



63 Albert Street, 5th Floor, P O Box 91748, Auckland -1142, New Zealand
Ph: 9-3064014 Fax: 9-3064015

Email: info@nia.co.nz

Registered & Head office: New India Assurance Building 87, M.G Road, Fort, Mumbai – 400001 (India)

Construction and Liability Policy

1 INTRODUCTION

Thank you for purchasing insurance from New India Assurance Company Limited.

1.1 *Your insurance policy:*

Your insurance policy consists of:

- **Your** proposal and any other information **you** supplied **us**, and
- This policy wording, including any endorsements and warranties, and
- The policy **schedule**

1.2 *Premium*

Once **you** have paid, or agreed to pay, the premium, **we** will insure **you** on the terms set out in this policy.

1.3 *Your satisfaction guaranteed*

We will give **you** a full refund of **your** premium within the first 30 days if **you** are not completely happy with the policy. **You** will not be able to claim under the policy if **you** request a refund during this period.

1.4 *Your duty of disclosure*

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

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

Examples of what **you** must tell **us** include:

- Anything that increases the risk of a claim
- Any criminal offending or convictions
- Any previous insurance claims

- Any refusal by another insurer to insure **you** on standard terms, or to continue to insure **you** on standard terms.

You must also tell **us** this every time this policy renews, and when **you** make any changes to it.

If **you** fail to do this, **we** may avoid the policy back to when it started as if **you** were never insured at all.

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

SECTION 1 - CONSTRUCTION

2 Section 1 - Insuring Clause

2.1 *During the construction period*

You are insured for **loss to insured property** occurring at the **contract site** during the **construction period** in New Zealand.

2.2 *During the maintenance period*

You are insured for **your** legal liability to rectify **loss to insured property** under the Maintenance or Defects Liability Conditions of the contract during the **maintenance period**, provided the **loss** is discovered during the **maintenance period**, and:

- 2.2.1 arises out of the **contract works** during the **construction period**; or
- 2.2.2 arises out of **your** operations whilst executing work under the Maintenance or Defects Liability Conditions of the **contract**; or
- 2.2.3 occurs to property forming part of the **contract works**, which is incomplete, not built or upon which work is being carried out for the purpose of completion following issuance of a partial or practical completion certificate.

2.3 *Additional Items*

These additional Items only apply if shown in the **schedule**.

Where there is **loss** covered by 2.1 or 2.2 above, this policy is extended to cover costs necessarily incurred up to the Sum Insured for each of the following Items shown in the **schedule**:

(a) **Principal's Supplied Materials**

Materials and items supplied by the principal to the contractor free of charge for permanent inclusion in the **contract works**, provided they were not in their final position when supplied. Cover commences when the materials and items are delivered to the **contract site**.

(b) **Removal of Debris**

Costs necessarily incurred to dismantle demolish and remove the debris, undamaged material and prepare the **contract works** for rectification of the **loss**.

(c) **Professional Fees**

Architects, surveyors, consulting engineers, clerk of works and other fees **you** incur which are necessary to rectify the **loss** (but excluding any fees for the preparation of a claim or estimate of fees).

(d) **Increased Costs During Construction**

Costs incurred for variations and fluctuations in the **contract** price, and/or increases in the costs of labour and materials during the **construction period**.

(e) **Escalation During Reconstruction**

The amount by which the costs of reconstruction of the **contract works** exceed the initial costs, provided that reconstruction is completed without delay.

3 **Section 1 - Optional Extensions**

Cover under each of these extensions only applies if they are shown in the **schedule**.

3.1 *Temporary Buildings*

The policy is extended to include the main contractor's hoardings, site office, huts and encampments used for the performance of the **contract works**.

Cover under this extension does not extend to any sub-contractor's property.

3.2 *Testing and Commissioning*

The policy is extended to include **loss** to electrical or mechanical plant forming part of the **contract works**, by:

- electrical or mechanical breakdown, or
- explosion,

occurring during testing, test loading or commissioning. Provided:

- the testing and commissioning period does not exceed 7 days for any one item of plant; and
- second hand, prototype or experimental machinery is not included.

Exclusion 4.1(b) is modified accordingly.

3.3 *Construction Plant*

The policy is extended to include **loss** occurring during the **construction period** to:

- the main contractor's **construction plant** used in the performance of the **contract works** at the **contract site**, and
- **loss** to plant hired by the main contractor for which **you** are liable under the hire agreement, and which is being used in the performance of the **contract works**.

Cover under this extension does not:

- extend to any sub-contractor;
- include **loss** by theft, (with the exception of equipment and mobile plant normally stored in the open) unless it is:
 - accompanied by violence, or threat of violence to any person, or
 - as a result of forcible entry to, or exit from, an enclosed building;
- extend to **vehicles** used off the **contract site**.

Exclusion 4.8.2 does not apply.

3.4 *Employee's Hand Tools*

The policy is extended to include **loss** of hand tools belonging to the employees specified in the **schedule**, but only while the hand tools are situated at the **contract site**.

Provided:

- The cover only extends up to the Sum Insured for each employee.
- This extension does not include loss by theft, unless accompanied by violence, or threat of violence to any person, or as a result of forcible entry to, or exit from, an enclosed building/shipping container.
- The cover under this extension does not extend to any sub-contractor's employees.

Exclusion 4.8.5 is modified accordingly.

3.5 *Expediting Expenses*

The policy is extended to cover the additional costs incurred in rectifying the **loss** in the most expeditious time, including:

- The cost of penal rates of pay; and
- Express delivery and airfreight within New Zealand.

However, **we** will not pay any more than 30% of ordinary labour, road carriage charges or ordinary costs up to the limit for this extension stated in the **schedule**.

Exclusion 4.9 is modified accordingly.

3.6 *Overseas Airfreight Expenses*

The policy is extended to include the cost of airfreight charges necessarily and reasonably incurred in rectifying the **loss**.

The airfreight carriage must be by a recognised regular scheduled airline service and not carriage by an aircraft chartered for that purpose.

However, **we** will not pay any more than 20% of the value of the item being air freighted up to the limit for this extension stated in the **schedule**.

Exclusion 4.9 is modified accordingly.

3.7 *Transit*

The policy is extended to include **loss** of **insured property** during:

- Storage at another site; and
- Transit within New Zealand by road, rail, airfreight, inter-island ferry, or containerised shipping between New Zealand ports.

We will not pay more than \$25,000 for any one event unless a different amount is stated in the **schedule**.

Exclusion 4.10 is modified accordingly.

3.8 *Natural disaster*

The policy is extended to include **loss** caused by earthquake, but excluding any damage for which compensation is payable under any Act of Parliament.

General Exclusion 4.11 shall not apply.

For the purpose of this extension only the **excess** shown in the **schedule** for the following Areas will be deducted from each **loss** that occurs in that Area.

Area (a) – the **regions** of Northland, Auckland, Waikato, Otago and Southland and the **districts** of Timaru and Waimate.

Area (b) – the **regions** of Bay of Plenty, Gisborne, Hawkes Bay, Taranaki, Manawatu, Wanganui, Tasman, West Coast and Canterbury excluding the **districts** of Timaru and Waimate.

Area (c) – the **regions** of Wellington, Nelson and Marlborough.

4 **Section 1 - Exclusions**

This Section does not insure:

4.1 **Loss:**

(a) caused by:

- faulty or defective workmanship or material; or

- wear and tear, corrosion, erosion, or the action of normal atmospheric conditions.
- (b) to mechanical or electrical items incorporated into the **contract works** caused by their operation, or mechanical or electrical failure, derangement, breakdown, or pressure explosion.
- (c) caused by mechanical or electrical failure, derangement or breakdown of **construction plant**;
- (d) which is a gradual deterioration of the **insured property** or any part of it.

This exclusion shall be limited to the:

- item of construction plant; or
- part of the structure or **contract works**

directly affected, and shall not extend to other **insured property** which is affected as a result, (if any).

- 4.2 **Loss** caused by fault, defect, or omission in design, plan, specification, sequence, procedure or programme.
- 4.3 **Loss** in connection with total or partial cessation of the **contract works**.
- 4.4 **Loss** of files, deeds, evidence of debt, bonds, bills of exchange, promissory notes, cash, bank notes, cheques, securities or money, stamps, account or computer records.
- 4.5 Disappearance or shortage of **insured property** where that **loss** is revealed only by the taking of an inventory or stocktaking.
- 4.6 Consequential loss of any kind including (without limitation) penalties for non-completion or delay in completion or non-compliance with **contract** conditions.
- 4.7 **Loss** to any structure or property already at the **contract site** before commencement of the **contract works**.
- 4.8 **Loss** to:
- 4.8.1 Any **vehicle**; or
 - 4.8.2 Construction plant; or
 - 4.8.3 Tyres or tracks, unless as a result of other insured **loss** to a **vehicle**/mobile plant; or
 - 4.8.4 Any aircraft, waterborne vessel or craft; or
 - 4.8.5 Employees' personal effects or hand tools.
- 4.9 Extra charges for overtime, night work, work on public holidays, express delivery or airfreight, unless such charges are reasonable, and incurred solely for the purpose of minimising further **loss** to the **insured property** following an insured **loss**.
- 4.10 **Loss** to **insured property** during transit not on the **contract site**.

4.11 Any **loss** in connection with a **natural disaster**.

5 Section 1 - Basis of Settlement

5.1 *Method of indemnity*

5.1.1 If **you** suffer **loss** covered by this policy:

- (a) Where the insured damage can be repaired, **we** will pay the cost of repairs necessary to restore the **insured property** to its condition immediately before the **loss**.

Where the cost of repair equals or exceeds the **actual value** immediately before the **loss** of the **insured property** affected, **we** will settle your claim on the basis provided for in (b) below.

- (b) Where the insured damage is not repairable, **we** will pay the **actual value** immediately before the **loss** of the **insured property**;

To the extent that:

- The **loss** claimed had to be borne by **you**; and
- The **loss** is in respect of **insured property** included in the calculation of the Sum(s) Insured.

5.1.2 **We** will indemnify **you** by:

- (a) Cash payment; or
- (b) Replacement; or
- (c) Repair

at **our** discretion.

5.2 *Excess*

5.2.1 **We** will deduct the **excess** from each **loss** for each **event**.

A series of **losses** arising from subsidence, erosion, flood, inundation, landslip, cyclone, storm, tempest, or earthquake during any period of 72 consecutive hours will be treated as one event for the purpose of applying the **excess**.

5.3 *Maximum amount payable*

5.3.1 The most **we** will pay:

- For each Item in the **schedule** is the Sum Insured, plus GST;
- Under this policy in total during the **period of insurance** is the Total Sum Insured shown in the **schedule**, plus GST.

5.4 *Reinstatement of sum insured*

5.4.1 **We** will reinstate **your** Sum Insured after **we** have paid a claim under the policy. **You** must pay an additional premium set by **us**.

5.5 *Average*

5.5.1 If the Sum Insured for any Item in the **schedule** is less than its **actual value** at the date this policy commenced, **we** will apply Average to any claim in relation to that Item.

SECTION 2 – PUBLIC LIABILITY

6 Section 2 - Insuring Clause

6.1 *Liability*

We will indemnify **you** against all sums **you** become liable to pay arising from:

(a) **Bodily injury**; and/or

(b) **Property damage**

happening during the **period of insurance** resulting from an occurrence in New Zealand in connection with the **contract works**.

6.2 *Automatic Extensions*

6.2.1 Employees' Vehicles Extension

Exclusion 8.1.3(a) does not apply to liability for **property damage** to any **vehicle** or motor cycle belonging to, or in charge of, or under the control of, any of **your** employees or agents in a private capacity (and not owned by **you**, or any member of **your** family ordinarily living with **you**).

6.2.2 Carparks Extension

Exclusion 8.1.3(a)(viii) does not apply to liability for **property damage** to property in any carpark operated by **you** for the **contract works**.

6.2.3 Mechanical Plant and Cranes Extension

This Section of the policy is extended to include liability resulting from the use by **you** of mechanical plant or machinery, including cranes and mobile cranes, but only whilst on, or adjacent to, the **contract site**.

Exclusion 8.1.4(a) is modified accordingly.

6.2.4 Removal of Support Extension

This Section of the policy is extended to include liability arising from:

(a) **Bodily injury**; and/or

(b) **Property damage**

happening during the **period of insurance** resulting from an occurrence at the **contract site** in connection with:

- Vibration of; or
- Removal or weakening of; or
- Interference with the support of

land or buildings which are not part of the **insured property**.

The indemnity provided by this clause shall not exceed in the aggregate during the **period of insurance** \$250,000 unless a different amount is shown in the **schedule** for this extension.

An **excess** of \$5,000 shall apply for each **event**, unless a different amount is shown in the **schedule** for this extension.

Exclusion 8.1.4(f) does not apply to this extension.

6.2.5 Forest and Rural Fire Extension

We will indemnify **you** for:

- (a) Levies imposed by a fire authority under the Forest and Rural Fires Act 1977 and apportioned to **you**, (but excluding levies under Section 45) and
- (b) Liability for costs incurred by any other party to protect their property from fire.

We will pay up to \$250,000 for each **event**. If a greater amount is shown in the **schedule** for this extension **we** will pay up to that amount.

This extension is deemed to apply whether **property damage** has occurred or not. Exclusion 8.1.4(a) does not apply to this extension.

6.2.6 Defence Costs

We will indemnify **you** for all legal costs and expenses reasonably and properly incurred in defending any legal action against **you** arising out of **bodily injury** or **property damage** covered under this Section of the policy, even if the legal action appears groundless.

7 Section 2 - Optional Extension

This Optional Extension only applies if it is shown on the **schedule**.

7.1.1 Defective Design

We will indemnify **you** against all sums **you** become liable to pay arising from:

- (a) **Bodily injury**; and/or

(b) **Property damage**

happening during the **period of insurance** resulting from an occurrence in New Zealand in connection with any defective:

- Design; or
- Formula; or
- Specification; or
- Plan; or
- Pattern

prepared by **you** for the **contract works**.

Exclusion 8.1.4(d) does not apply to this extension.

The indemnity provided by this extension shall not exceed in the aggregate during the **period of insurance** \$250,000. Defence Costs are included in this figure and are not in addition to it.

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

8 **Section 2 - Exclusions**

This Section does not insure:

- 8.1.1 Liability **you** have expressly agreed to, unless liability could still arise without the express agreement.

This exclusion does not apply to liability arising out of the use of property under an agreement entered into by **you** for the hire, lease or rental of any property to **you**. Provided that this exception to exclusion 8.1.1 does not apply to liability:

- (a) For **property damage** to any of the property the subject of the agreement;
- (b) Arising from any provision in the agreement for **you** to arrange insurance over the property which is the subject of the contract.

- 8.1.2 Liability arising from **bodily injury** to any person:

- (a) Arising out of, and in the course of, employment of that person by **you**; or
- (b) Who is a member of **your** family ordinarily living with **you**.

- 8.1.3 Liability for **property damage**:

- (a) To property:
 - (i) Belonging to; or

- (ii) Held under a hire purchase agreement by; or
- (iii) Held under a conditional purchase agreement by; or
- (iv) Hired by; or
- (v) Leased by; or
- (vi) Rented by; or
- (vii) Lent to; or
- (viii) In the possession or control of:

you or any member of **your** family ordinarily living with **you**.

- (b) To that part of the property on which **you** are, or have been, working, if the **property damage** is caused directly by the work done to that part. However this exclusion 8.1.3(b) does not apply to **property damage** to any other separate and identifiable components of that property not worked on.
- (c) To any part of property insured under Section 1 of this policy.

8.1.4 Liability in connection with:

- (a) The ownership, possession or use of any **vehicle**. Provided that this exclusion 8.1.4 (a) shall not apply to the loading and unloading of a **vehicle**, and the bringing to and taking away of a load from a **vehicle** at the **contract site**.
- (b) The ownership, possession or use by **you**, or anyone on **your** behalf, of any:
 - watercraft, or thing made or intended to float or travel on water.
 - aircraft, or thing made or intended to travel through air or space.
- (c) Work undertaken by **you** to:
 - any watercraft, or thing made or intended to float or travel on water.
 - aircraft, or thing made or intended to travel through air or space.
- (d) Any defective:
 - Design;
 - Formula;
 - Specification;
 - Plan; or

- Pattern

prepared by **you**.

- (e) The giving of advice, or the administering of medical treatment by **you** or anyone on **your** behalf. Provided this exclusion 8.1.4 (e) shall not apply to any of **your** employees acting in the capacity of an industrial nurse.
- (f) Vibration of, removal of, weakening of, or interference with the support of: land or buildings.

8.1.5 Liability caused by

- (a) Seepage, pollution, or contamination, (including the cost of removing, nullifying or cleaning up) unless the seepage, pollution or contamination occurs during the **period of insurance** and is caused by a sudden, unintended and unexpected event during the same **period of insurance**.
- (b) Mining, processing, transporting, distributing or storing asbestos.
- (c) Any process of decontamination, treatment, or control of asbestos.
- (d) The presence of asbestos in any building or structure.
- (e) Asbestos pollution or contamination (despite the proviso to (a) above).

8.1.6 Liability determined by a judgment (including the costs and expenses arising out of the litigation leading to the judgment) of any court other than a New Zealand Court, unless that judgment is enforceable by a New Zealand Court.

8.1.7 Liability in respect of any fine or penalty imposed on **you**, or any punitive or exemplary damages awarded against **you**.

9 Section 2 - Basis of Settlement

9.1.1 Limits

Unless otherwise stated in the extension:

- (a) The most **we** will pay for each **event** during the **period of insurance** is the limit shown in the **schedule**.
- (b) **We** will pay Defence Costs in addition to the limit set out in (a) above.
- (c) **We** will deduct the **excess** shown in the schedule from the amount payable for each **event**.

9.1.2 Discharge of Liability

At any time, **we** may elect to pay **you** the Sum Insured applicable under this Section of the policy, or any lesser sum for which the claim against **you** can be settled. Payment by **us** discharges any liability **we** have to **you** under this policy except for Defence Costs already incurred up until the time of payment.

9.1.3 *Cross Liability*

If the policy insures more than one person or entity, they are insured separately (as though a separate policy had been issued to each party).

The most **we** will pay in total to all insured persons or entities during the **period of insurance** is the limit shown in the **schedule**.

10 **Sections 1 and 2 - Claims Conditions**

10.1 *Making a claim on this insurance*

You must:

- (a) Tell **us** as soon as **you** are aware of any **loss** or liability covered under this policy
- (b) Complete **our** claim form in full if requested
- (c) Allow **us** to investigate and inspect the **loss** or liability
- (d) Provide any other information or assistance which **we** need
- (e) Give **us** permission to obtain personal information which relates to **your** claim held by any other party
- (f) Forward to **us** all relevant information and correspondence
- (g) Provide a statutory declaration to verify the **loss** if **we** request it
- (h) Lay a complaint with the Police if **you** suspect a crime has been committed.
- (i) Minimise **your loss** or liability, and try to avoid any further **loss** or liability
- (j) Take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses.

You must not:

- (a) Dispose of any property that **you** intend to claim for under this policy
- (b) Start any repairs without **our** permission unless it is necessary to prevent further **loss**
- (c) Say or do anything which may prejudice **our** ability to defend **your** alleged liability or make recovery for the **loss** from any other person who may be responsible for it.

10.2 *After you have made a claim*

After **you** have made a claim:

- (a) **We** have the sole right to act in **your** name and defend, negotiate or settle any liability on **your** behalf at **our** expense.
- (b) **We** may appoint the lawyer to defend **you**. That lawyer reports to **us**, and **you** authorise that lawyer to pass on all information to **us**.
- (c) **We** may take over in full any legal right of recovery that **you** have.
- (d) If any lost or stolen property for which **we** have paid a claim is later found or recovered, **you** must:
 - Tell **us** immediately, and
 - Hand the property over to **us** if **we** request it.
- (e) **You** must reimburse **us** first if **you** receive any money from any person ordered to make reparation to **you** in relation to a claim **we** have paid.

10.3 *Dishonest or fraudulent claims*

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

11 **Sections 1 and 2 - General Exclusions**

These General Exclusions apply to both Section 1 and Section 2 of this policy. This policy does not insure:

11.1 *War/Confiscation/Nuclear*

Any **loss** or liability in connection with:

- 11.1.1 War, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power,
- 11.1.2 Confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority,
- 11.1.3 Nuclear power generation or nuclear weapons,
- 11.1.4 Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the fusion or fission of nuclear fuel,
- 11.1.5 The malicious acts of any person acting on behalf of, or in connection with any political organisation.

11.2 *Terrorism*

Loss or liability in connection with:

- An **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **loss or liability**.
- Any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.

11.3 *Computer Virus*

Any liability connected in any way with loss or damage to electronic data, and any liability arising from this, directly or indirectly caused by a **computer virus**. This includes the loss of use, reduction in functionality or any other associated loss or expense in connection with the electronic data.

11.4 *Leaking Building*

Any **loss** or liability connected in any way with any building or structure:

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

that is caused directly or indirectly by:

- (i) Non-compliance with the New Zealand Building Code, or
- (ii) Faulty or defective design or specification, or
- (iii) Faulty materials, or
- (iv) Faulty workmanship

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

12 **Sections 1 and 2 - General Conditions**

These General Conditions apply to both Section 1 and Section 2 of this policy.

12.1 *Comply with the policy*

You must meet the following conditions before **we** are obliged to pay **you**:

12.1.1 **You** must comply with all the policy terms, and

12.1.2 **You** must give true statements and answers when **you**:

- apply for this insurance, and
- notify **us** regarding any change in circumstances, and
- make any claim under this policy.

12.2 *Cancellation*

12.2.1 **You** may cancel the policy by giving **us** notice. **We** will refund to **you** the unexpired portion of any premium **you** have already paid to **us**.

- 12.2.2 **We** may cancel this policy at any time by giving notice to **you**. It will be effective from 4.00pm 14 days after the notice is given. The 14-day period starts on the day the notice is delivered or posted. **We** will refund to **you** the unused portion of any premium **you** have already paid to **us**.

12.3 *Change in circumstances*

- 12.3.1 **You** must tell **us** immediately, after the start of the policy, if there is a material fact that **you** know that would:

- Increase in the risk insured, or
- Alteration in the risk insured.

What we may do if circumstances change

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

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

Those changes will be effective immediately.

What we may do if you do not tell us of changed circumstances

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

- Declare this policy unenforceable, or
- Completely or partially refuse any subsequent claim.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

12.4 *Double insurance*

- 12.4.1 **You** must notify **us** immediately of any other insurance policy that covers any of the risks covered under this policy.
- 12.4.2 If any other insurance policy exists, **we** will only pay over and above the limit payable under that other policy.

12.5 *Goods and Services Tax*

- 12.5.1 Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- all Sums Insured exclude GST (unless otherwise stated), and
 - GST will be added, where applicable, to claim payments.

12.6 *Governing Law*

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

12.7 *Notices*

- 12.7.1 Notices from **you** to **us** must be delivered personally, posted or emailed to **us**.
- 12.7.2 Notices from **us** to **you** must be delivered personally, posted or emailed to **your** or **your** insurance advisor's last known address

12.8 *Take reasonable care*

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

12.9 *Parties with financial interests*

- 12.9.1 **We** may pay all or part of any claim proceeds to the holder of any financial interest over **your insured property**. **Our** obligations to **you** under this policy are satisfied to the extent of that payment. **You** authorise **us** to disclose personal information about **you** to any holder of a financial interest.
- 12.9.2 A party, who is recorded as having a financial interest under this policy, is not insured by this policy and does not have rights to claim under the policy.

12.10 *Acts of Parliament*

- 12.10.1 Where this policy refers to any Act of Parliament, this includes any Statutory Regulations made under it. It also includes any Act or Regulations enacted in substitution.

12.11 *Separate insurance*

- 12.11.1 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).
- 12.11.2 However, the limits contained in this policy are the most **we** pay to all persons and entities combined.

12.12 *Headings*

- 12.12.1 Headings in this policy are for ease of reference only. They do not form part of the policy, and are not to be used as an aid to interpretation.

13 DEFINITIONS

- 13.1 These words (and any derivatives) marked in **bold** throughout the policy are defined as follows:

Accident means an event or omission that is unexpected and unintended from **your** point of view.

Act of terrorism means an act, including but not limited to the use of force or violence and threat of any person or group, whether acting alone or on behalf of or in connection with any organisation or government that from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and, or, to put the public or any part of the public in fear.

Actual value means the value calculated by deducting depreciation for age and use from the new replacement cost of **insured property** affected.

Bodily injury means:

- **Accidental** death of, or bodily injury to any person (including sickness, disease, disability, shock, fright, mental anguish or mental injury);
- False arrest or false imprisonment, malicious prosecution or malicious humiliation;
- Defamation, or publication in violation of any individual's right to privacy, except:
 - Defamation where **you** know the statement is false;
 - Defamation or publication made in the course of, or relating to, advertising, broadcasting or telecasting activities conducted by **you**, or on **your** behalf.
- Wrongful entry or eviction, or other invasion of the right of private occupancy;
- Battery of assault not committed by **you**, or at **your** direction (unless committed for the purpose of preventing or eliminating danger to persons or property).

Computer virus means a set of corrupting, harmful or unauthorised instructions or code, including a set of maliciously introduced and unauthorised instructions or code, programmed or any thing else, which duplicates itself through a computer system or network. This includes, but is not limited to Trojan horses, worms, and time or logic bombs.

Construction period means the period commencing on the date shown in the schedule and finishing:

- (a) Partial Completion – with respect to that portion only of the **contract works**:
 - At the time a partial practical completion certificate is issued; or
 - At the time that portion of the **contract works** is occupied, taken over or taken into use by the purchaser, principal or authorised person.

whichever is the earlier; or

- (b) Completion

- At the time a practical completion certificate is issued; or
- At the time the **contract works** are practically complete except for minor omissions and minor defects which do not prevent the **contract works** from being reasonably capable of being used for their intended purpose; or
- At the time the **contract works** are occupied, taken over or taken into use by the purchaser, principal or authorised person;

Whichever is the earliest; or

- (c) Speculative project – with respect to any speculative project where there is no agreement to purchase, at the time 95% of the project price has been expended on the **contract works** and the **contract works** are made available for public viewing; or
- (d) Scheduled date – on the finishing date shown in the **schedule**. This date may be extended beyond the date shown in the schedule for the express purpose of completing the **contract works**, provided **we** agree in writing prior to the finishing date, and the **you** agree to pay any additional premium required.

whichever applies first.

Construction plant means tools, plant or equipment used for the purpose of carrying out the **contract works**, excluding any plant or equipment forming, or to form, a permanent part of the **contract works**.

Contract means the contract between the principal and the contractor to perform the **contract works**.

Contract site means the location referred to in the **contract** at which the **contract works** are to be completed.

Contract works means the whole of the works, whether temporary or permanent, to be performed by **you**, as described in the **contract**, which is the subject of this insurance, including all materials and items to be incorporated in the works.

Excess means the amount stated in the policy or shown in the **schedule**.

Insured property means the **contract works**, and any other property shown in the **schedule** once it becomes the responsibility of the contractor insured.

Loss means **accidental** physical loss or **accidental** physical damage.

Maintenance period means the period:

- commencing when any part of the **contract works** is put into service, taken over, occupied or issued with a certificate of partial or practical completion; and
- finishing:

- at the end of the Maintenance or Defects Liability Period referred to in the **contract**; or
- at the end of the period shown in the **schedule**.

Whichever is the earlier.

Defects Liability Period shall have the same meaning.

Natural disaster means earthquake shock, earthquake fire, tsunami, volcanic eruption, subterranean fire and hydrothermal activity.

Event means an event (including continuous or repeated exposure to conditions), or a series of events resulting from, or attributable to, one source or original cause.

Period of insurance means both the **construction period** and the **maintenance period**.

Property damage means:

- **accidental** physical loss or **accidental** physical damage to any tangible property, including subsequent loss of use; and/or
- **accidental** loss of use of tangible property which has not suffered physical loss or physical damage.

Regions and **districts** means the area of land in the regions and districts defined in the most recent map issued by Land Information New Zealand.

Schedule means the most recent Schedule to this policy that **we** issued to **you**.

Vehicle means any type of machine on wheels, or tracks, made or intended to be propelled by its own power, or towed.

We/us/our means The New India Assurance Company Limited.

You means the person(s) or entity(s) named in the **schedule**:

- but only in their capacity as principal or main contractor; and
- only in their capacity as subcontractor, where shown in the **schedule**

including: any director, employee or partner, but only while acting within the scope of their duties in that capacity, for their respective rights and interests.