

Personal Insurance Plan

MaxiPlan House

Welcome to MaxiPlan – Insurance For Your Home

We would like to make sure *you* are aware of all *your* entitlements under this policy, so please read this document carefully. After *you* have read it, please contact *us* if *you* would like further information.

HELP Service – Emergency Assistance

HELP is a 24 hour, 7 day a week emergency assistance service which Vero offers as part of *your* insurance policy – at no extra cost.

With just one phone call *you* can sort out all the hassles that arise if *you* have an *accident* or disaster anywhere in New Zealand – even if no insurance claim is involved. Whatever the problem, ring HELP for practical advice, and they will locate the trades people or services *you* need. The toll free number is 0800 800 786.

Ringling HELP costs *you* nothing. The assistance is free, but *you* will have to pay if *you* ask for a tradesperson to call or for other services. Where the services are covered by *your* policy, *you* can claim back any bills paid, subject to the policy excess.

How HELP can help *you*:

Convenience

Instead of looking through the yellow pages for a plumber at 11 o'clock at night, HELP can organise a call out.

Quality

All trades people are approved and monitored. Each call is followed up to ensure *you* are satisfied with the quality and cost of the service received.

Guaranteed response

Our systems will guarantee that someone will actually arrive.

How do *you* qualify for HELP?

HELP is automatically provided to all Vero house, contents or private motor vehicle policyholders (but not business cars or motorcycles). HELP is also available to members of *your* immediate family who live with *you*.

No matter which policy *you* have (of those listed above) *you* can use any of the HELP services provided.

Service available

HELP provides a 24-hour referral to a comprehensive nationwide network of recommended service organisations and trades people.

So if *you* have got a problem with plumbing, a leaking roof, broken glass, replacement of locks or electrical faults, *our* operators can provide rapid assistance.

Advice is also available on *our* claims procedures, including the appointment of assessors and tips on how to minimise damage.

HELP provides free access to a service that will advise and act on all of these concerns.

HELP also offers to arrange a host of other services for *you* (while *you* are in New Zealand) even when no insurance claim is involved:

1. emergency call-out service – for problems like flat batteries or keys locked in *your* car;
2. medical referral service – if *you* are away and want the name of a recommended local doctor, out of hours;
3. replacement of personal effects following *loss* or theft away from *home*.

Remember, HELP is always available whether *you* are at *home* or miles away.

HELP - a valuable addition to *your* policy from Vero.

30-day Money Back Guarantee

If *you* are not satisfied with the cover provided by the policy *you* may return the policy within 30 days of receiving it.

If *you* have not made any claims during this period *we* will give *you* a full refund of any *premium* paid.

Privacy Act and the Insurance Claim Register (ICR)

The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to *you* on the condition that *you* authorise *us* to place details of any claims made against

this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect. *You* also authorise *us* to obtain from ICR Ltd personal information about *you* that is (in *our* view) relevant to this policy or any claim made against it. *You* have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

Definitions

Definitions explain words frequently used in the policy. Defined words are shown in this type style.

Accident and *accidental* mean a sudden and unforeseen event, not intended or expected by *you*.

Act means any Act of the New Zealand Parliament in force at the commencement of the *period of cover*, or which comes into force during the *period of cover*, and any substitution of, amendment to, replacement of, or any statutory regulation made under such Act.

Bodily injury means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury to another person.

Damages means amounts payable in accordance with judgement against *you* and/or settlements negotiated by *us*, including the other party's costs and interest on any judgement where applicable. Damages do not include punitive or exemplary damages, fines, penalties, *reparation*, or any other form of criminal sanction, non-pecuniary relief, taxes, or any payment deemed to be unlawful to insure against.

Home means each dwelling (including residential flat or holiday home) within the residential boundaries of the property on which the home is situated.

It includes any part of the home used as a home office or health care practice. It also includes:

- domestic outbuildings, greenhouses and garages
- permanent decks, built in furniture
- fixed floor coverings
- aerials forming part of the building
- coverings fixed to the ceiling or wall
- curtains, drapes and blinds
- fixed light fittings, and appliances permanently attached to a gas, plumbing or electricity service
- letter boxes, exterior blinds and awnings, fixed clotheslines and built in barbecues
- septic tanks, oil heating tanks, service tanks and water tanks including their fixed pumps
- permanent spa or inground swimming pools,

including their fixtures, pipes and fixed pumps

- walls, fences, gates
- gas pipes, fresh-water pipes, electricity and telephone cables
- any driveways, paths, footpaths and tennis courts.

But does not include:

- retaining walls except for the cover provided under the Retaining Wall additional benefit
- planted hedges, trees, shrubs, lawns and plants except where cover is provided under the Landscaping additional benefit
- landlord's fixtures and fittings, unless the Landlord's Option is shown on the *schedule*
- wharves, piers, jetties or the like
- culverts, dams, slipways
- bridges or anything on them
- adjacent property owners' share in walls, fences, gates, retaining walls, pipes, cables or driveways where those things are jointly owned by *you* and other property owners
- the land itself.

Indemnity value is the amount needed to put *you* back in the same financial position *you* were in immediately before the *loss* occurred. This is either:

- a. the market value of the *home* at the time of *loss*; or
- b. the cost of rebuilding or repairing the damaged portion of the *home* to a condition no better, or more extensive than it was when new, less an allowance for depreciation and wear and tear; or
- c. the market value of the *Landlord's furnishings* at the time of *loss* (where the Landlord's Extension is shown on *your schedule*).

Landlord's furnishings means dishwashers, stoves, refrigerators, washing machines, dryers and built in microwaves not permanently wired into the *home*.

Loss means *accidental* physical loss or physical damage. It does not mean prevention of use or loss of functionality or usefulness.

Natural disaster means earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or fire resulting from any of these. It does not include any gradual or slowly moving natural landslip.

Period of cover means the "period" or "period of insurance" specified in the *schedule*.

Premium is the consideration for this contract. This may mean the first premium or any subsequent premium.

Rent means the periodic payments due to *you* by the

tenant(s) for use of the *home* as agreed under the current *tenancy agreement*.

Reparation means an amount ordered by a New Zealand court under section 32 of the Sentencing Act 2002 to be paid to the victim of an offence. Reparation does not include:

- a. reparation arising from prosecution of an offence under the Health and Safety at Work Act 2015; or
- b. *damages*, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against; or
- c. *your* legal defence costs or expenses in relation to an offence.

Schedule is the latest current policy schedule, expiry notice or insurance renewal issued to *you*.

Sum insured means the sum insured shown on the *schedule*.

Tenancy agreement means the written contract of tenancy between *you* and the *tenant(s)* over the *home*.

Tenanted means that *your home* is occupied by *tenants* and *your home* is noted on *your schedule* as being tenanted.

Tenant or *tenants* means any person or persons (including the person's husband, wife, or partner, and the person's family) who are party to a *tenancy agreement* with *you*, for a period of no less than 90 days, having the right under such agreement to occupy the *home* in consideration of regular rental payments.

Uninhabitable means the *home* is no longer a safe or sanitary place to live, as determined by government or local authorities, or by *us*, due to physical damage to the *home*, and where notice to this effect has been issued. It does not mean a disinclination by *you* or *your tenants* to remain in occupancy of an otherwise safe or sanitary *home*.

Unoccupied means that no authorised person has slept overnight in the *home* within the last 60 days.

We, us or *our* means Vero Insurance New Zealand Limited.

You or *your* means the insured person or persons named in the *schedule*, and their partner. Partner means a marriage partner, or de facto partner as defined in the Property (Relationships) Act 1976 or civil union partner as defined by the Civil Union Act 2004.

Introduction

We will provide the cover set out in this policy during the *period of cover* shown on the *schedule* provided *you* have paid the *premium* and *you* remain subject to the policy's terms, limits, exclusions and conditions. *Your*

insurance contract consists of:

1. this policy document;
2. the personalised *schedule* with details of the cover which applies to *you*; and
3. the information in the proposal, application or declaration;

whether *you* have received or provided this information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form.

What you are insured for

We will insure *you* for *accidental loss* to *your home* at the situation shown in the *schedule* during the *period of cover*.

What we will pay - at our option:

1. the cost incurred in rebuilding or repairing the damaged portion of the *home* using currently equivalent building materials and techniques to a standard or specification no more extensive, nor better than its condition when new; or
2. the *indemnity value* should *you* not rebuild or repair within 12 months unless authorised by *us*.

Limits on what we will pay:

1. The maximum amount we will pay under this policy is:
 - a. the *sum insured*; plus
 - b. any GST *you* have paid or that is payable on the *sum insured*; plus
 - i. Benefit 2 – Landscaping
 - ii. Benefit 9 – Property Owner's Liability
 - iii. Benefit 10 – SumExtra.
2. We will only replace damaged wallpaper or floor coverings in the room where the *loss* occurred;
3. We will only pay *indemnity value* on swimming and spa pool liners;
4. We will only pay *indemnity value* on electric motors over 10 years of age;
5. *Our* liability to *you* under all legal liability benefits (Liability for *Damages*, Liability for *Reparation* and Forest and Rural Fires Act), will be limited to the applicable sub-limits, and will never exceed \$2,000,000 in total during any *period of cover*. In addition we will pay *your* legal defence costs and expenses incurred with *our* consent where *your* legal liability is to pay *damages*, or costs under the F&RF Act. However we will not pay *your* legal defence costs and expenses in relation to an offence or where *your* legal liability is to pay *reparation*.

Additional Benefits

We will also pay for:

1. Gradual damage

We will pay for damage to *your home* 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, provided that the *loss* first occurs during the time that *you* own the *home*.

The limit includes costs for searching for the source of the problem if they are reasonably incurred and we have accepted a claim for the *loss*.

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 dwelling structure.

Any payment will be limited to \$3,000 for any one event and must be applied towards repair of the damage.

2. Landscaping

We will pay for *accidental loss* to *your* gardens (including planted hedges, trees, shrubs and plants) and lawns, provided *your home* was also damaged in the same event and we have agreed to pay a claim for *loss* to *your home*.

We will pay up to \$5,000 for any one event.

3. Retaining walls

We will pay for *loss* to retaining walls arising out of any one event. This includes the cost of gaining access to the wall, stabilising the soil, and providing footings and drainage materials.

A retaining wall means a completed retaining wall, but only where the sole purpose of the wall is to retain land. However, retaining walls more than 1.5 metres in height above ground level are insured only if the appropriate local authority has issued any necessary permit, consent or certificate.

Any payment will be limited to \$80,000 or to the *sum insured* with pre-*loss* valuation.

4. Home office or healthcare practice

The policy will extend to include any part of the *home* used as a home office or health care practice.

Health care practice is the part of the *home* that is:

- a. exclusively used by *you* for the carrying on of the business of a legally qualified medical practitioner including dentists;
- b. used by customers for access to that part of the *home*.

Home office means the part of the *home* that is:

- a. exclusively used by *you* for the carrying on of a business of an administrative, clerical or professional nature;
- b. used by customers for access to that part of the *home*.

5. Rebuilding elsewhere

If we have agreed to pay a claim for *loss* to *your home* covered by this policy, and *you* want to rebuild elsewhere, then *you* can do so if *you* have *our* agreement in writing, provided:

- a. *you* will have to pay for any extra costs associated with rebuilding elsewhere; and
- b. rebuilding must be completed within 12 months of the date of the *loss*, unless authorised by *us*.

6. Fees and clearance costs

We will pay:

1. costs of clearing the building site or demolition of the damaged portion of the *home* and the removal of debris of contents from the *home* and; in addition
2. architects, surveyors, consultants, legal and council fees to reinstate or repair the *home*, incurred with *our* prior consent following any *loss* insured by this policy.

7. Statutory requirements

If we pay to rebuild or repair *your home*, we will pay the extra costs to rebuild or repair the damaged portion of the *home* needed solely to comply with any statute or local body regulation. Provided that:

1. notice of such had not been served on *you* before the damage occurred; or
2. there is not an entry on *your* Certificate of Title; unless we have agreed in writing to provide cover.

8. Authorities damage

We will pay for damage to the *home* caused by government or local authorities in order to prevent *loss* covered by this policy.

9. Property Owner's Liability

If *you*, or a member of *your* household, have home, contents, motor, or boat insurance with *us*, *you* are only entitled to payment of any of the benefits below under one policy or section of a policy per event.

A. Liability for Damages

We will cover *you* for *your* legal liability to pay damages for *accidental bodily injury* or *loss* to someone else's property happening during the

period of cover as a result of an event that occurs in New Zealand and arises out of *your* ownership of the *home*.

B. Liability for Reparation

We will cover *you* for *your* legal liability to pay *reparation* for *accidental bodily injury* or *loss* to someone else’s property happening during the *period of cover* as a result of an event that occurs in New Zealand and arises out of *your* ownership of the *home*, provided that:

- a. *you* tell *us* immediately if *you* are charged with any offence in connection with *your* ownership of the *home* which resulted in *loss* to someone else’s property or *bodily injury* to another person; and
- b. *you* obtain *our* written approval before any offer of *reparation* is made.

C. Forest and Rural Fires Act

We will cover *you* for *your* legal liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising out of *your* ownership of the *home* from an event that occurs in New Zealand during the *period of cover* to pay:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and
- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

But we will not pay under any of these benefits for:

- a. legal liability for *loss* to property belonging to *you* or under *your* control;
- b. legal liability arising out of:
 - i. any business, profession, or employment;
 - ii. the ownership, possession, or use of any mechanically propelled vehicle, trailer, aircraft or boat;
 - iii. the ownership and/or possession of any animals other than domestic pets;
 - iv. or assumed by agreement (unless *you* would have been liable anyway), except liability normally agreed to by a landlord under a tenancy or lease agreement;

- c. any punitive or exemplary damages awarded against *you*;
- d. legal liability where any exclusion in the section “Exclusions (what *you* are not insured for)” applies.

Limits on what we will pay under Property Owner’s Liability:

In respect of any one event, we will pay:

- i. for *loss* to someone else’s property, up to \$2,000,000;
- ii. for *bodily injury*, up to \$1,000,000; and
- iii. for liability under the F&RF Act, up to \$1,000,000.

In addition, where *your* legal liability is to pay *damages*, or costs and levies under the F&RF Act, we will pay *your* legal defence costs and expenses incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses in relation to an offence or where *your* legal liability is to pay *reparation*.

10. SumExtra

If we elect to settle *your* claim for *loss* to *your home* on the basis that we pay the cost of rebuilding or repairing under the heading “What we will pay – at *our* option”, and the replacement cost exceeds the *sum insured*, we will pay:

- a. up to a further 10% of the *sum insured* towards the replacement cost where the *loss* is caused by *natural disaster*; or
- b. the replacement cost where the *loss* arises from any insured cause other than *natural disaster*; provided the *sum insured* at the time of *loss* is equal to or greater than a written estimate of costs reasonably necessary to rebuild *your home* to a building standard or specification similar to, but no more extensive or better than, the *home’s* condition when new, using currently equivalent techniques and building materials readily available in New Zealand:
 - i. from the online rebuilding cost calculator accessed through *our* website or from such other online rebuilding cost calculator as we accept;
 - ii. by a registered valuer, registered quantity surveyor, building practitioner holding an appropriate trade licence, or such other building specialist, as we accept; or
 - iii. by such other method or source as we accept; and provided also:
 - iv. that the written estimate of costs provides a complete and correct description of *your home* and is less than 3 years old at the time the *sum*

insured was most recently agreed; and

- v. where *you* subsequently increased the size, or improved the quality, of *your home*, that *you* increased the *sum insured* proportionately, otherwise we will pay only up to a further 10% of the *sum insured*.

The cover provided by this benefit does not increase the *sum insured*. Any cover that is based on a percentage of the *sum insured* does not increase.

11. Methamphetamine contamination

This benefit only applies if:

- *your home* is *tenanted*; and
- *you* comply with the Landlord's Obligations set out in the "Policy Conditions" section of this policy.

We will pay for the testing, decontamination and repair of *your home* if it suffers *loss* as a result of use, consumption, storage or manufacture of methamphetamine or its precursor chemicals by *your tenants* or persons at the *home* with *your tenants'* permission. This benefit includes the costs reasonably incurred in searching for and identifying contamination, if testing confirms that the *home* is contaminated.

Cover under this benefit will only apply where, at the time of the claim being made, the level of chemical contamination exceeds the guidelines for acceptable indoor surface residues issued by the Ministry of Health in its Guidelines for the Remediation of Clandestine Methamphetamine Laboratory Sites. We will only pay for decontamination to the extent required to achieve the acceptable post-remediation re-occupancy levels for indoor surface residues outlined in the Guidelines.

We will pay, within the *sum insured*, the reasonable cost incurred by *you* in decontaminating the *home*. If a damaged portion of the *home* needs to be repaired or rebuilt in order to achieve the levels outlined in the Guidelines, we will pay the reasonable cost incurred in repairing or rebuilding the damaged portion to replacement condition.

Our liability under this benefit will be limited to \$30,000 for any one event.

We will never pay the cost associated with decontaminating or repairing land even if this is required to facilitate decontamination, repair or rebuilding of the *home* or to comply with government or local authority statutes, bylaws or regulations.

We will only provide cover under this benefit for *loss* caused by one event while the *home* was let to the

same *tenants* or under the same *tenancy agreement*.

Optional Additional Benefit

The following Optional Additional Benefit is subject to the policy definitions, clauses, exclusions, conditions and limits.

Landlord's Extension

If *you* have paid an additional *premium* for this Optional Additional Benefit and it is shown on *your schedule* as being included, we will provide the cover set out below for each self-contained dwelling unit that *you* have told *us* about, provided that:

- each is occupied by a *tenant*, and is located at the situation address shown on *your schedule*; and
- *you* comply with the Landlord's Obligations set out in the 'Policy Conditions' section of this policy.

Any payment made by *us* for any *loss* covered under the Landlord's Extension will be reduced by the amount of *rent* received by *you* in advance and/or any bond held by *you* or with Tenancy Services.

A. Malicious damage or theft

We will cover *you* for:

- a. malicious, intentional or deliberate damage to the *home*; or
- b. theft of any part of the *home* committed by the *tenant(s)* or persons at the *home* with *your tenants'* permission.

We will pay:

- the reasonable cost incurred in rebuilding or repairing the damaged portion of the *home* to a standard or specification no more extensive, nor better than its condition when new; or
- the *indemnity value* should *you* not rebuild or repair within a reasonable time.

Our liability under this benefit will be limited to \$30,000 for any one event.

We will only provide cover under this benefit for *loss* caused by one event while the *home* was let to the same *tenants* or under the same *tenancy agreement*.

B. Landlord's furnishings

If *landlord's furnishings* suffer *loss*, we will pay the *indemnity value* of these items.

Landlord's furnishings are also covered under this benefit for *loss* within the terms of the "Malicious damage or theft" benefit.

Our liability for *landlord's furnishings* is limited to \$20,000 per dwelling unit or the amount shown on *your schedule*, whichever is higher, for any one event.

C. Loss of rent due to loss covered by this policy

If *your home* is *uninhabitable* because:

- a. of *loss* covered by this policy, or which would be covered but for the operation of the Earthquake Commission Act 1993; or
- b. a government or local authority prevents access to the *home* due to possible or impending damage to an otherwise safe or sanitary *home* and this is initiated during the *period of cover*;

we will pay or reimburse *you* for loss of *rent* from the date that the *home* becomes *uninhabitable*, provided that:

- i. the *home* was occupied by a *tenant* at the time of *loss* or prevention of access; or
- ii. at the time of *loss* or prevention of access, *you* had a signed *tenancy agreement* for a new *tenant* to let the *home* for an ongoing period intended to be no less than 90 days.

We will pay an amount equal to the average weekly rental *you* received for renting out the *home* during the weeks it was occupied by *tenants* in the 12 months prior to the *loss*, or where a *tenancy agreement* was signed for a new *tenant* prior to the *loss*, the amount of the weekly rental in the agreement.

Where *your claim* for *loss* to the *home* is covered entirely by the Earthquake Commission, we will still pay *your loss of rent* under this benefit.

The maximum that we will pay for loss of *rent* is:

- for the period necessary to rebuild or repair the *home*, up to a maximum period of 12 months; or
- where *you* don't want the *home* repaired or rebuilt, up to two months.
- for the period of prevention of access to the *home*, up to a maximum period of 12 months.

Our liability for loss of *rent* will be subject to a maximum of \$40,000 per dwelling unit or the amount shown on *your schedule*, whichever is higher, for any one event.

D. Loss of rent due to non-payment by tenants

We will pay or reimburse *you* for loss of *rent* due to non-payment by *your tenants*, in the following circumstances:

- 1. Prevention of access:** Where the *tenant* is lawfully entitled to vacate the *home* due to prevention of access to the *home* or failure of public utilities, we will pay up to a maximum of 8 weeks *rent*; or

- 2. Vacating without notice:** Where the *tenants* vacate the *home* without giving the required notice, we will pay up to a maximum of 8 weeks *rent*; or

- 3. Eviction of tenants:** Where *your tenants* are lawfully evicted from the *home* as a result of non-payment of *rent*, we will pay up to a maximum of 12 weeks *rent*; or

- 4. Tenancy tribunal order:** Where the Tenancy Tribunal makes an order for the *tenants* to leave the *home* and for the *tenancy* to end, we will pay up to 12 weeks *rent*, provided *you* or *your* property manager enforce the order within 5 working days of the order being issued.

Loss of *rent* under this benefit is calculated from the date when unpaid *rent* first became due until the *home* is re-*tenanted* or the maximum period in the relevant circumstance above is reached.

Exclusions (what you are not insured for)

1. Any excess

You must contribute the amount shown in the *schedule* as the excess for the first amount of any claim.

If the *home* is let to *tenants* other than *you* an additional excess of \$250 applies.

All excesses are cumulative.

Where a single event causes *loss* to property or items insured by *you* with *us* under more than one policy, only one policy excess shall apply. The amount of the excess shall be the highest excess that we could apply under any of the policies affected.

Where *you* suffer a total loss and *you* have been paying *your premium* by instalment the excess shown on the *schedule* will be increased to include:

- i. the balance of the amount of *premium* *you* would have paid if *you* had instead elected to pay *your premium* annually; and
- ii. the total value of the service fees for all of the *premium* instalments.

2. We will not pay for:

- a. any loss of use or consequential loss;
- b. any loss of electronic data;
- c. damage to swimming and spa pools caused by hydrostatic pressure.

3. Loss caused by:

- a. mechanical or electrical breakdown or failure unless actual burning out occurs but always excluding lighting or heating element fuses or

protective devices or electrical contacts where arcing occurs in ordinary working; or

- b. defect in design or inherent fault.

However this policy will cover any resulting *loss* provided it is not also excluded.

4. Loss caused by:

- a. wear and tear;
- b. corrosion or rust;
- c. action of micro-organisms, mould, mildew, rot, fungi or gradual deterioration (unless covered under the gradual damage additional benefit);
- d. any other gradually operating cause;
- e. insects or vermin (except opossums);
- f. defect in workmanship or any process of cleaning, renovation, repair or restoration but only in respect of the article or property that has undergone such process;
- g. lifting or moving the *home* or as a result of structural additions or structural alterations to the *home* unless we have been notified and agreed in writing;
- h. vibration or removal of support;
- i. burglary, theft, malicious, intentional or deliberate damage committed by anybody renting, living, or staying in the *home* (however where the *home* is *tenanted* we will cover any *loss* to the *home* from fire or explosion resulting from malicious, intentional or deliberate damage by *tenants*). If:
 - the *home* is *tenanted*; and
 - it is shown on *your schedule* that *you* have purchased the Optional Additional Benefit 'Landlord's Extension'

this exclusion doesn't apply to the extent of the cover provided by the Optional Additional Benefit.

- j. subsidence, settling, ground heave, shrinkage, expansion or erosion.

5. Any loss:

To *your home* where that *loss* arises from, is consequent upon or in connection with the failure of *your home* to contain materials, a design, a system, or a standard of workmanship which effectively prevents or manages the presence or penetration of moisture or water to which *your home* might reasonably be subjected.

6. Loss, destruction, damage or liability directly or indirectly caused by:

- a. war, invasion, act of foreign enemy, warlike

operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, destruction or acquisition by government or local authorities;

- b. nuclear weapons, ionising radiations or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel.
- c. any act of terrorism including but not limited to *loss*, destruction, damage or liability that arises from, is consequent upon or arises in connection with biological, chemical, radioactive, or nuclear:
 - pollution
 - contamination, or
 - explosion.

An act of terrorism means an act, including but not limited to the use of force or violence or the threat thereof, which from its nature and context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes, including the intention to influence any government and/or to put the public or any section of the public in fear.

7. Unoccupied Home

This policy does not provide cover for any *loss*:

- a. to the *home* if *unoccupied*, unless we have been notified and have agreed in writing to maintain cover, and provided that:
 - i. the *home* and its lawns and gardens are kept in a tidy condition; and
 - ii. all external doors and windows are kept locked; and
 - iii. all papers and mail are collected weekly; and
 - iv. the *home* is under weekly supervision;
- b. to the *home* while unattended, if normally used as a holiday *home* or weekend *home*, unless requirements a.i. to a.iv. above are complied with.

However, where *you* ordinarily occupy the *home*, but *your* travel or medical commitments mean that the *home* is *unoccupied* for a period exceeding 60 days, we agree to maintain cover under this policy for an additional period of 30 days, provided that the requirements in a.i. to a.iv. above are met.

8. The Accident Compensation Act 2001

This policy does not provide cover for amounts that are recoverable (including by the victim of an offence) under the provisions of the Accident Compensation Act 2001, or which would be recoverable but for:

- a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within

the time required under the *Act*, or to claim any amount he or she would be entitled to under the *Act* for any other reason whatsoever; or

- b. the Accident Compensation Corporation’s decision to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

9. Intentional or reckless acts or criminal activity

This policy does not provide cover for any *loss*, damage, cost or liability arising from any deliberate, intentional, knowing, wilful or reckless act or omission, whether criminal or otherwise, committed by *you* or any other person entitled to cover under this policy.

10. Illegal drug contamination

This policy does not provide cover for any *loss* or liability arising from the manufacture, supply, storage, possession or use of any illegal drugs or substances including methamphetamine or any pre-cursor chemicals or materials used in any of these activities in or near *your home*. This exclusion doesn’t apply:

- a. where *you* normally reside in the *home* as *your* place of residence, including where *you* share the *home* with a *tenant*, and the *loss* is caused by unknown persons breaking into or entering *your home* without *your* permission when *your home* is unattended but is not *unoccupied*. In this case, *we* will extend the “Methamphetamine Contamination” benefit to cover the *loss* to the *home* and this exclusion doesn’t apply to the extent of the cover provided for in that benefit. The limit of liability otherwise applicable to the “Methamphetamine Contamination” benefit will not apply in these circumstances and cover under the benefit will instead apply within the *sum insured*; or
- b. to the extent of the cover provided for in the “Methamphetamine Contamination” benefit where *your home* is *tenanted*; or
- c. to any *loss* to the *home* from fire or explosion, regardless of whether *your home* is occupied by *you* or *tenanted*.

11. Natural Disaster Damage

This policy does not provide cover for *natural disaster*, except:

- a. where there is *loss* to the *home*, and
 - i. *your loss* to the *home* is covered under the Earthquake Commission *Act* 1993 (the EQC *Act*); and

- ii. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC *Act* for *your* claim; and

- iii. all amounts paid to *you* by the Earthquake Commission have been used by *you* to carry out repairs, or to rebuild the *home*, and/or to mitigate further *loss*;

- b. where there is *loss* to:

- i. permanently installed swimming or spa pools; or

- ii. drains, pipes, and cables; or

- iii. driveways, paths, patios, fences and walls (other than retaining walls, except where cover is provided by Benefit 3 – Retaining Walls); or

- iv. tennis courts that are not subject to insurance under the EQC *Act*.

Where there is *loss* caused by *natural disaster* for which *you* are covered under this policy, *our* liability will be limited to the amount that *we* would have paid under the policy if the cause of *loss* was other than *natural disaster*, less the amount that *you* have received from the Earthquake Commission, and less the additional excess of \$5,000 which applies for any payment under paragraph b. above.

However, this policy will never provide cover for *loss* to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate *loss* to the home, even if such *loss* or costs are covered by the Earthquake Commission.

Policy Conditions

These conditions give *you* information about this policy and *your* and *our* obligations arising from this policy.

1. Assignment

You must not assign or attempt to assign this policy or *your* interest in this policy to any other party. *You* must not assign or attempt to assign *your* rights to any claim proceeds under this policy to any other party without *our* prior written consent.

2. Breach of Policy Terms and Conditions

No claim will be payable where any person entitled to indemnity under this policy breaches any of the terms and conditions. Nothing in this policy affects the common law rights of either party, including *our* right to avoid the policy for non-disclosure.

3. Cancellation

We may cancel this policy at any time by sending a letter, facsimile, or e-mail to this effect to *you* at *your* last known postal address, facsimile number, or e-mail address, or to *your* insurance adviser. The cancellation will take effect at 4.00 pm on the 7th day after the communication has been sent. We will refund the unused part of *your* paid *premium*.

You may cancel this policy by giving written notice to *us*. We will refund the unused part of *your* paid *premium* provided that *you* have not made a claim.

4. Care of Insured Property

You must, at *your* cost or expense, take all reasonable steps to prevent *loss* and maintain the insured property in good repair. We will always have the right to examine *your* property. *You* must try to avoid any *loss* for which *you* could be held legally liable. This policy will not respond in the event that *you* are reckless or grossly negligent. Reckless or grossly negligent means that *you* have acted or failed to act in the way a reasonable person would, given the circumstances that *you* faced at the time of the *loss*.

5. Change of Terms

In the event that we are no longer able to obtain or retain full reinsurance protection from *natural disaster* events covered by this policy, we may change the terms of this policy (including the excess) during the *period of cover* 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* insurance adviser. The change or changes will take effect at 4.00 pm on the 14th day after the communication has been sent.

6. Claims

a. On the happening of any event or occurrence that may give rise to a claim under this policy *you* must:

- i. notify *us* of such event or occurrence immediately;
- ii. take all reasonable steps to minimise the extent of *loss*;
- iii. immediately send *us* any communications which *you* receive in relation to an event which may give rise to a claim;
- iv. obtain *our* consent before proceeding with repairs (other than for replacement or repair of window glass);

- v. make any damaged property available for inspection by *us*;
- vi. provide any information or assistance that *we* may require, including proof that *you* own the property *you* are claiming for;
- vii. in the case of *loss* by theft, burglary, or vandalism, advise the Police immediately;
- viii. assist *us* to take any recovery action *we* choose to instigate against person or persons *we* consider are responsible for the *loss*;
- ix. at *your* cost *you* must cooperate with *our* assessors, investigators, lawyers and anyone else *we* may appoint to help *us*, including attending meetings with them when *we* require *you* to; and
- x. not refund the bond to the *tenant* where *your* home is *tenanted* and the *tenant* is potentially legally liable for any *loss* for which *you* have lodged a claim under the policy and *you* are lawfully entitled to withhold some or all of the bond.

Failure to comply with Conditions a.i. to a.x. may result in *your* claim being declined or, if the claim has already been settled, *we* may require *you* to return funds paid by *us*.

- b. *You* must not, without *our* written consent, incur any expense or negotiate, pay, settle, admit, repudiate, or make any agreement in relation to any claim.
- c. We will decide the best way to advance *your* claim, including inspecting any damage, choosing the repairer and arranging the repair. If *we* choose to repair the *home* we will seek independent quotes from *our* approved repairers or suppliers. If *you* wish, *you* can recommend a repairer or supplier to provide a quote for consideration. We will select who is to repair the *home*, oversee any repairs, and keep *you* informed of progress.
- d. We will be entitled at *our* expense and in *your* name to take any proceedings necessary to obtain relief from any other party, and to take over and conduct the defence and settlement of any claim against *you* for *damages* or under the Forest and Rural Fires Act 1977. At *your* cost *you* must provide all reasonable assistance and co-operation.
- e. *You* authorise *us* to disclose information to third parties in relation to any claim that *you* make under this policy. *You* also authorise *us* to obtain

information from third parties that is relevant to any claim that *you* make under this policy.

- f. *You* must, prior to settlement of *your* claim, complete documentation which evidences *our* settlement of *your* claim.

7. Correctness of Statements and Fraud

The proposal, application, or declaration form is the basis of this contract.

All statements made or information given by *you* or on *your* behalf:

- in any proposal, application, or declaration (whether *you* have provided these statements or information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form or provided to *us* by telephone);
- in support of this policy; or
- in support of any claim; must be complete and correct in all respects.

If any claim under this policy is supported by any incorrect information or statement or is in any respect fraudulent, then *your* claim is not payable and this entire policy automatically terminates from the date that the incorrect information was supplied to *us*, or the statement or fraudulent claim was made to *us*. *We* may also cancel any other policy *you* have with *us*.

8. Duty of Disclosure and Change of Circumstances

You must tell *us* all information that a prudent insurer would consider material to a decision to issue, renew, or alter this policy, or the terms on which they would do any of these things, including the *premium* that *we* charge. *Your* duty of disclosure applies each time this policy is renewed or altered. There are serious consequences if *you* fail to tell *us* information which is material to the decision to issue, renew, or alter this policy, or the terms on which *we* did any of these things.

You must tell *us* immediately if, after the start of this policy, there is an increase or alteration to the risk insured. This includes any change of circumstances that affects the persons, properties, or liabilities covered by this policy. *You* must tell *us* if *you* or any member of *your* household or any person insured under this policy receives a criminal conviction.

9. Good and Services Tax – GST

We will pay up to the *sum insured* plus any GST (to the maximum of the current rate of GST) that is paid or payable on the *sum insured*. However, all item

limits, benefit limits, and excesses shown within this policy or on the *schedule* are GST inclusive.

10. Governing Law

This policy is governed by New Zealand law, and the New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

11. Government EQC Cover

Where the policy insures property at more than one named location, for the purposes of the Earthquake Commission Act 1993, each location is deemed to be subject to a separate contract.

12. Sum Insured Adjustment at Renewal

We will consider a range of factors that can influence the cost of rebuilding. As a result *we* may choose to make an adjustment to *home* sums insured. Where *we* take this action *your* new *sum insured* will be shown on the renewal *schedule*, and *your* *premium* will be adjusted accordingly. However, *you* need to consider if *your* *sum insured* is sufficient for *your* situation.

13. Instalment Premiums

Where *we* have agreed to accept payment of *premium* by instalments all benefits under this policy will be forfeited from the date the first unpaid instalment was due, and *your* policy will be automatically cancelled if any *premium* instalment/s remains unpaid for 28 days.

To ensure that *you* have an opportunity to maintain cover in the event that an instalment *premium* has not been made to *us*, *we* will attempt again to collect the outstanding *premium* instalment from *your* nominated bank account.

Where any instalment is overdue, but the policy has not been cancelled, all benefits under this policy will be suspended from the date the first unpaid instalment was due.

14. Joint Insureds

Where the *schedule* shows the insured in joint names or includes the name of a Trust, then this policy is a joint policy. This means that if one of *you*, including Trustees and Beneficiaries, does or fails to do anything so that there is no cover, there will be no cover for any of *you*, not just the person responsible. *You* are each deemed to act with the express authority of each other, and have the right to make a change to the policy, make or settle a claim under the policy, or cancel the policy.

15. Other Insurance

This policy does not cover *loss* or liability where cover is provided by other insurance. *We* will not contribute

towards any claim made under any other policy.

16. Other Interests

Where *we* have been advised of any mortgage or secured financial interest over the *home*, *we* may make payment of any claim proceeds directly to that interested party. This will meet *our* obligations under this policy.

We are authorised by *you* to disclose personal information about *you* to any holder of a financial interest.

Any party recorded as having a financial interest under this policy is not covered by this policy and has no right to make a claim.

17. Reinstatement of Cover

Where the *home* suffers *loss* which is covered by this policy, the amount of cover available for future claims will be reduced from the *sum insured* stated on the *schedule* by the amount of that *loss*.

The amount of cover shall be restored as and to the extent that the *loss* is repaired or rebuilt.

However, before any amount of *your* cover is restored following *loss* *you* must pay any additional *premium* that *we* may charge.

This reinstatement of cover shall operate only once during the *period of cover*, unless *we* agree otherwise in writing. There shall be no reinstatement of cover where there has been a total loss under this policy.

18. Sale and Purchase

If *you* have contracted to sell *your* interest in the *home*, section 13 of the Insurance Law Reform Act 1985 provides the purchaser with cover under this policy until the purchaser takes possession of the *home* or until settlement, whichever is earlier, provided the purchaser is not otherwise insured. The terms, conditions, and exclusions of this policy apply to *you* and the purchaser as if *you* are insured jointly.

19. Reparation

If any person is ordered to pay *reparation* to anyone *we* insure under this policy for *loss* to any property that *we* have or will pay 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.

20. Landlord's Obligations

The following conditions apply where the *home* is *tenanted*.

- a. *You* or *your* managing agent must:
 - i. exercise reasonable care in the selection of

- each person who is a *tenant*; and
 - ii. obtain satisfactory references for each adult tenant prior to that *tenant* moving into the *home*; and
 - iii. keep records of the checks undertaken and references obtained and provide these to *us* if *we* ask for them.
 - b. At 6 monthly intervals, or whenever there is a change of *tenant*, *you* or *your* managing agent must:
 - i. complete an internal and external inspection of the property; and
 - ii. keep photos and written records of the inspections and provide these to *us* if *we* ask for them.
 - c. If *you* have purchased the Optional Additional Benefit 'Landlord's Extension', in addition to complying with the requirements of a. and b. above:
 - i. *you* have an obligation to mitigate any claim *you* make for *your* loss of *rent* under this policy by taking all reasonable steps to find suitable alternative *tenants* and must provide *us* with records of steps taken if *we* ask for them; and
 - ii. *you* or *your* managing agent must actively monitor *rent* for *your* *home* and if the *rent* is 10 days in arrears, *you* or *your* managing agent must provide a written notice requiring the *tenant* to remedy the arrears. If the unpaid *rent* is not received within a further 5 days, *you* or *your* managing agent must personally deliver a second notice to the *tenants* requiring the arrears to be remedied. *You* or *your* managing agent must also ascertain at this time whether the *tenants* are still living at the *home*.