

MATERIAL DAMAGE POLICY



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INTRODUCTION

WELCOME	Welcome to DUAL. Thank you for selecting us to provide your insurance.
ABOUT THIS POLICY	<p>Your Material Damage Policy consists of:</p> <ol style="list-style-type: none"> 1. this policy document, and 2. the schedule, and 3. any endorsements or warranties that we apply, and 4. the information you have provided in the application.
YOUR DUTY OF DISCLOSURE	<p>When you apply for insurance, you have a legal duty of disclosure. This means you or anyone acting on your behalf must tell us everything you know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:</p> <ol style="list-style-type: none"> 1. to accept or decline your insurance, and/or 2. the cost or terms of the insurance, including the excess. <p>You also have this duty every time your insurance renews and when you make any changes to it. If you or anyone acting on your behalf breaches this duty, we may treat this policy as being of no effect and to have never existed. Please ask us if you are not sure whether you need to tell us about something.</p>
EXAMPLES	We have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in <i>italics</i> and do not affect or limit the meaning of the section they refer to.
HEADINGS	The headings in this policy document are for reference only and do not form part of it. They must not be used when interpreting the policy document.
DEFINED WORDS	If a word is shown in bold , it has a specific meaning. There is a list of these words and what they mean at the back of this policy in the section 'DEFINITIONS'.

INSURANCE AGREEMENT

OUR AGREEMENT	You agree to pay us the premium and comply with this policy. In exchange, we agree to insure you as set out in this policy.
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WHAT YOU ARE COVERED FOR

DAMAGE TO INSURED
PROPERTY

You are insured for any sudden and **accidental loss** to **insured property** at the **situation**.

AUTOMATIC POLICY EXTENSIONS

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

Unless expressly stated otherwise, any amounts payable under these Automatic Extensions are included within 'What We Will Pay – A. Maximum Amount Payable'. They are not additional.

A. ALTERNATIVE
RESIDENTIAL
ACCOMMODATION

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

1. is covered by this Material Damage Policy, or
2. would have been covered by this Material Damage Policy, but is covered by the **EQC Act** instead,

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

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

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

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

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

B. BURGLARY COVER

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

1. at the **situation**, or
2. during the period the **insured property** is covered by:
 - (a) Automatic Policy Extension Q. Portable Electronic Equipment, or

	<p>(b) Automatic Policy Extension Z. Temporary Removal Cover, or (c) Automatic Policy Extension CC. Transit Cover, or (d) Automatic Policy Extension EE. Unspecified Locations</p> <p>caused by theft or attempted theft:</p> <ol style="list-style-type: none"> 1. accompanied by threat of violence, or actual violence, to any person, or 2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or 3. involving physical evidence of violent and forcible entry to, or exit from a securely locked motor vehicle or storage container, or 4. of a permanently attached part of the building by the forcible removal of it. <p>If the loss occurs during the period the insured property is covered by one of the Automatic Policy Extensions referred to in 2 (a), (b), (c) or (d) above, any sub-limit detailed in that extension also applies to the cover under this extension.</p>
<p>C. CAPITAL ADDITIONS COVER</p>	<p>You are insured for:</p> <ol style="list-style-type: none"> 1. sudden and accidental loss to a building or contents, located in New Zealand, that you acquire during the period of insurance, provided you own or are responsible for that property, and 2. appreciation in value of a building or contents that results solely from a physical: <ol style="list-style-type: none"> (a) alteration, or (b) addition, or (c) improvement, <p>provided that you notify us within 90-days of you acquiring the property or the physical works being completed.</p> <p>Once you have notified us:</p> <ol style="list-style-type: none"> 1. we may charge you additional premium, and 2. any increased value of the property will be added to your sum insured. <p>The most we will pay under this extension during any annual period is:</p> <ol style="list-style-type: none"> (a) 10% of the sum insured for the building and 10% of the sum insured for the contents, or (b) \$100,000 in total for both, <p>whichever is the lesser.</p>
<p>D. DOCKS, PIERS, WHARVES AND ROAD BRIDGES COVER</p>	<p>You are insured for accidental loss to docks, piers, wharves or road bridges owned by you that form part of your insured property and are at the situation shown in the schedule, subject to a combined limit of \$100,000 at any one situation, unless specified for a greater amount in the schedule.</p> <p>Policy Exclusions A – Types of Property Not Covered - 4 (f) road bridges and 4 (h) do not apply to this Automatic Policy Extension.</p>

<p>E. ELECTRIC MOTORS COVER</p>	<p>You are insured for sudden and accidental loss to:</p> <ol style="list-style-type: none"> 1. electric motors and starters not exceeding 5kw (6.7 hp), and 2. distribution switchboards and permanently installed electric reticulation, at the situation provided that the damage is fusion immediately preceded by: <ol style="list-style-type: none"> 1. the failure of electrical insulation, or 2. an identifiable abnormal electric current fluctuation from any power supply network, or 3. electrically induced self-heating.
<p>F. ELECTRONIC DATA AND SOFTWARE</p>	<p>You are insured for the loss of electronic data and software resulting from electronic equipment insured by this policy suffering sudden and accidental loss covered by this policy.</p> <p>The most we will pay under this extension is \$20,000 any one event.</p> <p><i>Please also read 'How We Will Pay: Basis of settlement: certain types of property- 'Electronic Data' and 'Software'.</i></p>
<p>G. EMPLOYEE EFFECTS COVER</p>	<p>You are insured for sudden and accidental loss to the clothing, personal effects and tools of trade of your directors and employees (but not your contractors). We will cover this property as if it were contents, provided that:</p> <ol style="list-style-type: none"> 1. the property is at the situation, or 2. the property is being worn, carried or used by your directors or employees while they are acting in the course of their directors' duties or employment, anywhere in New Zealand. <p>The most we will pay under this extension:</p> <ol style="list-style-type: none"> 1. is \$5,000 for any event, per person, and 2. in total during the annual period is the sum insured shown in the schedule for contents.
<p>H. EXPEDITING COSTS COVER</p>	<p>You are insured for the reasonable costs of express freight and overtime to expedite the repair or replacement of insured property following a loss covered under this policy.</p> <p>You must have our prior approval before incurring any costs.</p> <p><i>Our approval will be based on the economic benefit gained.</i></p>
<p>I. FIRE FIGHTING EQUIPMENT</p>	<p>You are insured for the reasonable costs you incur to replenish your portable hand-held fire fighting equipment after the equipment has been used to protect your insured property from loss covered under this policy, or immediate and imminent threat of loss, provided that the loss would be covered under this policy if it did occur.</p> <p>The most we will pay under this extension in total during any annual period is \$5,000.</p>
<p>J. HAZARDOUS SUBSTANCE</p>	<p>You are insured for any charge the New Zealand Fire Service is authorised to</p>

EMERGENCY	<p>impose on you in respect of any Hazardous Substance Emergency at the situation during the period of insurance.</p> <p>We will pay these costs where there is loss covered under this policy, or where there is an immediate and imminent threat of loss, that would be covered under this policy if it did occur.</p> <p>'Hazardous Substance Emergency' is as defined in the Fire Service Act 1975.</p> <p>The most we will pay under this extension is \$50,000 for any event.</p>
K. HIDDEN GRADUAL DAMAGE	<p>You are insured for:</p> <ol style="list-style-type: none"> 1. hidden gradual damage that happens and that you discover during the period of insurance, and 2. any other part of any insured property that is not directly affected but must be removed, damaged or destroyed to locate the cause of the hidden gradual damage, provided that we have first given our permission. <p>The most we will pay during an annual period is:</p> <ol style="list-style-type: none"> (a) \$10,000 for any one event, and (b) \$30,000 for all events.
L. ILLEGAL SUBSTANCES	<p>You are insured for accidental loss to the building and or contents within the building shown in the schedule, in connection with the manufacture, storage or distribution of any controlled drug as defined in the Misuse of Drugs Act 1975, if:</p> <ol style="list-style-type: none"> (a) the building is tenanted, and (b) you or the person who manages the tenancy on your behalf has met the landlord obligations. <p>The most we will pay under this extension is \$50,000 any one event, up to a maximum of \$250,000 in the period of insurance. However for accidental loss resulting from fire or explosion the most we will pay is the sum insured declared in the schedule.</p> <p>For the purpose of this extension "landlords obligations" means you or person who manages the insured property on your behalf must:</p> <ol style="list-style-type: none"> (a) exercise reasonable care in the selection of tenant(s) by obtaining at least satisfactory verbal or written references, and (b) complete an external and internal inspection of the property at a minimum of three monthly intervals and upon the change of every tenant(s), and (c) keep a written record of the outcome of each inspection, and provide a copy to us if a copy is requested.

M. INVENTORY	<p>You are insured for the costs reasonably incurred by you in taking an inventory to establish the value of lost or damaged insured property following a loss covered by this policy.</p>
N. LANDSLIP AND SUBSIDENCE	<p>You are insured for sudden and accidental loss to insured property at the situation caused by landslip or subsidence.</p> <p>The most we will pay under this extension for any one situation in any annual period is \$250,000 unless a different amount for Landslip and Subsidence is shown in the schedule.</p> <p>An excess of \$10,000 applies for each event under this extension, unless a higher excess for Landslip and Subsidence is shown in the schedule.</p> <p>This extension does not include landslip or subsidence caused by earthquake, subterranean fire, volcanic activity, tsunامي, geothermal activity, hydrothermal activity, or fire caused by any of these.</p>
O. MACHINERY BREAKDOWN COVER	<p>You are insured for accidental loss of any machine from mechanical or electrical breakdown, derangement or failure.</p> <p>The most we will pay under this extension is \$100,000 any one event, and in total during the period of insurance. This sub-limit applies to the combined Material Damage and Business Interruption loss.</p> <p>This extension does not provide cover for loss to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.</p> <p>For the purpose of this extension the following definitions apply:</p> <p>machine</p> <p>Any contrivance for the conversion and direction of motion or energy or for the performance of any electronic process, and includes any protective device in connection with that contrivance.</p> <p>breakdown</p> <p>The actual stopping or failing of the machine due solely to internal stress or a fault in the machinery whilst in use and not by any cause external to the affected machine.</p>
P. MONEY COVER	<p>You are insured for sudden and accidental loss of money, provided that the loss occurs in any of the circumstances outlined below:</p> <p>Money Section A</p> <ol style="list-style-type: none"> 1. money in transit, or 2. money at the situation during business hours, or 3. money at the situation in a securely locked safe or strong room outside

	<p>business hours.</p> <p>Money Section B</p> <ol style="list-style-type: none"> 1. money at the situation outside business hours and not in a securely locked safe or strong room, or 2. money at residential premises occupied by you or any director, employee, or agent, authorised to have possession of the money. <p>This extension does not provide cover for loss of money:</p> <ol style="list-style-type: none"> 1. caused by errors in receiving it or paying it out, or 2. occurring while the money is entrusted to any person other than: <ol style="list-style-type: none"> (a) you or any director or executive officer of yours, or (b) any employee or agent of yours, or (c) any professional money carrier, or 3. resulting from payment of money in exchange for any cheque that is subsequently dishonoured, or 4. occurring while the money is in an unlocked and unoccupied vehicle, or 5. caused by theft or fraud by any of your employees, unless the loss is discovered within three consecutive business days of the act of theft or fraud, or 6. through electronic means. <p>The most we will pay under this extension is:</p> <ol style="list-style-type: none"> 1. \$20,000 or the 'Special Carry' sum insured (during the months specified) for any event under Money Section A, and 2. \$ 5,000 for any event under Money Section B, <p>unless a different amount for Money Section A or Money Section B is shown in the schedule.</p> <p>Payment under this extension is in addition to 'What We Will Pay - A. Maximum Amount Payable'.</p>
<p>Q. PORTABLE ELECTRONIC EQUIPMENT COVER</p>	<p>You are insured for accidental loss to portable electronic equipment, while away from the situation and whilst in transit and located anywhere in the world.</p> <p>The most we will pay under this extension is:</p> <ol style="list-style-type: none"> 1. \$7,500 for any one item of portable electronic equipment, and 2. \$25,000 in total for any one event. <p>An excess of \$1,000 applies for each event under this extension, unless a different amount is shown in the schedule.</p>
<p>R. PROPERTY UNDER CONSTRUCTION</p>	<p>You are insured for sudden and accidental loss to any building and contents at the situation during the course of:</p>

	<ol style="list-style-type: none"> 1. demolition, or 2. installation, construction or erection, or 3. testing and commissioning following 2. above, 4. provided that: 5. the property is owned, will be owned or will be occupied by you, and 6. the completed value of contract works does not exceed \$100,000.
S. PROTECTION COSTS COVER	<p>You are insured for reasonable costs you incur to temporarily protect insured property by preventing or minimising an imminent sudden and accidental loss, provided that the loss would be covered under this policy if it did occur. The most we will pay under this extension is \$100,000 any one event.</p>
T. REDUNDANT FOUNDATIONS	<p>You are insured for undamaged foundations that are made redundant, where the insured property resting on them has been destroyed as a result of a loss covered by this policy.</p> <p>Where the redundant and undamaged foundations are not demolished, and the presence of them increases the market value of the site to which they are fixed, the amount of the market value increase will be deducted from the amount payable for your claim.</p>
U. REDUNDANT PLANT AND STOCK	<p>You are insured for any of the following provided it is also insured property:</p> <ol style="list-style-type: none"> 1. stock rendered redundant as a result of loss covered by this policy to other insured property. 2. (a) plant which is interdependent with insured property, and/or (b) spare parts held exclusively for insured property, rendered redundant as a result of loss covered by this policy to its respective insured property in (a) or (b) above. <p>Regardless of any Basis of Settlement shown in the schedule, we will only ever pay you the indemnity value of the redundant plant and/or spare parts.</p>
V. REFRIGERATED GOODS	<ol style="list-style-type: none"> 1. expenses reasonably incurred to avoid or minimise the loss insured by 1. above by either transferring the threatened goods to alternative storage or by other means; <p>provided that this extension does not cover damage due to the disconnection of the public electricity supply by the supply authority where prior notice of the disconnection has been given at the time of damage.</p> <p>You are insured for:</p> <ol style="list-style-type: none"> 2. damage to goods in refrigerated cabinets or chambers arising from accidental stoppage, damage, or malfunction of refrigerating plant. The words "goods in refrigerated cabinets or chambers" are deemed to include goods that are at the situation at the time of the event and that would, but for the event, have been placed in the refrigerated cabinets or

	<p>chambers; and</p> <p>The most we will pay under this extension is \$10,000 for any one event unless a different amount for Refrigerated Goods is shown in the schedule.</p>
W. REWARDS COVER	<p>You are insured for a reward that you offer and pay to successfully secure the return of insured property that suffers a loss, provided that:</p> <ol style="list-style-type: none"> 1. the loss is covered under this policy, and 2. you have our prior approval to offer the reward.
X. SOCIAL CLUB COVER	<p>You are insured for sudden and accidental loss to property and money of any:</p> <ol style="list-style-type: none"> 1. social club, and/or 2. sports club or similar body, <p>provided that the clubs' activities are principally for the benefit of your employees.</p> <p>We will cover:</p> <ol style="list-style-type: none"> 1. this property as if it were contents, and 2. money on the same basis as provided by Automatic Extension P: Money Cover.
Y. STOLEN KEYS COVER	<p>You are insured for the reasonable costs to:</p> <ol style="list-style-type: none"> 1. open a safe or strong room, and 2. alter or replace locks, keys and combinations that give access to your insured property, <p>provided that the costs are incurred because the keys or combinations are:</p> <ol style="list-style-type: none"> 1. stolen, or 2. believed on reasonable grounds to have been duplicated without proper authority, <p>during the period of insurance.</p> <p>The most we will pay under this extension during the annual period is \$20,000 unless a different amount for Stolen Keys Cover is shown in the schedule.</p>
Z. TEMPORARY REMOVAL COVER	<p>You are insured for sudden and accidental loss to contents while temporarily removed from the situation to another location within New Zealand [including while in transit].</p> <p>The most we will pay under this extension for portable electronic equipment and portable tools of trade is:</p> <ol style="list-style-type: none"> 1. \$5,000 for any one item including its standard accessories, and 2. \$25,000 in total for any event.
AA. TENANTED PREMISES	<p>You are insured for sudden and accidental loss to:</p> <ol style="list-style-type: none"> 1. glass, and 2. doors and windows, and

	<p>3. light fittings and power points, and</p> <p>4. floor coverings,</p> <p>that are not owned by you at the situation, provided that:</p> <ol style="list-style-type: none"> 1. you are responsible to arrange and bear the cost to repair them under the terms of your lease agreement, and 2. the provisions of sections 268 to 272 of the Property Law Act 2007 (or any relevant amendments) do not release you from this responsibility. <p>The most we will pay under this extension during the annual period is \$50,000 unless a different amount for Tenanted Premises is shown in the schedule.</p>
BB. THEFT COVER	<p>You are insured for sudden and accidental loss to insured property caused by theft occurring:</p> <ol style="list-style-type: none"> 1. at the situation, and 2. when the insured property is covered by: <ol style="list-style-type: none"> (a) Automatic Policy Extension Q. Portable Electronic Equipment (b) Automatic Policy Extension Y. Temporary Removal Cover, or (c) Automatic Policy Extension BB. Transit Cover, or <p>Automatic Policy Extension DD: Unspecified Locations. An excess of \$2,500 applies for each event under this extension, unless a higher excess for Theft Cover is shown in the schedule.</p>
CC. TRANSIT COVER	<p>You are insured for sudden and accidental loss to contents and/or stock during any transit beginning and ending within New Zealand.</p> <p>We will include your liability for general average and salvage charges where the contract of carriage or governing law and practice make you liable for such payments.</p> <p>No cover is provided under this extension for:</p> <ol style="list-style-type: none"> (a) contents while temporarily removed, or (b) contents and/or stock otherwise insured. <p>The most we will pay under this extension is:</p> <ol style="list-style-type: none"> 1. \$5,000 any one portable tool of trade, including their standard accessories, and 2. \$25,000 in total for any event, <p>unless a different amount for Transit Cover is shown in the schedule.</p>
DD. UNHARMED PROPERTY COVER	<p>You are insured for the reasonable cost to:</p> <ol style="list-style-type: none"> 1. damage, demolish or remove, and 2. subsequently repair, replace or reassemble, <p>insured property that has not suffered loss, if this action becomes necessary to repair or replace insured property that has suffered a loss which is covered by this policy.</p>

	We will pay these costs provided that they are not being incurred solely to comply with any regulations .
EE. UNSPECIFIED LOCATIONS	<p>You are insured for sudden and accidental loss to contents and/or stock while situated at any unspecified location in New Zealand away from the situation.</p> <p>This extension does not apply to:</p> <ol style="list-style-type: none"> 1. contents and/or stock that are temporarily removed, and 2. any portable electronic equipment, and 3. any portable tools of trade. <p>The most we will pay under this extension is:</p> <ol style="list-style-type: none"> 1. \$50,000 for any event, or 2. the sum insured for contents and/or stock, <p>whichever is the lesser, unless a different amount for Unspecified Locations is shown in the schedule.</p>

OPTIONAL POLICY EXTENSIONS

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

Unless stated otherwise, Optional Extensions are included within 'What We Will Pay - A. Maximum Amount Payable'. They are not additional.

A. NATURAL DISASTER COVER	<p>You are insured for natural disaster damage to insured property.</p> <p>The excess that will apply in each region named to the aggregate of:</p> <ol style="list-style-type: none"> 1. all natural disaster damage claims under this policy, and 2. all natural disaster damage claims under the business interruption policy (if applicable), <p>arising from any one event at each common site is shown in the policy schedule.</p> <p>Where the insured property that suffers natural disaster damage has been temporarily removed, the site sum insured excess applicable will be that of the insured property's original situation.</p> <p>Where insured property is covered wholly or in part by the EQC Act, the following apply:</p> <ol style="list-style-type: none"> 1. <u>What we will pay if EQC Cover applies</u> If EQC Cover applies: <ol style="list-style-type: none"> (a) this policy only pays in excess of the maximum cover under the EQC Act, and (b) the most we will pay for loss to insured property from any event is the difference between your EQC entitlement (whether or not that
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	<p>is actually paid to you) and the Maximum Amount Payable under this policy for that loss.</p> <p>2. <u>Excess</u></p> <p>The natural disaster damage excess is reduced by any payment made by the Earthquake Commission except for payments for land.</p>
B. SEASONAL STOCK ADJUSTMENTS	<p>Where stock has suffered a loss covered by the policy, the maximum amount payable for stock is increased by 20% for the months of: October, November and December, unless another period for the Seasonal Stock Increase is shown in the schedule.</p>
C. SUSTAINABLE REBUILDING COSTS	<p>You are insured for the reasonable costs you incur to upgrade the building with sustainable products following a loss covered by this policy, provided that:</p> <ol style="list-style-type: none"> 1. the building is destroyed, and 2. the 'Basis of Settlement – Reinstatement' applies to the building, and 3. you replace the building, and 4. the sustainable products are first approved by us. <p>The most we will pay under this extension for any event is:</p> <ol style="list-style-type: none"> 1. 5% of the actual cost to replace the building, or 2. \$250,000 in total, <p>whichever is the lesser, unless a different amount for Sustainable Rebuilding Costs is shown in the schedule.</p> <p>Payment under this extension is in addition to 'What We Will Pay – A. Maximum Amount Payable'.</p>

EXCLUSIONS

A. TYPES OF PROPERTY NOT COVERED	<p>This policy does not insure:</p> <ol style="list-style-type: none"> 1. any insured property during: <ol style="list-style-type: none"> (a) demolition, or (b) installation, construction or erection, or (c) testing and commissioning following 1.(b) above, other than cover provided by Automatic Policy Extension R Property under Construction. 2. jewellery, precious stones, furs, precious metals or bullion, except if any of these items are: <ol style="list-style-type: none"> (a) stock of your business, or
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	<p>(b) a component of any plant or machinery that is insured under this policy as contents.</p>
	<p>3. any of the following (including plant attaching to, or accessories in or on any of them):</p> <ul style="list-style-type: none"> (a) any vehicle or trailer that is required to be registered or licensed to travel on a public road, (b) any mechanically or electrically propelled vehicles (including railway locomotives and rolling stock), (c) watercraft of any kind, (d) aircraft of any kind, <p>except if any of these items are stock of your business, and at the time of the loss they are at the situation and are:</p> <ul style="list-style-type: none"> (i) stationary, or (ii) not in operation, or (iii) not being used.
	<p>4. any of the following property:</p> <ul style="list-style-type: none"> (a) standing timber or growing crops, (b) live plants including any trees, shrubs, hedges or grass, other than those forming part of landscaping, (c) livestock, (d) any living creature, (e) dams, canals, or reservoirs, (f) road bridges or road tunnels, (g) railways, railway bridges or railway tunnels, (h) docks, piers, or wharves, (i) mining property located below ground level, (j) any land, earth or fill (including topsoil and backfill), (k) transmission and distribution lines not located at the situation, (l) artificial turf, swimming pools or tennis courts, (m) property located outside New Zealand (other than cover provided by Automatic Policy Extension Q. Portable Electronic Equipment Cover), <p>except if the item of property is specifically listed in the schedule as being insured.</p>
	<p>5. money, other than cover provided by Automatic Policy Extension P: Money Cover.</p>
	<p>6. insured property that is in transit away from the situation, other than cover provided by:</p> <ul style="list-style-type: none"> (a) Automatic Policy Extension P: Money Cover,

	<p>(b) Automatic Policy Extension Q: Portable Electronic Equipment Cover, (c) Automatic Policy Extension Z: Temporary Removal Cover, (d) Automatic Policy Extension CC: Transit Cover.</p>
<p>B. LOSSES NOT COVERED</p>	<p>This policy does not insure:</p> <ol style="list-style-type: none"> 1. any of the following types of damage to insured property: <ol style="list-style-type: none"> (a) slowly developing deformation or distortion, (b) marring or scratching, (c) gradual deterioration, (d) rot or mildew, (e) wear and tear, corrosion or rust. 2. loss immediately preceded by any of the following: <ol style="list-style-type: none"> (a) interruption of the supply of water, gas, electricity, or any fuel to the situation, other than cover provided by Automatic Policy Extension V: Refrigerated Goods, (b) total or partial stoppage of work, or interruption or cessation of any process, (c) a change in artificially controlled temperature or atmosphere, other than cover provided by Automatic Policy Extension V: Refrigerated Goods. 3. loss caused by or arising from any of the following: <ol style="list-style-type: none"> (a) action of micro-organisms, vermin or pests, (b) action of light, or inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish), (c) fumes, gas, dust, smoke or soot, (d) maintenance of insured property including servicing, cleaning and subsequent testing, (e) spontaneous combustion, (f) spontaneous fermentation. <p>This exclusion only applies to the insured property, or to the part of the insured property (as applicable), directly affected. It does not apply to any resultant sudden and accidental loss to separate insured property, or to other parts of the same insured property (as applicable).</p> 4. loss that is: <ol style="list-style-type: none"> (a) only evidenced by an unexplained disappearance, (b) only revealed by the taking of an inventory, (c) due to clerical or accounting errors. 5. loss caused by any of the following:

	<p>(a) theft or attempted theft, other than cover provided by:</p> <ul style="list-style-type: none"> (i) Automatic Policy Extension B: Burglary Cover, (ii) Automatic Policy Extension P: Money Cover, (iii) Automatic Policy Extension Q. Portable Electronic Equipment Cover, (iv) Automatic Policy Extension Y. Stolen Keys Cover, (v) Automatic Policy Extension BB: Theft Cover, <p>(b) any fraudulent scheme or device, or false pretence practised on you or any other person,</p> <p>(c) theft, attempted theft or fraud by you or an employee of yours other than cover provided by Automatic Policy Extension P: Money Cover.</p>
	<p>6. loss following any of these events:</p> <ul style="list-style-type: none"> (a) exposure to weather conditions if the property is not designed to be left in the open (unless reasonable precautions have been taken to protect the property from those conditions), (b) landslip or subsidence, other than cover provided by Automatic Policy Extension N: Landslip and Subsidence and Optional Extension A: Natural Disaster Damage, (c) erosion or expansion of the ground, (d) normal settlement, normal shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements. (e) settling, warping or cracking caused by earth or other movements, other than cover provided by Optional Policy Extension A: Natural Disaster Cover.
<p>C. ASBESTOS AND HAZARDOUS SUBSTANCES</p>	<p>This policy does not insure loss or damage costs or expenses directly or indirectly arising out of or resulting as a consequence of or related to the manufacture, mining, processing, ownership, distribution, testing, remediation, removal, storage, disposal, sale, transportation, use of or exposure to asbestos or silica or polychlorinated biphenyls or materials or products containing such substances (or any other component building material hazardous to health) whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.</p>
<p>D. BIOLOGICAL OR CHEMICAL MATERIALS</p>	<p>This policy does not insure loss or damage costs or expenses of whatsoever nature directly or indirectly caused by resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.</p>

<p>E. BUILDING DEFECTS</p>	<p>This policy does not insure loss in connection with a building or structure being affected by:</p> <ol style="list-style-type: none"> 1. moisture or water build-up or the penetration of external moisture or water, or 2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms, <p>that is caused directly or indirectly by:</p> <ol style="list-style-type: none"> 1. non-compliance with the New Zealand Building Code, or 2. faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or 3. faulty materials, or 4. faulty workmanship, <p>when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.</p> <p>This exclusion does not apply to loss that is caused by or directly arises from the leakage of internal pipes, internal water reticulation systems or internal cisterns.</p>
<p>F. CONFISCATION</p>	<p>This policy does not insure loss in connection with confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any immediate and imminent threat of loss provided that the loss would be covered by this policy if it did occur).</p>
<p>G. CONSEQUENTIAL FINANCIAL LOSS</p>	<p>This policy does not insure any kind of consequential financial loss (<i>e.g. financial loss that occurs as a direct or indirect result of the loss of insured property</i>), including the following:</p> <ol style="list-style-type: none"> 1. delays, 2. loss of market, 3. penalties, 4. rates, taxes, duties, development charges, 5. other charges or assessments arising out of capital appreciation, that are payable to comply with any regulations, 6. loss of use of any property, other than cover provided by: <ol style="list-style-type: none"> (a) Automatic Policy Extension H. Expediting Costs Cover, (b) Automatic Policy Extension O. Machinery Breakdown, (c) Automatic Policy Extension T: Redundant Foundations, (d) Automatic Policy Extension U: Redundant Plant and Stock.
<p>H. COSTS NOT INSURED</p>	<p>This policy does not insure the cost of:</p> <ol style="list-style-type: none"> 1. repairing or replacing faulty materials, or

	<p>2. fixing faulty workmanship, or</p> <p>3. fixing any work performed to a faulty:</p> <p>(a) design plan, or</p> <p>(b) design specification, or</p> <p>4. altering or modifying any part of any refrigeration or air conditioning plant to enable the plant to operate with a more ozone friendly refrigerant.</p> <p>This exclusion does not apply to any resultant sudden and accidental loss to separate insured property or to other parts of the same insured property arising from the above.</p>
I. DAMAGE TO MACHINERY	<p>This policy does not insure any machinery breakdown of a machine. This does not apply:</p> <p>(a) where sudden and accidental loss covered under this policy (or that would have been covered if the property was insured under this policy) occurs completely outside the machine resulting in the machinery breakdown occurring. However, this proviso does not apply to machinery breakdown resulting directly or indirectly from any:</p> <p>(i) error in: setting, programming or operating the machine, or</p> <p>(ii) stock or part of the machine being drawn into the machine, or</p> <p>(iii) failure to service or maintain the machine correctly, or</p> <p>(b) to resultant sudden and accidental loss to other parts of the machine that is not machinery breakdown, or</p> <p>(c) to the cover provided by Automatic Policy Extension E: Electric Motors Cover, or</p> <p>(d) to the cover provided by Automatic Policy Extension O: Machinery Breakdown, or</p> <p>(e) to the cover provided by Automatic Policy Extension V: Refrigerated Goods.</p>
J. DAMAGE TO BOILERS AND PRESSURE VESSELS	<p>This policy does not insure the cost of repairing or replacing any part of a boiler or pressure vessel that suffers loss through:</p> <p>1. explosion, overheating, rupture, bursting or collapse (but not pressure caused by chemical explosion), or</p> <p>2. cracking or leaking.</p> <p>This exclusion does not apply to any resultant sudden and accidental loss to other parts of the boiler or pressure vessel arising from the above.</p>
K. ELECTRONIC CYBER LIABILITIES	<p>There is no cover under this policy for any claim, loss, damage, liability, death or disablement result from or directly or indirectly caused by or arising</p>

	<p>in connection with a System Failure if a System Failure forms an identifiable element in the chain of events from which the liability arises whether or not it is the proximate cause.</p> <p>System Failure shall mean malfunction or non-function of any mechanical and/or electronic system (whether or not the property of the Insured) caused by:</p> <ul style="list-style-type: none"> (a) the response of a computer to any date or date change or; (b) the failure of a computer to respond to any date or date change or; (c) the loss of or denial of access to any data either your own or third party or; (d) any loss of or damage to or change or corruption in data or software on a computer or computer system or; (e) any computer virus or hacking into or degradation of or breach of security in or denial of access to a computer or computer system or website. <p>Computer includes computer hardware computer software microchip microprocessor any electronic equipment and any device which gives or processes or receives or stores electronic instructions or information.</p>
L. INFECTIOUS DISEASES	<p>This policy does not insure loss in connection with a:</p> <ol style="list-style-type: none"> 1. notifiable infectious disease under the Health Act 1956, and/or 2. notifiable disease under the Biosecurity Act 1993.
M. MISUSE OF THE INTERNET	<p>This policy does not insure loss or damage arising directly or indirectly from the use or misuse of the Internet Extra-net and/or caused via the Insured's own website or internet site or web address and/or via the transmission of mail plans designs photographs or other documents by electronic means.</p>
N. NATURAL DISASTER	<p>This policy does not insure natural disaster damage other than cover provided by Optional Policy Extension A: Natural Disaster Cover.</p>
O. NUCLEAR	<p>This policy does not insure any loss in connection with:</p> <ol style="list-style-type: none"> 1. ionising radiation or contamination by radioactivity from: <ul style="list-style-type: none"> (a) any nuclear fuel, or (b) any nuclear waste from the combustion or fission of nuclear fuel. <p>nuclear weapons material.</p>
P. PRODUCTION PROCESSES	<p>This policy does not insure loss to insured property while undergoing any production process where any part of that production process (including any accidental modification of the process), causes or contributes towards the loss in any way.</p>
Q. SEEPAGE, POLLUTION AND CONTAMINATION	<p>This policy does not insure loss in connection with seepage, pollution or contamination except if the seepage, pollution or contamination results from</p>

	sudden and accidental loss to insured property , which is otherwise covered under this policy.
R. TERRORISM	This policy does not insure any loss in connection with an act of terrorism , including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism .
S. WAR	This policy does not insure any loss in connection with any of the following, including controlling, preventing or suppressing any of the following: War, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

HOW WE WILL PAY

A. BASIS OF SETTLEMENT: REINSTATEMENT	<p>Where the schedule shows any item(s) of insured property are insured for reinstatement, we will indemnify you as follows:</p> <ol style="list-style-type: none"> 1. where insured property is lost or destroyed: by paying you the cost to replace the insured property to a condition substantially the same as its condition when new, or 2. where insured property is physically damaged but not lost or destroyed: by paying you the cost to repair the loss to the damaged part of the insured property to a standard that is reasonably equivalent to its condition and relative quality when new, but without necessarily reproducing it exactly. <p>Circumstances Where Reinstatement Does Not Apply</p> <p>'How We Will Pay – B. Basis of Settlement: Indemnity' will apply in the following circumstances, regardless of any basis of settlement shown in the schedule to the contrary:</p> <ol style="list-style-type: none"> 1. if you do not repair or replace the loss to the insured property, or 2. repair or replacement of the loss to the insured property is not started within a reasonable period of time, or 3. until the actual costs of repair or replacement of the loss to the insured property are incurred, or 4. if the insured property is awaiting demolition or disposal at the time of the loss, or 5. either of the following apply: <ol style="list-style-type: none"> (a) repair or replacement of the damaged, lost or destroyed insured property is not permissible under any regulations, or (b) repair or replacement of the damaged, lost or destroyed insured
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	<p>property is not permissible because of the undamaged portion of the property.</p>
<p>B. BASIS OF SETTLEMENT: INDEMNITY</p>	<p>Where the schedule shows any item(s) of insured property are insured for indemnity, we will indemnify you using whichever of the following options we choose:</p> <ol style="list-style-type: none"> 1. where insured property is lost or destroyed: pay you the cost to replace the insured property with property of a similar condition, age and specification, as it was in, immediately prior to the loss, or 2. where insured property is physically damaged but not destroyed: pay you the cost to repair the loss to the damaged part of the insured property, as nearly as possible, to the condition it was in immediately prior to the loss, or 3. pay you an amount equal to the indemnity value of the damaged part of the insured property.
<p>C. ADDITIONAL COSTS YOU ARE COVERED FOR</p>	<p>Where insured property has suffered a loss covered by this policy, then included in 'What We Will Pay - A. Maximum Amount Payable' for the insured property are:</p> <p>Costs of Compliance</p> <p>Necessary and reasonable costs incurred in complying with regulations in order to repair or replace loss to the damaged, lost or destroyed part of insured property, except costs incurred:</p> <ol style="list-style-type: none"> 1. for work that you have already been ordered to carry out, or 2. solely for the purpose of seismically strengthening the insured property to a performance level greater than its performance level before the loss. <i>We will repair your building to the same structural performance level it had before the loss.</i> 3. in connection with undamaged property, or undamaged parts of property. This applies even if the undamaged property comprises a separate building, structure or item of plant or equipment. <p>Demolition Costs</p> <p>Necessary and reasonable costs incurred to:</p> <ol style="list-style-type: none"> 1. demolish or dismantle insured property, and/or 2. temporarily shore or prop insured property, and/or 3. remove debris from the situation (including any kind of solid, liquid or gas), and/or 4. clear, clean and repair gutters, drains and the like, and/or 5. recover, defend, safeguard, remove, temporarily store, and return

	<p>insured property, whether damaged or undamaged, and/or</p> <p>6. temporarily repair and secure insured property to make it comply with safety rules and regulations suitable for continued use, provided that the costs arise from a loss covered by this policy.</p> <p>Where any costs are in connection with the removal of asbestos, the maximum we will pay for any event is:</p> <p>(a) 5% of the site sum insured, or</p> <p>(b) \$50,000,</p> <p>whichever is the lesser.</p> <p>Fees and Other Costs</p> <p>Necessary and reasonable costs incurred for:</p> <ol style="list-style-type: none"> 1. architect's, engineer's, surveyor's, building consultant's fees, and/or 2. consents and associated legal fees, and/or 3. training consultants and IT technicians, <p>to repair or replace the damaged, lost or destroyed insured property following a loss covered by this policy.</p> <p>Claims Preparation Costs</p> <p>Necessary and reasonable costs incurred to assess or prepare a claim following a loss covered by this policy.</p> <p>You are not insured for any costs incurred to investigate or negotiate a claim made under this policy.</p> <p>The most we will pay for any event is \$25,000.</p>
<p>D. LOCATION OF REPLACEMENT</p>	<p>Where we pay to replace damaged, lost or destroyed insured property, you may choose to replace the property at:</p> <ol style="list-style-type: none"> 1. the situation, or 2. any alternative site that you provide in New Zealand. <p>Where you choose to use an alternative site we will not pay more than the cost to replace the damaged, lost or destroyed insured property at the situation in accordance with the terms of this policy.</p>
<p>E. METHOD OF REPAIR OR REPLACEMENT</p>	<p>We will pay the reasonable cost to repair or replace insured property based on current industry accepted building materials and construction methods.</p>
<p>F. BASIS OF SETTLEMENT: CERTAIN TYPES OF PROPERTY</p>	<p>The method of indemnity for the following types of insured property will be as follows, regardless of any basis of settlement shown in the schedule to the contrary.</p> <p>Stock</p> <p>For loss to stock that is not customers' goods, we will indemnify you by using one of the following methods:</p> <ol style="list-style-type: none"> 1. for raw materials, supplies and other merchandise not manufactured by

	<p>you:</p> <p>(a) the replacement cost at the time of replacement, provided that the replacement is carried out within a reasonable period of time, or</p> <p>(b) if this property is not replaced, the market value of it at the time and place of the loss.</p> <p>2. for materials in the process of manufacture: the replacement cost of the raw materials and the cost of labour and other overhead charges expended at the time of the loss.</p> <p>3. for finished goods: the replacement cost of the raw materials and the cost of labour and other overhead charges expended before any allowance for profit, or the cost of re-stocking these goods, whichever is the lesser.</p> <p>For loss to stock that is customers' goods, we will at our option pay:</p> <ol style="list-style-type: none"> 1. the indemnity value of the customers' goods, or 2. the cost to repair the customers' goods, as near as reasonably possible, to the condition they were in immediately prior to the loss.
	<p>Works of Art</p> <p>For loss to a work of art, we will at our option pay:</p> <ol style="list-style-type: none"> 1. the indemnity value of the work of art, or 2. the cost to repair the work of art, as near as reasonably possible, to the condition it was in immediately prior to the loss.
	<p>Electronic Data</p> <p>For loss to electronic data we will pay the cost of blank media plus the cost of copying the electronic data from back-up or from originals of a previous generation.</p> <p>These costs will not include research and engineering, nor any costs of recreating, gathering or assembling the electronic data.</p> <p>If the media is not repaired, replaced or restored, we will pay the cost of blank media. However, we do not cover the value of the electronic data to you, even if the electronic data cannot be recreated, gathered or assembled.</p>
	<p>Software</p> <p>For loss to software, we will pay the reasonable cost of, restoring, re-setting or re-programming the software that is necessary to operate any electronic equipment or machine insured under this policy.</p>
	<p>Portable electronic equipment</p> <p>For loss to portable electronic equipment more than 2 years old we will at our option pay:</p>

	<ol style="list-style-type: none"> 1. the indemnity value of the portable electronic equipment, or 2. the cost to repair the portable electronic equipment, as near as reasonably possible, to the condition it was in immediately prior to the loss.
	<p>Limited Lifetime construction materials</p> <p>For loss to:</p> <ol style="list-style-type: none"> 1. cladding, roofing or skylights, where they are made of plastic, polycarbonate, acrylic or PVC materials, and/or 2. any textile awnings or shade sails, <p>we will at our option pay:</p> <ol style="list-style-type: none"> (a) the indemnity value of the materials, or (b) the cost to repair the materials, as near as reasonably possible, to the condition they were in immediately prior to the loss. <p>The indemnity value of the materials will be depreciated over the lifetime of the product based upon the manufacturer's UV rating.</p>
	<p>Office Equipment Upgrade</p> <p>For loss to office equipment, we will pay the cost for you to replace the equipment with an alternative model(s) of office equipment, provided that:</p> <ol style="list-style-type: none"> 1. the alternative model has more energy-efficient features, and 2. the alternative model has otherwise comparable features and capabilities, and 3. the office equipment is destroyed, and we approve the upgrade.

WHAT WE WILL PAY	
<p>A. MAXIMUM AMOUNT PAYABLE</p>	<ol style="list-style-type: none"> 1. The most we will pay in total during an annual period for a building (or group of buildings) at a specified location in the schedule is the corresponding sum insured noted in the schedule for that building (or group of buildings). 2. The most we will pay in total during an annual period for contents is the corresponding sum insured for contents in the schedule. If there is a separate sum insured for contents at a specified location, the most we will pay during an annual period for contents at that location is the corresponding sum insured for that location in the schedule. 3. The most we will pay in total during an annual period for stock is the corresponding sum insured for stock in the schedule. If there is a

	<p>separate sum insured for stock at a specified location, the most we will pay during an annual period for stock at that location is the corresponding sum insured for that location in the schedule.</p> <p>4. The most we will pay in total during an annual period for any other item of insured property that is individually specified in the schedule with a corresponding sum insured is that sum insured.</p> <p>However, the most we will pay for all insured property in total during an annual period is the Total Sum Insured shown in the schedule, subject always to clauses B, C and D below.</p>
<p>B. INCREASED MAXIMUM AMOUNT PAYABLE</p>	<p>The amount referred to in 'What We Will Pay - A. Maximum Amount Payable' is increased as follows:</p> <p>The most we will pay in total during an annual period:</p> <ol style="list-style-type: none"> 1. for all contents at a situation shown in the schedule is the sum insured for contents at that situation plus: <ol style="list-style-type: none"> (a) 10%, or (b) \$100,000, whichever is the lesser. 2. for all stock at a situation shown in the schedule is the sum insured for stock at that situation plus: <ol style="list-style-type: none"> (a) 10%, or (b) \$100,000, whichever is the lesser. <p>Provided that :</p> <ol style="list-style-type: none"> 1. these increases for contents and stock do not apply to cover provided by Optional Policy Extension A: Natural Disaster Cover, and 2. the most we will pay in total during an annual period at all situations for all contents and all stock remains unchanged
<p>C. REINSTATEMENT OF SUM INSURED ONCE REPAIRED</p>	<p>The sum insured will only be reinstated as follows:</p> <p>If the insured property:</p> <ol style="list-style-type: none"> 1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the insured property that suffered the loss is progressively repaired or replaced. 2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the insured property that suffered the loss has been completed. <p>The sum insured will not reinstate following natural disaster damage unless we have agreed to the reinstatement in writing.</p>

	<p>We may ask you to pay an additional premium for any reinstatement of the sum insured.</p>
<p>D. SUM INSURED ADJUSTMENT ON RENEWAL FOR UNREPAIRED ITEMS</p>	<p>The sum insured for any item of insured property that has suffered loss in any previous annual period and that has not been repaired or replaced at the start of the current annual period is:</p> <ol style="list-style-type: none"> 1. the maximum amount payable for that item, less 2. the estimated cost of remedying the existing unrepaired or unreplaced loss. <p>The sum insured will only be reinstated to its pre-loss level as follows: If the insured property:</p> <ol style="list-style-type: none"> 1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the insured property that suffered the loss is progressively repaired or replaced. 2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the insured property that suffered the loss has been completed. <p>The sum insured will not reinstate following any claim arising from natural disaster damage unless we have agreed to the reinstatement in writing. We may ask you to pay an additional premium for any reinstatement of the sum insured.</p>
<p>E. SUB LIMITS</p>	<p>If any sub limit in this policy is higher than the maximum amount payable for the applicable insured property as shown in the schedule, the sub limit does not apply and the most we will pay is the maximum amount payable.</p>
<p>F. ITEMS OF INSURED PROPERTY WITH LIMITED COVER</p>	<p>The amount we will pay for some items of insured property is limited as follows:</p> <p>Customers' goods</p> <p>The most we will pay for customers' goods in total during an annual period is \$20,000 unless a different amount for customers' goods is shown in the schedule.</p> <p>Site Improvements</p> <p>The most we will pay for site improvements at the site in total during any annual period is:</p> <ol style="list-style-type: none"> 1. 10% of the maximum amount payable for building(s) at that site, or 2. \$500,000, <p>whichever is the lesser, unless a different amount for site improvements is shown in the schedule.</p> <p>Landscaping</p>

	<p>The most we will pay for landscaping at the site in total during any annual period is:</p> <ol style="list-style-type: none"> 1. 5% of the maximum amount payable for building(s) at that site, or 2. \$50,000, <p>whichever is the lesser, unless a different amount for landscaping is shown in the schedule.</p>
	<p>Works of Art</p> <p>The most we will pay for any individual work of art for any event is \$25,000 unless a different amount for that work of art is shown in the schedule.</p>
EXCESS	<p>The applicable excess shown in this Material Damage Policy will be deducted from the amount payable for each event.</p> <p>Where an event occurs over a period of more than 72 consecutive hours, one excess will be deducted for every 72 consecutive hour period.</p>
ONE EXCESS	<p>If a single event causes sudden and accidental loss to tangible property that you insure with us under this or any other policy only one excess will apply being the highest applicable individual policy excess. This does not apply to natural disaster damage.</p>
GST	<p>Where GST is recoverable by us under the Goods and Services Tax Act 1985:</p> <ol style="list-style-type: none"> 1. all sums insured exclude GST, and 2. all sub limits exclude GST, and 3. all excesses include GST, and <p>GST will be added, where applicable, to claim payments.</p>

HOW TO CLAIM

A. WHAT YOU MUST DO	<p>If anything happens that may lead to a claim under this policy, you must:</p> <ol style="list-style-type: none"> 1. do what you can to take care of the insured property to prevent any further loss, expense or liability, and 2. tell the nominated claims administrator, Crawford and Company as soon as possible, and 3. notify the police as soon as possible if you think any loss was caused by an illegal act, and 4. allow us and the nominated claims adjustor to examine the insured property before any repairs are started, and 5. not destroy or dispose of anything that is or could be part of a claim, and 6. send to the nominated claims adjustor as soon as possible anything you receive from anyone about a claim or possible claim against you, and
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	<p>7. give us or the nominated claims adjustor any information or help that we or they ask for, and</p> <p>8. consent to your personal information, in connection with the claim, being:</p> <p>(a) disclosed to us, and</p> <p>(b) transferred to the Insurance Claims Register Limited.</p> <p>The contact details of Crawford and Company are: Address: P O Box 6744, Wellesley Street, Auckland 1141 Email: DTW1991claims@crowford.co.nz Phone: +64 9 300 7383 (24 hours a day)</p>
<p>B. WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO</p>	<p>You must obtain our agreement before you:</p> <ol style="list-style-type: none"> 1. incur any expenses in connection with any claim under this policy, or 2. negotiate, pay, settle, admit or deny any claim against you, or 3. do anything that may prejudice our rights of recovery.
<p>C. DISHONESTY</p>	<p>If your claim is dishonest or fraudulent in any way, we may:</p> <ol style="list-style-type: none"> 1. decline your claim either in whole or in part, and/or 2. declare either this Policy or all insurance you have with us to be of no effect and to no longer exist from the date of the dishonest or fraudulent act. <p>This is at our sole discretion.</p>
<p>D. ACTIONS WE MAY TAKE</p>	<p>1. Subrogation</p> <p>Once we have accepted any part of your claim under this policy, we may assume your legal right of recovery. If we initiate a recovery we will include your excess, and any other uninsured losses suffered by you. Where we do this, you agree to pay your proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that we will reimburse your excess first. You must fully co-operate with any recovery process. If you do not, we may recover from you the amount paid in relation to the claim.</p> <p>2. Recoveries</p> <p>If any property that we have paid a claim for is later found or recovered, you must tell us immediately and hand it over to us if we request it. We have the right to keep any property that we have paid a claim for under this policy, including any proceeds if it is sold.</p> <p>3. Reparation</p> <p>If any person is ordered to make reparation to you for loss to any property that we have paid a claim under this policy for, then you must tell us. Any</p>

	<p>payments received, must first reimburse our claims payment up to the amount of any reparation received.</p>
	<p>4. Branded Stock</p> <p>For salvage that is branded goods or merchandise, we will not dispose of these items by sale unless you agree. If you do not agree, the value of the salvage will be deducted from any claim payment.</p>
E. MUTUALLY ACCEPTABLE ASSESSORS	<p>Where we appoint any loss adjuster, assessor, surveyor, valuer or investigator to any claim under this policy, the appointee must be mutually acceptable to both ourselves and you.</p>

GENERAL CONDITIONS

A. HOW WE WILL ADMINISTER THIS POLICY	<p>1. Cancellation</p> <p>BY YOU</p> <p>You may cancel this policy at any time by notifying us. If you do, we will refund any premium that is due to you based on the unused portion of the period of insurance. You must pay any outstanding premium due for the used portion of the period of insurance.</p> <p>BY US</p> <p>We may cancel this policy by giving you or your broker notice in writing or by electronic means at your or your broker's last known address. Your policy will be cancelled from 4pm on the 30th day after the date of the notice. We will refund you any premium that is due to you based on the unused portion of the period of insurance.</p>
	<p>2. Change of Terms</p> <p>We may change the terms of this policy (including the excess) by giving you or your broker notice in writing or by electronic means at your or your broker's last known address. Unless otherwise specified in this policy the change in terms will take effect from 4pm on the 30th day after the date of the notice.</p>
	<p>3. Other Insurance</p> <p>You must notify us as soon as you know of any other insurance policy that covers you for any of the risks covered under this policy.</p> <p>This policy does not cover your loss at all if it is insured to any extent under any other insurance policy. We will not contribute towards any claim under any other insurance policy.</p> <p>This does not apply to cover provided by Automatic Policy Extension F: Employee Effects Cover or Automatic Policy Extension W: Tenanted Premises,</p>

	<p>or to cover for customers' goods.</p> <p>4. Interests of Other Parties</p> <p>If we are advised of any party having a financial interest over your insured property, we may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of our obligations to you under this policy.</p> <p>You consent to us transferring your relevant personal information to that party.</p> <p>Any party, who is recorded as having a financial interest under this policy, is not covered by this policy and does not have rights to claim under this policy.</p> <p>5. Separate Insurance</p> <p>If more than one person or entity is named as 'Insured' in the schedule, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).</p> <p>However, the sum insured and any sublimit in this policy will apply to the aggregate of all amounts payable to all insureds for any event.</p> <p>6. Premium Payment Options</p> <p>If you choose to pay the premium other than annually, then:</p> <ul style="list-style-type: none"> (a) you must pay by direct debit using the Deduction Authority we require, and (b) this policy is for the initial period of insurance stating on the 'From' date and ending on the 'To' date stated in the schedule. <p>The policy will be renewed for further monthly or quarterly periods of insurance (as indicated in the schedule) by payment of each premium due under the Deduction Authority.</p> <p>7. Premium Adjustments</p> <p>If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the annual period.</p> <p>Within 3 months of the expiry of the annual period, you must tell us what the actual figures are. We will re-calculate your actual premium based on the actual figures.</p> <p>The difference between the actual and the provisional premiums will either be payable to us or refunded to you depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.</p> <p>8. Stock Declarations</p> <p>Where stock is insured on a Stock Declaration basis, the premium charged</p>
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	<p>on the item stock is provisional and represents 75% of the full premium payable for that item. At the end of each annual period we will adjust it as follows:</p> <ol style="list-style-type: none"> 1. you must give us a declaration of the actual value of the stock you held on the last business day of each month for the annual period. This must be received by us within six weeks from the end date of the annual period, 2. if a monthly declaration exceeds the sum insured then we will adjust it back to the sum insured for the purpose of calculating your stock averages, 3. if no declaration is received for any one month, the stock sum insured will apply for that month, 4. the average of the monthly declarations will be calculated at the end of the annual period and the final premium payable will be based on the greater of: <ol style="list-style-type: none"> (a) that average, or (b) one half of the sum insured on stock, 5. we will re-calculate your actual premium based on the actual figures. The difference between the actual and the provisional premiums will either be payable to us or refunded to you depending upon the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.
<p>B. LAWS AND ACTS THAT GOVERN THIS POLICY</p>	<ol style="list-style-type: none"> 1. Governing Law and Jurisdiction The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction. 2. Legislation Changes Any reference to any Act of Parliament or subordinate rules referred to in this policy included any amendments made or substitutions to that law. 3. Insurance Law Reform Acts The exclusions and conditions in this policy are subject to your rights under the Insurance Law Reform Acts 1977 and 1985. 4. Currency Any amounts shown in this policy and in the schedule are in New Zealand dollars.
<p>C. YOUR OBLIGATIONS</p>	<ol style="list-style-type: none"> 1. Breach of Any Condition If: <ol style="list-style-type: none"> 1. you, or 2. any other person or entity we cover under this policy, or 3. anyone acting on your behalf,

	<p>breaches any of the terms and/or conditions of this policy, we may:</p> <ul style="list-style-type: none"> (a) decline your claim either in whole or in part, and/or (b) declare either this policy or any or all insurance you have with us to be of no effect and to no longer exist. <p>The insurance provided by this policy will not be invalidated or prejudiced by reason of any breach of Warranty or Condition of this policy where the breach occurs without your knowledge and consent.</p> <p>Provided that notice is given to us as soon as practicable once you become aware of any such breach and you agree to pay an appropriate additional premium if required.</p>
	<p>2. True Statements and Answers</p> <p>True statements and answers must be given , whether by you or any other person, when you:</p> <ul style="list-style-type: none"> (a) apply for this insurance, and/or (b) notify us regarding any change in circumstances, and/or (c) make any claim under this policy, and provide any further communication regarding the claim. <p>3. Reasonable Care</p> <p>You must take reasonable care at all times to avoid circumstances that could result in a claim. Your claim will not be covered if you are reckless or grossly irresponsible.</p>
	<p>4. Change in Circumstances</p> <p>You must notify us immediately if, after we have accepted your application for this policy, there is a material:</p> <ul style="list-style-type: none"> 1. increase in the risk covered, or 2. alteration of the risk covered. <p>We may change the terms of this policy in response to any material change in circumstances you or anyone else advises us of. The change in terms will be effective from the date of the change in circumstances.</p> <p><i>Information is 'material' where we would have made different decisions about either:</i></p> <ul style="list-style-type: none"> (a) <i>accepting your insurance, or</i> (b) <i>setting the terms of your insurance, if we had known that information.</i> <p><i>If in any doubt, notify us anyway.</i></p> <p><i>The 'risk covered' refers to both:</i></p> <ul style="list-style-type: none"> (a) <i>the actual property or liabilities insured, and</i> (b) <i>you or other persons covered by this policy.</i>
D. REPAIRS OR	We will allow you to undertake any repair or replacement work in relation to

REINSTATEMENT BY THE INSURED	<p>the loss covered under this policy and due allowance shall be made for a reasonable margin of profit provided that:</p> <ol style="list-style-type: none"> 1. we are satisfied you have the required qualifications and capability to undertake such work, and 2. your charges and/or costs are competitive.
E. RENEWAL TERMS	<p>If we intend to refuse renewal of this policy, or to offer renewal on any terms less favourable to you than those applying during the current period of insurance, we must give you notice of that intention. The notice must be received by you not less than 30 days before the expiry of the current period of insurance. If the notice is not received by that time we will, if so required by you, extend the current period of insurance so that it will expire not less than 30 days after the notice is received by you. You undertake to pay a pro-rata proportion of the annual premium for the period of any extension.</p>
F. WAIVER OF RECOVERY	<p>This policy will not be invalidated or prejudiced by reason of you:</p> <ol style="list-style-type: none"> 1. having waived any right of recovery or indemnity you may have against any: <ol style="list-style-type: none"> (a) party to a contract or agreement with you in the ordinary course of business, provided the contract or agreement is not for the supply of goods or services by you and the waiver was made in writing before the loss occurred, or (b) related company forming part of a group of related companies of which you are a member. For the purpose of this General Condition, 'related company' has the same meaning as the definition of those words in the Companies Act 1993, or (c) other party provided that the waiver is made and has been declared to and accepted by us, or 2. having to release from liability any party in accordance with any legislative or regulatory requirement.
G. SANCTIONS	<p>We will not pay any claim when the payment would contravene:</p> <ol style="list-style-type: none"> 1. any sanction, prohibition, or restriction under United Nations resolutions, or 2. the trade or economic sanctions, laws or regulations of New Zealand, Australia, United Kingdom, the United States of America or the European Union.
H. SEVERAL LIABILITY	<p>The subscribing Insurers obligations under this policy are several and not joint and are limited solely to the extent of their individual subscriptions.</p>

	<p>The subscribing insurers are not responsible for the subscription of any co-subscribing Insurer who for any reason does not satisfy all or part of its obligations. The proportion of liability under this contract underwritten by a company (or in the case of a Lloyd's syndicate the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.</p> <p>In the case of a Lloyd's syndicate each member of the syndicate (rather than the syndicate itself) is a company. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liability for any other member's proportion. Nor is any member otherwise responsible for any liability of any other Insurer that may underwrite this contract.</p> <p>Although reference is made at various points in this clause to "this contract" in the singular where the circumstances so require this should be read as a reference to contracts in the plural.</p>
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DEFINITIONS

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

accidental	Unexpected and unintended by you .
act of terrorism	Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: (a) involves violence against one or more persons, or

	<p>(b) involves damage to property, or</p> <p>(c) endangers life other than that of the person committing the action, or</p> <p>(d) creates a risk to health or safety of the public or a section of the public, or</p> <p>(e) is designed to interfere with or disrupt an electronic system.</p>
annual period	<p>The period of insurance. However, if:</p> <p>(a) you pay the premium monthly, or</p> <p>(b) the period of insurance is for more than 12 months, the annual period is the current 12 month period calculated consecutively from the date this policy first started.</p>
application	<p>The information provided by you to us when you purchased this insurance or requested a quotation for this insurance from us. It also includes any subsequent information you provide us with.</p>
building	<p>Any of the following:</p> <p>(a) any building,</p> <p>(b) underground and above ground services directly associated with the building,</p> <p>(c) permanent fixtures and fittings at the building(s), including but not limited to signs, sprinkler systems, wired alarm systems, and wired security cameras,</p> <p>(d) site improvements,</p> <p>(e) landscaping,</p> <p>provided that the property is:</p> <p>(a) owned by you (including joint ownership with others), and</p> <p>(b) located at the situation at the start of the period of insurance.</p>
business days	<p>The days your business usually operates.</p>
business hours	<p>The hours that:</p> <p>(a) you or any director or manager of yours, or</p> <p>(b) any of your employees who are entrusted with the care, custody or control of money,</p> <p>are on your business premises for the purpose of your business.</p>
business interruption policy	<p>The insurance policy, that we call the Business Interruption Policy, that you have with us that covers the financial interruption or interference with your business operations.</p>
common site	<p>A common physical location where the insured property is linked to achieve a common business purpose at that location.</p>
computer virus	<p>A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code,</p>

	<p>programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.</p>
contents	<p>Any of the following used in connection with your business:</p> <p>(a) machinery, plant, tools and chattels, (b) business fixtures, fittings and furnishings, (c) if you are a tenant, tenant's improvements to the leased building of any type, (d) any other property (other than a building) of a similar nature, provided that:</p> <ul style="list-style-type: none"> • they are owned by you (including joint ownership with others), or • they are leased, hired or borrowed by you. <p>Contents does not include stock or employee's property.</p>
customers' goods	<p>Property, other than a building, that:</p> <p>(a) is owned by your customers, and (b) is in your temporary possession or temporary legal control in the course of your business activities.</p> <p>Customers' goods does not include contents.</p>
destroyed	<p>So physically damaged by an insured loss that the property, by reason only of that loss, cannot be repaired or the cost of repair is uneconomic.</p>
electronic data	<p>Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment.</p>
EQC Act	<p>Earthquake Commission Act 1993 and any Act in substitution of that Act.</p>
EQC entitlement	<p>An amount payable to you or for your benefit by the Earthquake Commission as a result of loss to the insured property; and any amount that would have been payable but for:</p> <ol style="list-style-type: none"> 1. the application of an excess under the EQC Act, 2. a failure by you to correctly notify a claim to the Earthquake Commission within the time required under the EQC Act, 3. a decision by the Earthquake Commission to decline a claim or limit its liability for that loss in whole or in part and for any reason whatsoever, any act or omission on your part, the part of your agent, or the part of the Earthquake Commission.
event	<p>Any one event or series of events arising from one source or original cause.</p>
fusion	<p>the process of fusing or melting together of windings or wiring following</p>

	damage to the insulating material as a result of overheating.
hidden gradual damage	Hidden rot, hidden mildew or hidden gradual deterioration, caused by water leaking from any internal: <ol style="list-style-type: none"> 1. tank that is plumbed into the water reticulation system of the residential unit and is permanently used to store water, or 2. water pipe, or 3. waste disposal pipe, installed at the residential unit .
immediately preceded by	The event occurring in sequence immediately prior to the loss . <i>If there is a chain of events, this will be the last event occurring immediately prior to the loss.</i>
insured property	Tangible property shown in the schedule within the following categories: <ol style="list-style-type: none"> (a) buildings, and (b) contents, and (c) stock, and (d) any other tangible property listed. For the avoidance of doubt, electronic data and software is deemed to be tangible property.
landscaping	Permanently sited live plants, trees, shrubs, hedges or grass including rock work, paving and ornamentation used to adorn or improve the grounds at the situation , except if any of these items are stock of your business.
loss	Physical loss or physical damage occurring during the period of insurance .
machine	Any device that: <ol style="list-style-type: none"> (a) converts and directs motion or energy, and/or (b) performs any electronic process, including any protective component connected with that device.
machinery breakdown	<ol style="list-style-type: none"> 1. any mechanical, hydraulic, electrical or electronic: <ol style="list-style-type: none"> (a) breakdown or failure, or (b) cessation of function, or (c) malfunction, or (d) derangement, or 2. fusion of any nature.
money	any of the following, where they are associated solely with your business operations: <ol style="list-style-type: none"> (a) current coin, bank and currency notes, (b) cheques and travellers' cheques,

	<p>(c) bank drafts and money orders,</p> <p>(d) phone cards,</p> <p>(e) unused postage and revenue stamps,</p> <p>(f) credit card vouchers, redeemable vouchers and tokens,</p> <p>(g) franking machine credits,</p> <p>(h) other tangible negotiable instruments. <i>For example promissory notes or bills of exchange.</i></p>
natural disaster damage	Sudden and accidental loss that results directly or indirectly from earthquake, subterranean fire, volcanic activity, tsunamis, geothermal activity, hydrothermal activity, or fire caused by any of these.
office equipment	Any of the following office equipment: desktop or laptop computers, fax machines, computer and video monitors, printers, document scanners, refrigerators and dishwashers.
pre 1935 building risks	Where: <p>(a) the building is, or</p> <p>(b) the contents and/or stock are located in any building, or part of a building,</p> <p>originally constructed prior to 1935.</p>
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
portable electronic equipment	Cell phones, video data projectors, digital cameras, other audio visual equipment, portable computing devices and portable data storage devices.
pressure vessel	The parts of any insured property or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including: <p>(a) all integral parts, and</p> <p>(b) controls, and</p> <p>(c) systems (other than systems forming part of a building or structure).</p>
production process	Any process of producing, making, treating or servicing goods.
Post 1934 building risks	Means any building, contents or stock located in any building or part of a building originally constructed in 1935 or later.
Post 2004 building risks	Means any building, contents or stock located in any building or part of a building that was constructed in 2005 or later.

refrigerated stock	Perishable goods and/or their containers/packaging that are kept in a refrigerated storage chamber at the situation .
region	The areas of land in each of the named Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.
regulations	Building regulations or other regulations that are: (a) made under, or (b) framed pursuant to, any Act of Parliament or any local authority regulation or by-law.
residential unit	Each self-contained part of the building designated for separate residential occupancy.
schedule	The latest version of the Schedule we issued to you for this policy.
site	Any parcel of land that you own or occupy.
site improvements	Site improvements are: (a) footpaths, driveways, car parks, site roads, and yards, of permanent construction, (b) permanently sited water storage tank, septic tank or heating oil tank, (c) retaining walls, (d) gates, fences.
site sum insured	The total sum insured for all insured property located at each common site under this policy and any other material damage policy held with us .
situation	The location or locations referred to in the schedule .
software	Programs, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment including any operating system.
stock	Any of the following: 1. Stock and materials in trade provided that are: (a) owned by you (including joint ownership with others), or (b) in your temporary possession in the course of your business activities. 2. Customers' goods .
storage container	Any fully enclosed : (a) shipping container or similar, or (b) portable shed or similar structure, or (c) non-portable container, such as a metal or wooden container that has been built into or secured to a vehicle.
sustainable products	Sustainable products are:

	<p>(a) products that increase the efficiency of the building relating to the use of energy and/or water,</p> <p>(b) rebuilding materials that reduce environmental impacts.</p> <p>(c) Sustainable products do not include the following:</p> <p>(d) fire protection devices or systems,</p> <p>(e) security devices or systems,</p> <p>(f) natural hazard protection.</p> <p><i>Examples of sustainable products include the following:</i></p> <ul style="list-style-type: none"> • <i>double glazing,</i> • <i>solar water heating systems,</i> • <i>environmentally friendly timber,</i> • <i>environmentally friendly paints and/or carpets,</i> • <i>rainwater collection tanks and/or water efficient interior plumbing,</i> • <i>natural lighting and/or ventilation,</i> • <i>'Best Practice' insulation (as recommended by Standards New Zealand),</i> • <i>Energy Star-rated electrical equipment and/or interior lighting systems,</i> • <i>Energy Star-qualified roof materials,</i> • <i>facilities to encourage the use of alternative transport (e.g. bicycle storage),</i> • <i>wind turbines.</i>
temporarily removed	<p>Contents that:</p> <p>(a) you have removed from their original location for a particular purpose, and</p> <p>(b) you intend to return it to their original location, once that purpose has been served.</p>
undamaged	Not directly or physically damaged by an event that would be covered by this policy.
we	DUAL New Zealand Ltd on behalf of 100% Certain Underwriters at Lloyd's, under Binding Authority B6991SC02014S01. We may also use the words 'us', 'our' or 'company' to describe Certain Underwriters at Lloyd's.
work of art	An object of artistic or cultural value including but not limited to pictures, paintings, prints, sculptures or ornaments, hand woven carpets, rugs or mats.
you	The person(s) or entity named in the schedule as 'Insured' including any new entity or subsidiary companies or subsidiaries thereof or any controlled or managed entity now or hereafter formed or acquired. We may also use the word 'Insured' to describe you.

