms, or to continue to insure you on standard terms.

3.2 You must also tell us this every time you seek to renew it, and when you make any changes to it.

3.3 If you fail to do this, we may avoid this Business Risks Policy back to when it started. You were never insured at all.

When in doubt, disclose. We treat all information confidentially.

4 Your rights under the Fair Insurance Code

4.1 We are members of the Insurance Council of New Zealand. It promotes a code of ethics amongst its members. This is called the Fair Insurance Code.

4.2 The Code sets out some of your rights when dealing with us. We view these as a minimum only. Please contact us if you would like to receive a copy of the Code. Alternatively, it can be located at: <http://www.icnz.org.nz>

5 Renewals

5.1 This insurance is for the *term* shown in the *schedule*. We may offer to renew it for a further *term* at our sole discretion. If we do, you will receive this offer from us before the *term* expires.

6 Some reminders

We remind you of some of the circumstances where you must notify us, or where cover can change under the Covers:

- **Buildings unoccupied for more than 90 days**
You must tell us if any building is going to be unoccupied for more than 90 days. Otherwise cover under the Buildings and Contents Covers is suspended until the building is occupied again.
- **Possible claims**
If you are aware of any circumstances that could lead to a claim you must immediately tell us.
- **Purchasing a new building**
If you purchase any new buildings during the *term* that you want covered under the Buildings Cover, you must notify us within 28 days of the purchase.
- **Alterations to an existing building costing \$100,000 or less**
Where the *total construction cost* of alterations to an existing *building* under the Buildings Cover does not exceed \$100,000, you may cover those alterations under the Business Cover. If you wish to do so you must notify us before construction commences.
- **Disciplining or dismissing staff**
Under the Employment Disputes Cover you must not discipline or dismiss your employees without first obtaining our advice or the advice of an employment law expert approved by us.
- **Changes to the risks covered**
If the nature of any of the risks you are insuring either materially escalates or materially changes, during the *term*, you must immediately tell us.
- **Double insurance**
If you insure any of the risks covered under this Business Risks Policy with another insurance company during the *term*, you must immediately tell us.
- **Cancellation**
If you wish to cancel this Business Risks Policy you must tell us.

Buildings Cover

You only have this Buildings Cover if it is shown as selected in the schedule. If you have selected this Buildings Cover, you automatically have the Legal Liability Cover (below) also.

1 Definitions

The following words (and any derivatives) in this Buildings Cover are defined as follows:

Buildings: any building or permanent structure including walls, fences, gates and underground services within the boundaries of the premises at the *risk location* and used in connection with *your* business. If the building is let to tenants, this includes any fixed floor coverings, partitions (fixed and free standing), signs, sign writing, drapes and blinds owned by *you* in the building.

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

Total construction cost: means the total cost of the project, including:

- All materials, supplies and services
- Dismantling and demolition costs
- Building and erection costs
- Testing and commissioning costs
- New and existing machinery/equipment costs
- Architect's, engineer's and other project related fees.

Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

2.1 Loss to buildings

We cover *you* for *accidental loss* during the *term* to *your buildings*.

2.2 Consequential costs

After a *loss* covered by clause 2.1 above, we also cover *you* for the necessary and reasonable cost of:

- Demolition and removal of any debris, and
- Professional fees incurred in repairing or replacing the *buildings*, and
- Protecting and securing the damaged *buildings*, and
- Complying with any new *building* law in relation to the part of the *buildings* affected by the *loss* (as long as *you* did not receive notice of non-compliance before the *loss*).

2.3 Expediting costs

After a *loss* covered by clause 2.1 above, we cover the additional cost of express freight and overtime wages, provided they are necessary to hasten the repair or

replacement of the *buildings* and are reasonable.

2.4 Unharmd property

If, after a *loss* covered by clause 2.1 above, the repair or replacement of the *buildings* requires unharmd parts of the *buildings* to be altered or removed, we cover the cost of this also.

This does not apply if the alteration or removal is solely to comply with building laws.

2.5 Capital additions during the term

We will also cover *you*, on the same terms, for *accidental loss* during the *term* to any additional *buildings* acquired by *you* during the *term*, in connection with *your* business, for a period of 28 days from the date of acquisition.

You must notify *us* within that period, and pay an extra premium from the date of acquisition.

2.6 Capital alterations during the term

We will also cover *you*, on the same terms, for *accidental loss* during the *term* to *buildings* in the course of construction, if the *total construction cost* is no more than \$100,000.

You must notify *us* before construction commences.

We may change the terms of cover and charge an extra premium at *our* sole discretion.

Exclusion 5.7 does not apply.

2.7 Mitigating costs

We will also cover *you*, on the same terms, for necessary and reasonable costs in preventing or minimising a *loss* during the *term* where that *loss* is clear and imminent, and would have been, or is, covered under this Cover.

2.8 Stolen keys

If any:

- Key or equivalent device, or
- Combination

giving access to a *building* is stolen, or believed on reasonable grounds to have been duplicated without authority, during the *term*, we cover *you*, on the same terms, for the necessary and reasonable cost of:

- Altering or replacing locks, keys or combinations, and
- Opening any safe or strong room following theft of its key or combination.

The most we will pay is \$1,000 per *event*. Only one claim is payable under this Cover and the Contents Cover for the same *event*.

2.9 Hidden gradual damage

We will also cover *you*, on the same terms, for hidden gradual damage to *your buildings* first discovered during the *term* caused by water that escapes from any water pipes, installed in, or on, the *building*, during the time *you* have owned it.

Exclusion 5.3 does not apply.

The most *we* will pay is \$10,000 in total during the *term*.

3 What you receive

3.1 Business Building – Replacement Value

3.1.1 New for old

If the *schedule* shows 'Business Building – Replacement Value' *we* will pay the cost of restoring the *building* to a condition substantially the same as its condition when new, based on current methods and materials.

3.1.2 Reinstatement at another site

After a total *loss*, *you* may reinstate the *building* at another site. However, *we* will not pay more than the cost of reinstatement at the original site.

3.1.3 Election not to replace

If *you* elect not to replace the *building*, *we* will only pay the *market value* of the *building* as at the date of the *loss*, as assessed by a registered valuer.

3.2 Business Building – Market Value

3.2.1 Market value

If the *schedule* shows 'Business Building – Market Value', *we* will pay the cost of restoring the *building* to a condition substantially the same as its condition prior to the *loss*.

We will either repair the *building*, or pay *you* the reasonable cost of repairing it, at *our* sole discretion.

We will pay up to the *market value* of the *building* at the date of the *loss* as assessed by a registered valuer appointed by *us*.

3.2.2 Betterment

If the repairs result in the *building* being restored to a condition substantially better than its condition prior to the *loss*, *you* must make a fair contribution towards this.

3.3 Excess

3.3.1

An *excess* of \$250, or any different amount shown in the *schedule*, applies *per event*.

3.3.2

However if the *loss* arises from theft or burglary at a location where no monitored alarm was activated at the time, the *excess* is \$500 *per event*.

3.4 Maximum payment

3.4.1

The most *we* pay under clause 2, for all covers *per event*, is the Sum Insured shown in the *schedule* for this Cover.

3.4.2

We will adjust this Sum Insured for *you* each year to allow for estimated building cost inflation.

4 Optional cover

4.1 Disaster cover

4.1.1 Cover

If the *schedule* shows 'Disaster Cover' *we* will extend this Cover, subject otherwise to the same terms, to cover *loss* to *your buildings* caused by:

- Earthquake
- Volcanic eruption
- Fire following earthquake or volcanic eruption
- Hydrothermal activity
- Tsunami
- Subsidence or landslip

4.1.2 Subsidence or landslip limitations

However, the cover for subsidence and landslip is subject to the following:

- (a) *We* only cover *loss* to *buildings*. This does not include site improvements such as retaining walls, walls, gates, fences, power lines, driveways, underground services, tanks, pits, or other items external to the *building*.
- (b) Where land has moved or slipped, *we* only cover land under the *building* line and up to 8 metres from the *building's* external walls. Cover for the removal of land is limited to \$10,000. There is no cover for land stabilisation costs.
- (c) There is no cover for:
 - Any decrease in the value of the land or the site.
 - Subsidence or erosion by the action of the sea.
 - Normal settling, normal shrinkage, normal expansion of land, *buildings* or foundations.
 - Subsurface subsidence due to the water table drying out through atmospheric or climatic conditions.
- (d) The most *we* will pay *per event* is the lesser of \$250,000, or the Sum Insured, and an *excess* of \$5,000 applies *per event*.

4.1.3 Disaster Cover excess

The cover for disaster in each *region* below is subject to the *excess* shown for that *region*.

| Region | Excess |
|--|--|
| Northland, Auckland, Waikato, Otago, Southland and the Districts of Timaru and Waimate. | 1% of the <i>loss</i> , with a minimum of \$1,000. |
| Bay of Plenty, Gisborne, Hawkes Bay, Taranaki, Manawatu- Wanganui, Nelson, Tasman, West Coast, Canterbury excluding the Districts of Timaru and Waimate. | 2.5% of the <i>loss</i> , with a minimum of \$2,500. |
| Wellington, Blenheim, Marlborough. | 5% of the <i>loss</i> , with a minimum of \$5,000 |

4.1.4 Disaster Cover Maximum Amount

The most we will pay under clause 4.1, in total per *event* is the Sum Insured shown in the *schedule* for this optional cover.

4.2 Loss of Rent

4.2.1 Cover

If the *schedule* shows 'Loss of Rent' we will extend this Cover, subject otherwise to the same terms, to cover *your* loss of rent from a *building* because it is not habitable by *your* tenant arising from *loss* covered by this Cover.

4.2.2 Payment

If the *building* is repaired, we will pay *your* loss of rent for the period of time the *building* is not habitable by *your* tenant, up to a maximum period of 12 months from the date of the *loss*.

If the *building* is a total loss, we will pay *your* loss of rent for the shorter of:

- 12 months from the date of the *loss*, or
- Until the period ending 30 days after settling *your* claim.

The most we will pay in total during the *term* is the amount shown in the *schedule*.

5 Exclusions

There is no cover under this Cover for:

5.1 Types of property

Motor vehicles, watercraft, aircraft (or the accessories or spare parts of any of them),

Animals, live plants or trees.

5.2 Wear and tear

Wear and tear, scratching or denting.

5.3. Gradual deterioration

Mildew, rot, corrosion, rust or gradual deterioration.

5.4 Insects/vermin

Loss directly caused by insects or vermin (other than opossums), but this does not include resultant *loss* to other parts of the *buildings*.

5.5 Settlement/shrinkage/expansion

For settlement, shrinkage or expansion of *buildings*, foundations, walls, pavements, roads and any other structural improvements.

5.6 Room limitation

Replacement of carpet, floor coverings, blinds or curtains beyond the room or delineated area in which they are damaged.

5.7 Building Construction

Buildings:

- Whilst being lifted or shifted.
- During renovations involving the removal of structural support.
- In the course of construction, alteration, demolition, erection, or testing following any of these.

5.8 Faulty workmanship/materials/design

The cost of:

- Repairing or replacing faulty materials
- Fixing faulty workmanship
- Fixing work done to a faulty design or specification.

However, this does not include any resultant *loss* not otherwise excluded.

6 Conditions

6.1 Building compliance

Your buildings must comply with all legal requirements. If they fail to do so, and this causes or contributes towards a *loss* covered by this Cover, we may, at *our* sole discretion, not pay the claim.

6.2 Without any occupant

We automatically suspend cover under this Cover for any building that has been without an occupant for more than 90 consecutive days, unless *you* have given prior notice to *us* and *we* have agreed for cover to remain.

We may change the terms of the cover.

Cover resumes as soon as the *building* is occupied again.

Contents Cover

You only have this Contents Cover if it is shown as selected in the schedule. If you have selected this Contents Cover, you automatically have the Legal Liability Cover (below) also.

1 Definitions

The following words (and any derivatives) in this Contents Cover are defined as follows:

Contents: means all tangible assets (other than buildings, trees, plants, animals, and any kind of motor vehicle, watercraft and aircraft (including their accessories and spare parts)):

- Owned by *you*, or
- In *your* custody (providing they are not otherwise insured) at the *risk location*, in connection with *your* business.

Contents automatically includes *stock in trade* up to a maximum of \$10,000. However, if any different amount is shown separately for *stock in trade* in the *schedule*, *contents* does not include *stock in trade*.

Contents excludes *money*.

Money: means cash, notes and negotiable securities in connection with *your* business.

Stock in trade: means goods held for sale or distribution in connection with *your* business.

Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

2.1. Loss to contents, stock in trade and money

We will cover *you* for any *accidental loss* during the *term* to *your contents, stock in trade and money*.

2.1.1 We will only cover *money* at:

- The *risk location*, or in transit directly between the *risk location* and *your* bank during business hours, or
- *Your* home or the home of an authorised employee, or in transit to either of them from the *risk location*, outside business hours.

2.1.2 We will only cover:

- *Contents* and *stock in trade* at the *risk location*, and
- *Contents* of a non-portable nature whilst temporarily removed to any place within New Zealand for any purpose, with the intention that they will be returned to the *risk location* once that purpose is satisfied.

2.2 Portable contents

We will also cover *you*, subject otherwise to the same terms, for *accidental loss* during the *term* to portable *contents* whilst carried by *you* or any employee of *yours*

away from the *risk location* to anywhere in New Zealand, Australia or the South Pacific.

2.3 Employees' effects

We will also cover *you*, subject otherwise to the same terms, for *accidental loss* during the *term* to *your employees' effects* (but not *money*) at the *risk location*, if the employee has not otherwise insured them. The most we will pay is \$1,000 per employee and \$5,000 for all employees per event.

2.4 Tenanted premises

We will also cover *you*, subject otherwise to the same terms, for *accidental loss* during the *term* to:

- Glass,
- Doors,
- Windows,
- Light fittings,
- Power points, and
- Floor coverings (other than by fair wear and tear) of premises *you* lease.

However, this only applies where *you* are not legally liable for the *loss*, but *you* are still responsible under the lease to repair or make good the *loss*.

(If *you* are legally liable, please refer to the Legal Liability Cover.)

2.5 Social or staff club

We will also cover *you*, subject otherwise to the same terms, for *accidental loss* during the *term* to any *contents* owned by any social, staff or sports club for *your* employees.

The most we will pay is \$2,500 per event.

2.6 Reward

We will also cover *you* for the cost of paying a reward to protect or recover a *loss* to property covered under this Cover. However:

- We must agree to the reward before it is offered, and
- The reward must play some part in protecting or recovering the property.

2.7 Counselling

Following a *loss* covered under this Cover, we will also pay up to \$250 per person and \$1,500 per event for *you* and *your* employees to undergo any necessary counselling.

2.8 Hidden gradual damage

We will also cover *you*, subject otherwise to the same terms, for hidden gradual damage to *your contents* first discovered during the *term* caused by water that escapes from any water pipes, installed in, or on, the building containing the *contents*, during the time *you* have occupied it.

Exclusion 5.2 does not apply.

The most we will pay is \$2,500 in total during the *term*.

2.9 Stock seasonal increase

If the *schedule* shows 'Stock Seasonal Increase', we will increase *your* Sum Insured for *stock in trade* by the amounts, and during the months, shown in the *schedule*.

3 What you receive

3.1 Contents

3.1.1

If *your contents* can be repaired, we will pay *you* or the repairer the reasonable cost of repairing them, as far as practicable to the same condition they were in when new.

3.1.2

If *your contents* are irreparable, we will pay *you*:

- The cost of replacing:
 - *Contents* up to 10 years old, and
 - *Contents* that appear as a current asset on *your* asset register or depreciation *schedule*, and
- The *market value* of any other *contents*. The most we will pay for leased items of *contents* is the lesser of:
 - The cost of replacing the item, or
 - The amount payable under the lease to bring it to an end.

3.1.3

If we replace *your contents*, we only pay for a replacement item with equivalent functionality. If its functionality is increased, *you* must pay a fair contribution towards this.

3.1.4

The most we will pay in total for *contents* per event is the amount shown in the *schedule*.

3.2 Portable Contents

If a separate Sum Insured is not shown in the *schedule* for 'Portable Contents', the most we will pay in total during the *term* is \$10,000. This amount is included in the Sum Insured shown in the *schedule* for *contents*.

If a separate Sum Insured is shown in the *schedule* for 'Portable Contents', the most we will pay in total during the *term* is that sum. This amount is included to the Sum Insured shown in the *schedule* for *contents*.

3.3 Stock in trade

3.3.1

We will pay the cost of replacing *your stock in trade*.

3.3.2

If a separate Sum Insured is not shown in the *schedule* for *stock in trade*, the most we will pay in total during the *term* for *stock in trade* is \$10,000. This amount is included in the Sum Insured shown in the *schedule* for *contents*.

3.3.3

If a separate Sum Insured is shown in the *schedule* for *stock in trade*, the most we will pay in total during the *term* for *stock in trade* is that sum. This amount is in addition to the Sum Insured shown in the *schedule* for *contents*.

3.4 Refrigerated or frozen stock in trade

3.4.1

If *your stock in trade* is refrigerated or frozen, the most we will pay is \$5,000 per event. This amount is included in the Sum Insured shown in the *schedule* for *contents*.

3.4.2

However, if a different amount is shown in the *schedule* for refrigerated or frozen *stock in trade* this amount applies, and is paid in addition to the Sum Insured shown in the *schedule* for *contents*.

3.5 Money

The most we will pay for *money* is \$5,000 per event, or any different amount shown in the *schedule*.

3.6 Consumer Price Index

We will increase the Sums Insured for *contents* at each renewal by the amount of the increase in the Consumer Price Index.

3.7 Excess

A standard excess of \$250 applies per event. However if the *loss* arises from theft or burglary where no monitored alarm was activated at the time, the excess is \$500.

4 Optional cover

4.1 Records and Data

4.1.1 Cover

If the *schedule* shows 'Records and Data', we will extend this Cover, subject otherwise to the same terms, to cover:

- The cost of recreating *your* physical records in connection with *your* business, lost during the *term* anywhere in New Zealand, and
- The cost of recovering or recreating lost *data* and software during the *term* in connection with *your* business, stored on *your* computer equipment, and

- Increased costs of operation, following *loss to your physical records, your data* and software, including the hire of substitute equipment and additional personnel.
- Provided however, there is no cover for any *loss* excluded under the General Exclusions for cyber-liability or cyber- physical damage.

4.1.2 Payment

The most we will pay in total under clause 4.1 during the *term* is the amount shown in the *schedule*.

4.2 Disaster Cover

4.2.1

If the *schedule* shows 'Disaster Cover' we will extend this Cover, subject otherwise to the same terms, to cover *loss to your contents, stock in trade and money* caused by:

- Earthquake
- Volcanic eruption
- Fire following earthquake or volcanic eruption
- Hydrothermal activity
- Tsunami
- Subsidence or landslip

4.2.2 Subsidence or landslip limitations

However, the cover for subsidence and landslip is subject to the following:

- (a) There is no cover for:
- Subsidence or erosion by the action of the sea.
 - Normal settling, normal shrinkage, normal expansion of land, buildings or foundations.
 - Subsurface subsidence due to the water table drying out through atmospheric or climatic conditions.
- (b) The most we will pay is \$50,000 per *event*, and an excess of \$2,500 applies per *event*.

4.2.3 Disaster Cover excess

The cover for disaster in each *region* as shown in the table is subject to the *excess* shown for that *region*.

| Region | Excess |
|--|--|
| Northland, Auckland, Waikato, Otago, Southland and the Districts of Timaru and Waimate. | 1% of the <i>loss</i> , with a minimum of \$1,000. |
| Bay of Plenty, Gisborne, Hawkes Bay, Taranaki, Manawatu- Wanganui, Nelson, Tasman, West Coast, Canterbury excluding the Districts of Timaru and Waimate. | 2.5% of the <i>loss</i> , with a minimum of \$2,500. |
| Wellington, Blenheim, Marlborough. | 5% of the <i>loss</i> , with a minimum of \$5,000 |

4.2.4 Disaster Cover Maximum Amount

The most we will pay under clause 4.2, in total per *event*, is the Sum Insured shown in the *schedule* for this optional cover.

5 Exclusions

There is no cover under this Cover for:

5.1. Wear and tear

Wear and tear, scratching or denting.

5.2 Gradual deterioration

Mildew, rot, corrosion, rust or gradual deterioration.

5.3 Insects/vermin

Loss directly caused by insects or vermin (other than opossums).

5.4 Transit

For property in the course of removal or transit, unless expressly covered above.

5.5. Mechanical or electrical breakdown

Mechanical or electrical breakdown unless caused by a verified electrical power fluctuation.

5.6 Inventory shortages

Unexplained disappearances, shoplifting, shortages revealed by the taking of an inventory, or by clerical or accounting errors.

5.7 Theft by employees

Theft by *your* employees.

6 Conditions

6.1 Without any occupant

We automatically suspend cover under this Cover for any *contents, stock in trade and money* in any building that has been without an occupant for more than 90 consecutive days, unless *you* have given prior notice to *us* and *we* have agreed for cover to remain.

We may change the terms of the cover. Cover resumes as soon as the building is occupied again.

Business Interruption Cover

You only have this Business Interruption Cover if it is shown as selected in the schedule.

1 Definitions

The following words (and any derivatives) in this Business Interruption Cover are defined as follows:

Indemnity period: means the period starting on the date of the interruption and continuing for the period shown in the schedule.

Insured profit: means the amount by which:

- (a) The sum of the *turnover* plus the amount of the closing stock shall exceed,
- (b) The sum of the amount of the opening stock, plus the amount of the *uninsured working expenses*.

The amount of the opening and closing stocks must be in accordance with *your* normal accounting methods, allowing for depreciation. The words and expressions used have the usual meaning attached to them as used in *your* books and accounts, including the *uninsured working expenses*.

Rate of insured profit: means the rate of insured profit earned on the *turnover*, during the financial year immediately before the date of the *loss*, subject to any *standard adjustments*.

Reduction in turnover: means the amount that the *turnover*, during any period, shall fall short of the *standard turnover* that relates to the same period, because of the *loss*.

Standard adjustments: means any adjustments that are necessary to provide for:

- (a) The trend of *your* business, and
- (b) Variations in *your* business, and
- (c) Other circumstances affecting *your* business, that
 - Occur before or after the *loss*, or
 - Would have affected *your* business had the *loss* not occurred.

The final adjusted figures should represent (as close as is possible) the results that *you* would have achieved during the relative period, but for the *loss*.

Standard turnover: means the *turnover* during the period in the previous 12 months immediately before the date of the *loss* that matches the *indemnity period*, subject to any *standard adjustments*. If the *loss* occurs before the end of the first year in business, the results to date will be the basis for establishing *standard turnover*.

Turnover: means whichever of the following options we choose:

- (a) All *money*, and other reimbursements *you* receive for goods or services in connection with *your* business, or

- (b) Such other index of business operations that gives the fairest result.

Uninsured working expenses: means those expenses that *you* no longer incur when *your* business is unable to operate.

Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

If *loss* covered under this Business Risks Policy, or another Policy with *us*, results in interruption or interference with *your* business at the *risk location*, we will cover *you* for any of the following, if they occur as a consequence:

2.1 Reduction in profit

If *you* suffer a reduction in *insured profit*, we will cover *you* as follows:

- (a) In respect of *reduction in turnover*, the sum produced by multiplying the rate of *insured profit* by the *reduction in turnover* during the *indemnity period*; and
- (b) In respect of increase in cost of working:
 - The additional expenditure *you* incur solely to avoid or diminish the *reduction in turnover* that, but for that additional expenditure, would have taken place during the *indemnity period* because of the *loss*. Provided that this additional expenditure:
 - Is reasonable, and
 - Does not exceed the sum produced by multiplying the rate of *insured profit* by the amount of the *reduction in turnover* subsequently avoided.
 - Less any sum saved during the *indemnity period* for costs and expenses of *your* business (that would be paid out of *insured profit*) that cease or reduce because of the *loss*.

If, during the *indemnity period*:

- Any goods are sold, or
- Any services are rendered,

elsewhere than at the *risk location* for the benefit of *your* business (either by *you* or by anyone on *your* behalf), the *money* paid or payable for those sales or services shall be included in the *turnover* during the *indemnity period*.

2.2 Your book debts

The value of the outstanding debt balances for clients in *your* accounting records that *you* are unable to recover because of the *loss* to *your* buildings or contents, including the necessary and reasonable cost of verifying those balances.

We will pay the difference between the outstanding debt balances at the date of the *loss*, and the amount that can be established as owing by identifiable clients during the 12 months after the *loss*.

We will deduct an equitable allowance for bad debts and business fluctuations. The most we will pay under clause 2.2 is \$10,000 for any one *event*, or any other amount shown in the *schedule*.

2.3 Your claim preparation costs

The reasonable fees you incur to pay your accountant or other professional consultant to quantify and present (but not negotiate) your claim under this Cover.

3 Extension

This Cover is extended, subject otherwise to the same terms, to cover interruption or interference resulting from:

3.1 Landlord's building

Property damage during the *term* to a building you occupy, that would be claimable under this Business Risks Policy if you owned it. However cover is limited to the lesser of the *indemnity period* and 6 months if the building is not insured for the *property damage*.

3.2 Prevention of access

Prevention of access to the *risk location* caused by any of the following happening in the vicinity of the *risk location*:

3.2.1

Damage to property that would be claimable under this Business Risks Policy if you owned the property, or

3.2.2

Danger to human life, or

3.2.3

Injury to any person, or

3.2.4

Murder or suicide of any person, during the *term*.

3.3 Actions of lawful authority

Closure of, or prevention of access to, the *risk location* by any lawful authority due to an *accidental* state of affairs at the *risk location* during the *term*.

3.4 Supply of goods/services/utilities

The supply of goods, services or utilities to the business from sources within New Zealand being interrupted, because of *property damage* during the *term* that would be claimable under this Business Risks Policy if you owned the property.

4 Optional cover

4.1 Disaster cover

4.1.1 Cover

If the *schedule* shows 'Disaster Cover' we will extend this Cover, subject otherwise to the same terms, to interruption or interference resulting from *loss* caused by:

- Earthquake
- Volcanic eruption
- Fire following earthquake or volcanic eruption
- Hydrothermal activity
- Tsunami
- Subsidence or landslide

4.1.2 Disaster Cover Maximum Amount

The most we will pay under clause 4.1 in total per *event*, is the Sum insured shown in the *schedule* for this optional cover.

5 What you receive

5.1 Franchise

The interruption or interference must exceed 24 hours before any claim is paid under this Cover. If it does, the first 24 hours is covered under the Cover also.

5.2 Maximum amount

The most we will pay under this Cover in total during the *term* is the Sum Insured shown in the *schedule* for this Cover.

Legal Liability Cover

You only have this Legal Liability Cover if it is shown as selected in the schedule or you have taken Buildings Cover or Contents Cover above.

1 Definitions

The following words (and any derivatives) in this Legal Liability Cover are defined as follows:

Occurrence: means an *event*, or series of *events*, resulting from one source or original cause.

Property damage: means physical loss or physical damage to any tangible property, including subsequent loss of use.

Products: means any of the following:

- (a) Goods that *you* sell, supply, distribute, manufacture, construct, erect or install, including any item that is used to contain those goods (provided the item is not a vehicle),
- (b) That are part of any tangible property *you* work on as part of *your* business, but not any other separate component of that property not worked on.

Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

2.1 Legal liability

We will cover *you* for all sums *you* become legally liable to pay for:

- *Accidental bodily injury, and/or*
- *Accidental property damage*

arising from an *occurrence* in New Zealand during the *term* in connection with *your* business.

2.2 Defence costs

In addition, we will cover *you* for the necessary and reasonable defence costs *you* incur to defend the alleged legal liability. However, that legal liability must be of a nature that is covered under this Cover, if proven.

3 Extensions

3.1 Definition of 'you'

The definition of 'you' is extended in this Cover to include:

3.1.1

Any subsidiary company or other company over which the entity named in the *schedule* has active management control,

3.1.2

Any director or employee of the entity named in the *schedule* and any entity coming within 3.1.1 above, but only whilst acting in that capacity,

3.1.3

Any office bearer or member of a social or sporting club, or superannuation fund that has been formed by the entity named in the *schedule*, but only whilst acting in that capacity.

3.2 Overseas visits

This Cover is extended, subject otherwise to the same terms, to cover *your* legal liability arising from *your* overseas visits.

However:

3.2.1

The legal liability must arise from *you* engaging in *your* business activities outside New Zealand.

3.2.2

You must be a New Zealand citizen or resident at the time.

3.2.3

For *occurrences* in the jurisdictions of the United States of America or Canada *you* are not insured for *your* legal liability in connection with:

- (a) Pollution of any kind,
- (b) Activities of *your* overseas agents or representatives,
- (c) Activities of any parent or subsidiary company of *yours* resident there.

3.3 Tenants liability

This Cover is extended, subject otherwise to the same terms, to cover *your* legal liability arising from *property damage* to any premises *you* lease.

4 What you receive

4.1 Exemplary damages

The most we will pay under this Cover for punitive or exemplary damages is \$100,000 per *occurrence*, and \$250,000 in total during the *term*. An excess of \$1,000 per *occurrence* applies.

4.2 Maximum amount

The most we will pay under this Cover per *occurrence* for all legal liability (including punitive and exemplary damages) and defence costs is \$2,000,000, or any different amount shown in the *schedule* for this Cover.

5 Exclusions

There is no cover under this Cover for legal liability:

5.1 Vehicles/boats/aircraft

In connection with *your* ownership, possession or use of any:

motor vehicle, motorcycle, caravan, trailer, boat, aircraft or other aerial or spatial device.

5.2 Faulty design

In connection with goods that are faulty or defective in:

- Design or specification
- Formula, plan or pattern

5.3 Erroneous advice

In connection with any error or omission in advice or treatment given by *you*.

5.4 Faulty product

For *property damage* to any *product* where the liability is connected with any fault or defect;

- In that *product*, or
- In the work done to that *product*.

This exclusion does not apply to liability for any resultant *property damage* to:

- Other *products* where they, or the work done to them, is not faulty
- Other property that is not a *product*.

5.5 Liability arising in contract alone

Because of an express term *you* agreed to in a contract, where there would be no legal liability without it.

5.6 Fines

For any *fine*.

5.7 Interference with land or buildings

In connection with:

- Vibration of, or
- Removal or weakening of the support of, or
- Interference with the support of land or buildings.

5.8 Bodily injury of employees/family

For *bodily injury* in connection with:

- Any member of *your* family ordinarily residing with *you*, or
- Any employee of yours, arising in the course of their employment.

5.9 Pollution

Connected with pollution (including clean up costs), unless the pollution occurs during the *term* caused by a sudden *accidental occurrence* during the *term*.

5.10 Defamation

For defamation.

5.11 Overseas judgments

Created by a judgment of a court outside New Zealand, unless it is enforceable by a New Zealand court.

6 Conditions

6.1 Your defence

Once *you* have lodged a claim *we* can elect whether to take over the defence of the alleged legal liability or not. If *we* do, *we* have the right to:

- Act in *your* name and on *your* behalf to defend, negotiate or settle the alleged legal liability as *we* see fit, and
- Appoint *our* own lawyers to represent *you*. They report directly to *us*.

6.2 Election to settle claim

We may elect at any time to pay *you*:

- The maximum amount payable under this Cover, or
- Any lesser amount for which *your* alleged legal liability can be settled.

Our liability to *you* under this Cover is met in full once *we* pay this, and any defence costs incurred up until this point in time.

6.3 Separate insurance

Each person or entity insured under this Cover is insured separately as though a separate Cover had been issued to each.

However, the limits contained in this Cover are the most *we* will pay to all persons or entities combined.

Employers Liability Cover

You only have this Employers Liability Cover if it is shown as selected in the schedule.

This is a claims made and notified Cover. This means cover is triggered under the Cover by both the existence of a circumstance, and your first notification of that circumstance to us, during the term of the Cover.

1 Definitions

The following words (and any derivatives) in this Employers Liability Cover are defined as follows:

Allegation: means:

- Service of legal proceedings on you holding you legally liable, or
- Receipt by you of any communication alleging you are legally liable, or
- Awareness by you of any circumstance that is likely to lead to an *allegation* that you are legally liable.

Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

2.1 Legal liability

We will cover you for all sums you become legally liable to pay for *accidental bodily injury* in New Zealand to any of your employees in connection with your business, provided that:

- The *allegation* in connection with this first occurs during the *term*, and
- You first notify us of this *allegation* during the *term*, or up to 30 days after, and
- The *bodily injury* occurs after the first inception date of this Cover with us.

Once an *allegation* qualifies under this Cover, we will cover any resulting legal liability that may arise from it. If this legal liability arises after the *term* ends, the cover is on the basis of this *term*, and not any subsequent *term*.

2.2 Defence costs

In addition, we will cover you for the necessary and reasonable defence costs you incur to defend the alleged legal liability. However, that legal liability must be of a nature that is covered under this Cover, if proven.

3 What you receive

3.1 Excess

We deduct the excess of \$1,000 per event.

3.2 Exemplary damages

The most we pay in total during the *term* for punitive or exemplary damages is \$50,000. An excess of \$1,000 per event applies.

3.3 Maximum amount

The most we will pay under this Cover for all legal liability (including punitive or exemplary damages) and defence costs during the *term* is \$500,000.

4 Exclusions

There is no cover under this Cover:

4.1 ACC

For compensation for *bodily injury* covered, to any extent, by the Accident Compensation Corporation.

4.2 Exposure to disease before Cover commences

For *bodily injury* in the nature of a disease, where your employee affected was first exposed to the conditions leading to the disease before the first commencement date of this Cover.

4.3 Employment Relations Act

For compensation sought for *bodily injury* under the Employment Relations Act 2000.

4.4 Overseas Judgments

For liability determined by a court outside New Zealand.

4.5 Liability arising in contract alone

For liability created by an express term you agreed to in a contract, where there would be no legal liability without it.

4.6 Fines

For any *fine*.

5 Conditions

5.1 Your defence

Once *you* have lodged a claim *we* can elect whether to take over the defence of the alleged legal liability or not. If *we* do, *we* have the right to:

- Act in *your* name and on *your* behalf to defend, negotiate or settle the alleged legal liability as *we* see fit, and
- Appoint *our* own lawyers to represent *you*.

They report directly to *us*.

5.2 Election to settle claim

We may elect at any time to pay *you*:

- The maximum amount payable under this Cover, or
- Any lesser amount for which *your* alleged legal liability can be settled.

Our liability to *you* under this Cover is met in full once *we* pay this, and any defence costs incurred up until this point in time.

5.3 Separate insurance

Each person or entity insured under this Cover is insured separately as though a separate Cover had been issued to each.

However, the limits contained in this Cover are the most *we* will pay to all persons or entities combined.

Statutory Liability Cover

You only have this Statutory Liability Cover if it is shown as selected in the schedule.

This is a claims made and notified Cover. This means cover is triggered under the Cover by both the existence of a circumstance, and your first notification of that circumstance to us, during the term of the Cover.

1 Definitions

The following words (and any derivatives) in this Statutory Liability Cover are defined as follows:

Act: means any Act of the New Zealand Parliament (including Statutory Regulations under them), except for the following Acts:

- Arms Act 1983
- Aviation Crimes Act 1972
- Commerce Act 1986
- Crimes Act 1961
- Criminal Investigations (Bodily Samples) Act 1995
- Land Transport Act 1998
- Misuse of Drugs Act 1975
- Summary Offences Act 1981

And any other Acts advised to you on 14 days' notice.

Allegation: means:

- Service of a prosecution under an Act on you, or
- Receipt by you of any official complaint of a breach of an Act, or
- Awareness by you of any circumstance that is likely to lead to an official complaint or a prosecution under an Act.

Fine: means a fine or other monetary penalty imposed by a court or tribunal in New Zealand (including costs) against you. It does not include:

- Compliance costs
- Remedial costs

Occurrence: means an act or omission by you that:

- Is a strict liability offence under an Act, and
- You commit innocently and inadvertently.

Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

2.1 Legal liability

We will cover you for fines you become legally liable to pay for an occurrence in New Zealand in connection with your business, provided that:

- The *allegation* is first made during the *term*, and
- You first notify us of this *allegation* during the *term*, or up to 30 days after, and
- The *occurrence* is after the first inception date of this Cover with us.

Once an *allegation* qualifies under this Cover, we will cover any resulting legal liability to pay a *fine* that may arise from it. If this legal liability arises after the *term* ends, the cover is on the basis of this *term* and not any subsequent *term*.

2.2 Defence costs

In addition, we will cover you for the necessary and reasonable defence costs you incur to defend the alleged offence. However, the alleged offence must be of the type that is covered under this Cover, if proven.

3 Extension

3.1 Definition of 'you'

Where the entity named in the *schedule* is a company, the definition of 'you' is extended to include any director, manager or employee of that company but only whilst acting in that capacity.

3.2 Official investigations cover

We will cover you for necessary and reasonable legal costs and expenses you incur if you are investigated by a body empowered to do so during the *term*, in relation to an *occurrence* or alleged *occurrence*.

4 What you receive

4.1 Excess

We deduct the *excess* of \$500 from each *occurrence*, or series of *occurrences* arising from one source or original cause.

4.2 Maximum amount

The most we will pay under this Cover for all claims in total during the *term* is the amount shown in the *schedule* for this Cover.

5 Exclusions

There is no cover under this Cover:

5.1 Deliberate/reckless breach

If *you* deliberately or recklessly breach any *Act*.

5.2 Health and Safety at Work Act 2015

For any *fine* or infringement fee under the Health and Safety at Work Act 2015.

5.3 Dishonesty

For any act or omission of *yours* that is dishonest, fraudulent or malicious.

5.4 Taxes

For any *occurrence* connected with the payment of tax, rates, duties, levies, charges, fees or any other kind of revenue under an *Act*.

5.5 Continuing offence

Where a continuing offence under an *Act* attracts a continuing *fine*, that part of the *fine* relating to the period when *you* knew, or ought to have known, an offence was being committed.

6 Conditions

6.1 Your defence

Once *you* have lodged a claim *we* can elect whether to take over the defence of the prosecution or not. If *we* do, *we* have the right to:

- Act in *your* name and on *your* behalf to defend, negotiate or settle the prosecution as *we* see fit, and
- Appoint *our* own lawyers to represent *you*.

They report directly to *us*.

6.2 Separate insurance

Each person or entity insured under this Cover is insured separately as though a separate Cover had been issued to each.

However, the limits contained in this Cover are the most *we* will pay to all persons or entities combined.

Employment Disputes Cover

You only have this Employment Disputes Cover if it is shown as selected in the schedule.

This is a claims made and notified Cover. This means cover is triggered under the Cover by both the existence of a circumstance, and your first notification of that circumstance to us, during the term of the Cover.

1 Definitions

The following words (and any derivatives) in this Employment Disputes Cover are defined as follows:

Allegation: means:

- Service of legal proceedings on *you* holding *you* legally liable, or
- Receipt by *you* of any communication alleging *you* are legally liable, or
- Awareness by *you* of any circumstance that is likely to lead to an *allegation* that *you* are legally liable.

Damages: means any monetary judgment entered against *you*, or settlement negotiated by *us* (including the other party's costs and interest where applicable) pursuant to:

- The Employment Relations Act 2000
- The Privacy Act 2020
- The Human Rights Act 1993

They do not include any form of *fine*, penalty, criminal sanction, injunctive remedy or non-monetary relief.

Employee: means any current, former or prospective employee of *yours*.

Employment agreement: means any contract of services between *you* and any *employee* covered by the Employment Relations Act 2000. It does not include any contract for services. Please also see the Definitions section at the back of this Business Risks Policy.

2 Your cover

2.1 Legal liability

We will cover *you* for all *damages* *you* become legally liable to pay to any *employee* for accidentally breaching:

- An employment agreement
- The Privacy Act 2020
- The Human Rights Act 1993

arising from acts, error or omissions in New Zealand as an employer, or prospective employer, after the first inception date of this Cover with *us*, in connection with *your* business. Provided however:

- The *allegation* in connection with the act, error or omission is first made during the *term*, and
- *You* notify *us* of this *allegation* during the *term*, or up to 30 days afterwards.

Once an *allegation* qualifies under this Cover, *we* will cover any resulting legal liability for *damages* that may arise from it. If this legal liability arises after the *term* ends, the cover is on the basis of this *term*, and not any subsequent *term*.

2.2 Defence costs

In addition, *we* will cover *you* for the necessary and reasonable defence costs *you* incur to defend the alleged legal liability. However, that legal liability must be of a nature that is covered under this Cover, if proven.

Please see Conditions 5.1 and 5.2 below, which must be strictly complied with before there is cover under this Cover.

Please also see Exclusion 4.1 in relation to dismissal or disciplining *employees*.

3 What you receive

3.1 Excess

We deduct the *excess* of \$1,000 per event.

3.2 Maximum amount

The most *we* will pay under this Cover for all claims during the *term* is \$500,000.

4 Exclusions

There is no cover under this Cover:

4.1 Dismissal or disciplining of employees

In connection with the dismissal, disciplining or manner of dealing with any *employee*, unless prior to this *you* obtain and follow *our* advice, or the advice of an employment law specialist approved by *us*.

4.2 Legal costs prior to personal grievance

For legal costs *you* incur as a result of taking legal advice prior to the receipt of a personal grievance or court proceedings.

4.3 Remuneration

For remuneration payable to the *employee* under the *employment agreement*. This includes the failure to pay compensation, or adequate compensation upon termination of the *employee's* employment.

4.4 Harassment

For *damages* in connection with:

- Harassment (sexual or otherwise), or
- Duress, or

- Intimidation, or
- Criminal conduct.

4.5 Compliance with injunction or reinstatement

For costs incurred in complying with any injunction, or order for reinstatement of any *employee*, once made against *you*.

4.6 Lockout/suspension

In connection with the locking out of, or suspending the employment of, any striking or non-striking *employees*.

4.7 Miscellaneous allegations

In connection with an *allegation you have*:

- Refused Union access to an *employee*, or
- Failed to deal with a Union in good faith, or
- Refused to bargain with a Union, or
- Failed to bargain with a Union or any *employee* in good faith, or
- Bargained unfairly with an *employee*, or
- Refused to allow an *employee* to join a Union, or
- Refused to deduct Union membership fees from an *employee's* pay, or
- Refused to allow an *employee* to attend a Union meeting, or take employment relations education leave.

5.4 Election to settle claim

We may elect at any time to pay *you*:

- The maximum amount payable under this Cover, or
- Any lesser amount for which *your* alleged legal liability can be settled.

Our liability to *you* under this Cover is met in full once *we* pay this, and any defence costs incurred up until this point in time.

5 Conditions

5.1 Notice

You must give immediate notice to *us* of any *allegation* as soon as *you* are aware of it.

5.2 Follow our advice

You must immediately obtain and follow *our* advice, or the advice of an employment law specialist approved by *us*, regardless of whether the *damages* are likely to come within the *excess* or not.

5.3 Your defence

Once *you* have lodged a claim *we* can elect whether to take over the defence of the alleged legal liability or not. If *we* do, *we* have the right to:

- Act in *your* name and on *your* behalf to defend, negotiate or settle the alleged legal liability as *we* see fit, and
- Appoint *our* own lawyers to represent *you*. They report directly to *us*.

Employee Dishonesty Cover

You only have this Employee Dishonesty Cover if it is shown as selected in the schedule.

1 Your cover

We will cover *you* for *loss* of money, and other property:

- Belonging to *you*, or
- In *your* custody for which *you* are responsible, occurring as a direct result of any act of dishonesty or fraud committed by *your* employees during the *term*.

However:

1.1 Discovery

There is no cover for *loss* discovered more than 18 months after:

- The employment of the employees responsible came to an end, or
- This Cover came to an end,

whichever occurs first.

1.2 Loss subsequent to discovery

Once discovered, there is no cover for any subsequent *loss* arising from the same employees responsible.

2 What you receive

2.1 Excess

An *excess* applies of \$500 per *event*.

2.2 Maximum amount

The most *we* will pay under this Cover for all claims during the *term* is \$25,000, or any different amount shown in the *schedule* for this Cover.

3 Conditions

3.1 Notice

You must give written notice to *us* of any act of dishonesty or fraud by an employee, or of any reasonable suspicion of such an act, as soon as possible.

3.2 Notify the Police

You must lodge a complaint with the Police. However, *we* do not require the commencement of a criminal prosecution against an employee before *we* will consider a claim under this Cover.

General Exclusions for All Covers

There is no cover under this Business Risks Policy for any claim directly or indirectly arising from:

1 Terrorism

Terrorism.

2 War

War, invasion, act of foreign enemy, war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power.

3 Nuclear

- 3.1 Nuclear weapons material,
- 3.2 The operations of a nuclear power plant,
- 3.3 Ionising radiation or contamination by radioactivity from:
 - Any nuclear waste, or
 - The fusion or fission of nuclear fuel.

4 Confiscation

Confiscation, requisition, destruction or damage to property by the order of the government or a local authority, unless for the controlling of a peril covered under this Business Risks Policy.

5 Leaking building

Any building or structure:

- Containing moisture or being penetrated by external moisture or water, or
- Containing mould, fungi, mildew, rot, micro-organisms, bacteria, protozoa or anything similar

that is caused directly or indirectly by:

- Non-compliance with the New Zealand Building Code, or
- Faulty or defective design or specification, or
- Faulty materials, or
- Faulty workmanship.

when the building or structure was constructed, altered or repaired.

6 Subterranean fire/erosion

Subterranean fire or erosion of land.

7 Natural disaster

Earthquake, volcanic eruption (or fire following either

of them), hydrothermal activity, tsunamis, subsidence or landslip. However, this General Exclusion does not apply to the cover under the optional Disaster Covers.

There is no cover under this Business Risks Policy for any legal liability connected in any way with:

8 Asbestos

Asbestos.

There is no cover under this policy for:

9 Communicable disease – Liability

Any *loss*, liability, damage, compensation, injury, sickness, death, expense or any other amount incurred by *you* directly or indirectly arising out of, or in any way connected with:

- a *communicable disease*, or
- the actual or perceived fear or threat of a *communicable disease*

regardless of any other cause or *event* contributing concurrently to a *communicable disease*.

10 Communicable disease – Physical damage

Any *loss*, damage, liability, or expense directly or indirectly arising out of, or in any way connected with:

- a *communicable disease*, or
- the actual or perceived fear or threat of a *communicable disease*

regardless of any other cause or *event* contributing concurrently to a *communicable disease*.

11 Cyber – Liability

Any *cyber loss*.

12 Cyber – Physical damage

Any *loss*, damage, or expense directly or indirectly arising out of or in any way connected with:

- the functionality, availability or operation of a *computer system*.
- the loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any *data*, including any amount relating to the value of such *data*.

The exclusion for a *computer system* does not apply to any physical damage to a *computer system* and any other consequential losses as a direct result of any physical damage caused by any *hazard*.

General Conditions for All Covers

1 Comply with the policy

1.1 Before we pay any claim under this Business Risks Policy:

1.1.1

You must comply with all its terms, and

1.1.2

All statements and answers, whether by you or anyone else, must be true when you:

- Apply for it, and
- Notify us regarding any change in circumstances, and
- Make any claim under it.

These conditions apply to anyone else entitled to claim under this Business Risks policy.

2 How to make a claim

2.1 You must:

2.1.1

Tell us as soon as you are aware of any loss or liability possibly covered under any Cover.

2.1.2

Minimise your loss or liability, and try to avoid any further loss or liability.

2.1.3

Complete our claim form in full, if requested.

2.1.4

Allow us to investigate and inspect the loss or liability.

2.1.5

Provide reasonable justification for any claim, and any other information or assistance that we need.

2.1.6

Give us permission to obtain personal information which relates to your claim held by any other party.

2.1.7

Forward to us all relevant information and correspondence.

2.1.8

Lay a complaint with the Police if you suspect burglary, theft, arson or intentional damage.

2.1.9

Take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses.

2.2 You must not:

2.2.1

Dispose of any property that you intend to claim for under a Cover unless this is for safety reasons, or required by the law.

2.2.2

Start any repairs without our permission, unless it is necessary to prevent further loss or liability.

2.2.3

Admit responsibility for any loss or liability.

2.2.4

Say or do anything that may prejudice our ability to defend any claim made against you, or make recovery for the loss from any other person who may be responsible for it.

2.3 After you have made a claim

2.3.1

We may take over in full any legal right of recovery that you have.

2.3.2

If any lost or stolen property for which we have paid a claim is later found or recovered, you must:

- Tell us immediately, and
- Return the property to us if we request it.

2.3.3

You must reimburse us if you receive any money from any person ordered to make reparation to you in relation to a claim we have paid.

2.4 Dishonest or fraudulent claims

2.4.1

If your claim is dishonest or fraudulent in any way, we may decline your claim, wholly or partially and, at our discretion, declare that this Business Risks Policy is unenforceable from the date of the dishonest or fraudulent act.

3 Alteration of terms

3.1 We may alter the terms of this Business Risks Policy at any time by giving written notice to you.

3.2 The altered terms will take effect 14 days after the date on the written notice.

4 Average

4.1 If any Sum Insured for property in this Business Risks Policy is less than 80% of the insurable value of that property, the cover for that property is subject to Average.

4.2 If it is, the following rules apply:

- If *you* suffer a total loss the condition has no effect.
- If *you* suffer a partial loss, the maximum amount that *you* may recover will bear the same proportion to *your* actual loss as the amount for which the property is insured bears to the full value of the property.
- Whatever *your* loss, in no case will *you* be entitled to recover more than the amount for which the property is insured.
- Example: *Your* property is worth \$20,000. *You* insure it for \$10,000. *You* suffer a loss of \$5,000. The maximum amount *you* may recover will be \$2,500.

5 Cancellation

- 5.1** *You* may cancel this Business Risks Policy by giving *us* notice. *We* will refund the unexpired portion of any premium *you* have already paid to *us*.
- 5.2** *We* may cancel this Business Risks Policy at any time by giving *you* notice. It will be effective 14 days after the date on the notice. *We* will refund the unused portion of any premium *you* have already paid to *us*.

6 Change in circumstances

- 6.1** *You* must tell *us* immediately, after the start of this Business Risks Policy, if there is a material fact that *you* know that would:

- Increase the risk insured, or
- Alter the risk insured.

- 6.2** After *you* have told *us* about a change in the risk insured, *we* may amend *your*:

- Premium payable, and/or
- Terms and conditions of this policy.

These changes will be effective immediately.

- 6.3** If *you* fail to tell *us* about a change in the risk insured, *we* may:

- Declare this Business Risks Policy unenforceable, or
- Completely or partially refuse any subsequent claim

from the date *you* knew, or ought to have known, of the increase or alteration in the risk insured.

7 Double insurance

- 7.1** *You* must notify *us* immediately of any other insurance policy that covers *you* for any of the risks covered under this Business Risks Policy.
- 7.2** If any other insurance policy exists, *we* will only pay over and above the limit payable under that other policy.

8 Goods and Services Tax

- 8.1** Where GST is recoverable by *us* under the Goods and Services Tax Act 1985:
- all Sums Insured exclude GST (unless otherwise stated), and
 - all excesses are GST inclusive.

9 Governing Law

- 9.1** The law of New Zealand applies to this Business Risks Policy and the New Zealand Courts have exclusive jurisdiction.

10 Notices

- 10.1** Notices from *you* to *us* must be delivered personally, posted or emailed to *us*. Our details are as follows:

Medical Assurance Society
PO Box 957
Wellington 6140
Email: info@mas.co.nz

- 10.2** Notices from *us* to *you* must be delivered personally, posted or emailed to *your* last known address.

11 Parties with financial interests

- 11.1** *We* may pay all or part of any claim proceeds to any party who has a financial interest over property insured under this Business Risks Policy. This payment goes towards meeting *our* obligations to *you*.
- 11.2** *You* authorise *us* to disclose personal information about *you* to this party.
- 11.3** A party, who *we* record as having a financial interest under this Business Risks Policy, is not an insured and has no rights to claim directly under it.

12 Reinstatement of Sum Insured

- 12.1** Once a claim payment is made under the Buildings, Contents or Business Interruption Covers, the Sums Insured for those Covers are automatically reinstated by the amount of the payment for the balance of the *term*, unless either party gives notice to the other to the contrary.
- 12.2** *You* will pay a pro rata proportion of the premium for the amount of the reinstatement, if *we* request it.

13 Take reasonable care

- 13.1** *You*, and anyone else covered under this Business Risks Policy, must take reasonable care to avoid circumstances that may result in a claim. *Your* claim will not be covered if *you* or they are reckless or grossly irresponsible.

Definitions for All Covers

The following words (and any derivatives) in this Business Risks Policy are defined as follows:

Accidental

Means unintended and unexpected by *you*.

Bodily injury

Means death of, or bodily injury to, any person. This includes sickness, disease, disability, shock, fright, mental anguish or mental injury.

Communicable disease

Means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - for the purposes of the liability exclusion, the disease, substance or agent can cause or threaten *bodily injury*, illness, emotional distress or damage to human health, human welfare or property damage; or
 - for the purposes of the physical damage exclusion, the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Computer system

Means:

for the purposes of the cyber liability exclusion, any computer, hardware, software, information technology and communications system, electronic device including any similar system, and any associated input, output, data storage device, networking equipment or back up facility.

For the purposes of the cyber physical damage exclusion, any computer, hardware, software, communications system, electronic device (including smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system, and any associated input, output, data storage device, networking equipment or back up facility.

Cyber incident

Means a single or a series of related:

- unauthorised or malicious acts, regardless of time and place, or the threat or hoax;
- failures to act, any errors or omissions or accidents; or
- breaches of duty, statutory duty or regulatory duty or trust; involving access to, processing of, use of or operation of any *computer system* or any *data* by any person or group(s) of persons.

Cyber loss

Means any *loss*, damage, liability, injury, compensation, sickness, death, expense or any other amount incurred by *you* directly or indirectly arising out of or in any way connected with any *cyber incident*.

Data

Means information, facts, concepts, code or any other information that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a *computer system*.

Event

Means one event, or a series of events that arise from one source or original cause.

Excess

Means the amount shown on the *schedule*, or in the Business Risks Policy for which *you* are responsible. *You* must pay this amount or *we* will deduct it from *our* settlement with *you*. Where more than one excess applies across several Covers, *you* only pay the highest one.

Hazard

Means for the purposes of this Business Risks Policy any mechanical or electrical breakdown, fire, lightning, explosion, aircraft or vehicle impact, power failure or surge, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, seaquake, flood, storm surge, water damage, liquefaction, freeze, ice storm, sleet, weight of snow or ice, avalanche, smoke, sprinkler leakage, meteor/asteroid impact, mudslide, sinkhole, collapse, bush fire, forest fire, riot, riot attending a strike, looting, civil commotion, vandalism and malicious mischief, and

if you have selected 'Disaster Cover' the definition of Hazard will also include any earthquake, volcanic eruption, tsunami, landslip.

Loss

Means physical loss, physical damage or physical destruction of tangible property.

Market value

Means the depreciated second hand value at the time of the *loss*, taking into account, age, condition and wear and tear.

Risk location

Means the Risk Location address shown in the *schedule*.

Schedule

Means the most recent Schedule *we* have issued to *you*.

Term

Means the period of this Business Risks Policy as shown on the *schedule*.

Terrorism

Means an act including, but not limited to, the use of force or violence and/or the threat thereof, 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 which is committed for, or in connection with political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public or any section of the public in fear.

You

Means the person or entity named on the *schedule* as 'The Insured'.

We, us or our

Means Medical Insurance Society Limited.

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