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

Material Damage Policy

1 INTRODUCTION

Thank you for purchasing insurance from The 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, 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.

2 INSURING CLAUSE

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

3 AUTOMATIC EXTENSIONS

3.1 *Capital Additions Cover*

3.1.1 **We** will indemnify **you** for any **buildings** or **contents** that **you** acquire during the **period of insurance**, provided that:

- (a) **you** own or are responsible for the property, and
 - (b) **you** notify **us** within one month after **you** acquire the property.
 - 3.1.2 After **you** have notified **us** **we** may charge **you** an additional premium.
 - 3.1.3 No cover is provided under this extension for appreciation in value of any **buildings** or **contents**, unless the appreciation results from:
 - (a) A physical alteration, or
 - (b) An addition, or
 - (c) An improvement.
 - 3.1.4 The most **we** will pay, in total, during the **period of insurance**, is \$100,000, or any higher amount in the **schedule**.
- 3.2 *Cell phone and Laptop Computer Cover*
 - 3.2.1 **We** will indemnify **you** against the **accidental loss** of cell phones, and laptop computers during the **period of insurance**, provided the **loss** occurs in New Zealand.
 - 3.2.2 Exclusion 5.8 does not apply to this extension.
 - 3.2.3 The most **we** will pay under this extension, for any one **claim**, is:
 - (a) \$5,000 for any one item, and
 - (b) \$10,000 in total,
 or any higher amount in the **schedule**.
 - 3.2.4 These amounts are included in the sum insured on the **insured property**.
- 3.3 *Demolition Cover*
 - 3.3.1 **We** will indemnify **you** against costs necessarily and reasonably incurred for:
 - (a) demolition, dismantling, shoring up or propping of **insured property**,
 - (b) disposal of debris (including any kind of solid, liquid or gas),
 - (c) clearing, cleaning and repairing of gutters, drains and the like,
 - (d) recovery, defence, safeguard, removal, storage, and return of **stock, contents** and other chattels whether damaged or undamaged,
 - (e) temporary repairs and other measures necessary to secure **insured property** or to make it safe or suitable for continued use, provided that the costs are connected with a **loss** that is covered under this policy.
 - 3.3.2 If debris pollutes or contaminates property, this extension does not include any costs incurred for compensation, or other damages.
 - 3.3.3 These costs are included in the sum insured on the **insured property**.
- 3.4 *Electrical Cover*
 - 3.4.1 **We** will indemnify **you** for **accidental loss** of:
 - (a) Electric motors and starters up to and including 3.75kw (5hp) each, and
 - (b) Distribution switchboards and permanently installed electric reticulation at **your** premises.
 Provided however the **loss** is immediately preceded by:
 - The failure of electrical insulation, or
 - Abnormal electric current, or
 - Electrically induced self-heating; and
 occurs during the **period of insurance**.
 - 3.4.2 Exclusion 5.3 does not apply to this extension.
 - 3.4.3 These costs are included in the sum insured on the **insured property**.
- 3.5 *Employees Personal Property Cover*
 - 3.5.1 **We** extend the definition of **insured property** to include the personal property of **your** directors and employees, provided that:
 - (a) The property is at premises owned or occupied by **you**, or

- (b) The property is being worn, used, carried or used by **your** directors or employees while they are acting in the course of their duties or employment, anywhere in New Zealand, and
 - (c) If the property is not otherwise insured.
 - 3.5.2 The most **we** will pay under this extension:
 - (a) for **loss** to any one director or employee is \$2,500, and
 - (b) for all losses in total is \$10,000, or any higher amount in the **schedule**.
 - 3.5.3 These amounts are included in the sum insured on the **Insured Property**.
- 3.6 *Expediting Costs Cover*
 - 3.6.1 **We** will indemnify **you** against the cost of express freight, and overtime labour, provided that:
 - (a) **You** also have a current Business Interruption policy with **us** covering the same **situation** and business, and
 - (b) The costs are necessarily and reasonably incurred to hasten the repair or replacement of damage to **insured property** covered by this policy.
 - 3.6.2 These costs are included in the sum insured on the **insured property**.
- 3.7 *Professional Costs Cover*
 - 3.7.1 **We** will indemnify **you** against the following costs, where they are necessarily and reasonably incurred to reinstate damaged property covered by this policy:
 - (a) Professional fees, and
 - (b) Clerk of work's fees, and
 - (c) Salaries.
 - 3.7.2 This does not include fees for preparing claims made under this policy.
 - 3.7.3 These costs are included in the sum insured on the **insured property**.
- 3.8 *Protection Cover*
 - 3.8.1 **We** will indemnify **you** against all costs and expenses **you** incur preventing or minimising imminent **loss** to **insured property**, provided that:
 - (a) The action **you** take is necessary to prevent or minimise an imminent **loss** occurring, and
 - (b) The **loss** is, or would be, covered under this policy, and
 - (c) the costs and expenses are necessarily and reasonably incurred, and
 - (d) the costs and expenses are incurred during the **period of insurance**.
 - 3.8.2 The most **we** will pay, in total, during the **period of insurance**, is \$100,000, or any higher amount in the **schedule**.
- 3.9 *Redundant Plant and Stock Cover*
 - 3.9.1 If the **loss** to **insured property** covered under this policy results in the redundancy of:
 - (a) Interdependent plant, or
 - (b) Spare parts held exclusively for the **insured property** concerned, **we** will treat these items as part of the covered **loss**.
 - 3.9.2 If the **loss** to **insured property** covered under this policy results in:
 - (a) The deterioration of **stock**, or
 - (b) **You** being unable to use **stock**, **we** will treat the **stock** as part of the covered **loss**.
 - 3.9.3 Exclusion 5.10.2 does not apply to this extension.
- 3.10 *Rewards Cover*
 - 3.10.1 **We** will indemnify **you** against the cost of paying a reward to protect or recover **insured property** that suffers a **loss**, provided that:
 - The **loss** is covered under this policy, and

- The reward plays a part in the protection or recovery of the **insured property**, and
- The terms of the reward are agreed to by **us** before the reward is offered and

3.10.2 The most **we** will pay for both:

- (a) The reward, and
- (b) The **loss of insured property**

is the sum insured on the **insured property**.

3.11 *Social Club Cover*

3.11.1 **We** extend the definition of **insured property** to include the property of any:

- Social club, and/or
- Sports club or similar body,

Provided that its activities are principally for the benefit of **your** employees.

3.11.2 This cover is included in the sum insured on the **insured property**.

3.12 *Stolen Keys Cover*

3.12.1 **We** will indemnify **you** against costs necessarily and reasonably incurred in:

- Opening a safe or strongroom following the theft of its key (including electronic keys and swipe cards) or combination, and
- Altering or replacing locks, keys (including electronic keys and swipe cards) and combinations that give access to **your insured property**, if the keys or combinations are stolen or duplicated without proper authority during the **period of insurance**.

3.12.2 These costs are included in the sum insured on the **insured property**.

3.13 *Temporary Removal/Transit Cover*

3.13.1 **We** will indemnify **you** against the **accidental loss of contents** that:

- (a) Have been **temporarily removed** to any place in New Zealand, or
 - (b) Are in transit to or from any place in New Zealand,
- Provided that the **loss** occurs during the **period of insurance**.

3.13.2 Exclusion 5.8 does not apply to this extension.

3.13.3 The most **we** will pay in total, during the **period of insurance**, is the amount **we** would be liable to pay if the property had been at its usual **situation**.

3.14 *Unharmful Property Cover*

3.14.1 If the repair or replacement of **insured property** that has suffered **loss** covered by this policy makes it necessary to damage, demolish or remove **insured property** that is unharmed, **we** will indemnify **you** against:

- (a) the cost of this damage, demolition or removal, and
- (b) any subsequent repair or replacement costs.

Provided that the costs are not incurred solely to comply with any building law.

3.14.2 These costs are included in the sum insured on the **insured property**.

4 **OPTIONAL EXTENSIONS**

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

4.1 *Money Cover*

4.1.1 **We** will indemnify **you** against **accidental loss** during the **period of insurance of money**, provided the **loss** occurs in any of the circumstances outlined in Section A or Section B below:

Section A

- (a) **Money** in transit,
- (b) **Money** at **your** business premises or **sites** of contract during **business hours**,

- (c) **Money** in a securely locked safe or strongroom at **your** business premises outside **business hours**.

Section B

- (a) **Money** at your business premises outside **business hours** and not in a securely locked safe or strongroom;
- (b) **Money** at **your** business premises outside **business hours** while in:
- money-change machines, or
 - gambling or gaming machines, or
 - vending machines;
- (c) **Money** at residential premises that belong to:
- **you** or any director or executive officer of **yours**, or
 - any authorised employee of **yours**.

4.1.2 Exclusions 5.1.3, 5.5.1(c) and 5.7.1 do not apply to this extension.

4.1.3 There is no cover under this extension for **loss of money**:

- (a) Caused by errors in receiving it or paying it out;
- (b) Occurring while the **money** is entrusted to any person other than:
- (i) **You** or any director or executive officer of **yours**, or
 - (ii) Any employee or agent of **yours**, or
 - (iii) Any professional money carrier;
- (c) Resulting from payment of **money** in exchange for any cheque that is subsequently dishonoured;
- (d) Occurring while the **money** is in an unlocked and unoccupied vehicle;
- (e) Caused by theft or fraud by any of **your** employees, unless the **loss** is discovered within 72 hours (excluding Saturdays, Sundays and other public holidays but only if **your** business is closed on those days) of the act of theft or fraud (exclusion 5.5.1(e) does not apply in respect of the 72 hour limit);
- (f) Covered by a valid claim under a Fidelity Guarantee Policy.

4.1.4 The most **we** will pay under each of Sections A and B in total, per **claim**, is the sum insured shown in the **schedule**.
However, **we** will increase the Section A sum insured by the amount shown in the **schedule** for the months specified.

4.2 *Natural Disaster Cover*

- 4.2.1 **We** will indemnify **you** against **natural disaster damage** to items of **insured property** during the **period of insurance**, provided that:
- (a) the **schedule** shows those items are insured for Natural Disaster Cover, and
- (b) the damage occurs at the **situation**.

4.2.2 Exclusions 5.7.1 does not apply to this extension.

4.2.3 The Natural Disaster Excess will be calculated as shown below and applies to each and every claim for loss or damage directly or indirectly caused by earthquake, volcanic eruption or hydrothermal activity.

Region	Excess
Northland and Auckland	2.5% of the Material Damage site sum insured, minimum \$2,500 and /or For Pre-1935 Risks, 5% of the Material Damage site sum insured, minimum of \$5,000
Rest of New Zealand excluding Christchurch City/ Waimakariri and Selwyn District	5% of the Material Damage site sum insured, minimum \$5,000 and /or For the Pre- 1935 Risks, 10% of the Material Damage site sum insured, minimum of \$10,000

Christchurch City/ Waimakariri and Selwyn District	10% of the Material Damage site sums insured, minimum \$10,000 but 15% for Pre-1935 Risks.
All Natural Disaster Excess apply to the combined Material Damage and Business Interruption loss. In respect of these excesses the following definitions apply; Pre- 1935 Risks – means any Building, and /or other property including Stock located in any Building, that was constructed prior to and including 1935. Site – means a parcel of land owned or occupied by the Insured	

4.3 *Refrigerated goods*

4.3.1 **We will indemnify you** against:

- (a) **Accidental loss** to refrigerated stock during the **period of insurance**, provided that:
- the **loss** is caused by:
 - the breakdown or failure of the refrigeration plant, or
 - the sudden failure of power supplied to **your** premises by a public utility, and
 - the **loss** occurs at the **situation**,
- (b) Costs necessarily and reasonably incurred to avoid or minimise **accidental loss** to refrigerated stock covered above.

4.3.2 Exclusion 5.5.2(d) does not apply to this extension.

4.3.3 The most **we** will pay in total, per **claim** is \$2,500, unless a different amount is shown in the **schedule**.

4.3.4 An **excess** of \$500 applies for each **claim** unless a different amount is shown in the **schedule**.

4.4 *Theft Cover*

4.4.1 **We will indemnify you** against **accidental loss** during the **period of insurance** caused by theft, provided that:

- (a) The theft occurs at the **situation**, and
- (b) The theft is not:
Carried out by a person employed by **you**, or
Conducted through a fraudulent scheme or device, or
The result of a false pretence practised on **you**, or on any other person who has care of the **insured property**.

4.4.2 Exclusion 5.5.1(c) does not apply to this extension.

4.4.3 The most **we** will pay in total, for any **claim**, is \$10,000, unless a different amount is shown in the **schedule**.

4.4.4 An additional **excess** of \$2,500 applies per **claim** unless a different amount is shown in the **schedule**.

5 **EXCLUSIONS**

5.1 This policy does not insure:

5.1.1 Any **insured property** during:

- (a) installation, or
- (b) construction or erection, or
- (c) demolition, or
- (d) testing following any of (a) to (c) above,
unless the *Capital Additions Cover* applies.

5.1.2 Jewellery, precious stones, furs, precious metals or bullion, except where any of these are:

- (a) **stock** of **your** business, or
- (b) a part of any plant or machinery.

5.1.3 **Loss** of **money** in excess of \$1,000.

5.1.4 Any of the following property:

- (a) motor vehicles,

- (b) other mechanically or electrically propelled vehicles (including railway locomotives and rolling stock),
- (c) watercraft of any kind,
- (d) aircraft of any kind, and
- (e) accessories in or on any of the vehicles or craft in (a) to (d) above.

However, this exclusion does not apply if:

- (f) any of these items are **stock** of **your** business, and
- (g) at the time of the **loss** they are stationery on **your** premises;

5.1.5 Any of the following property:

- (a) standing timber or growing crops or live plants,
- (b) trees or hedges,
- (c) livestock,
- (d) dams, canals, or reserves (but water tanks are insured),
- (e) road or railway tunnels,
- (f) road or railway bridges,
- (g) docks, piers or wharves,
- (h) mining property located below ground level,
- (i) any land (including topsoil and backfill).

5.2 This policy does not insure the cost of:

5.2.1 Repairing or replacing faulty materials; or

5.2.2 Fixing faulty workmanship; or

5.2.3 Fixing any work performed to a faulty or defective:

- (a) design plan, or
- (b) design specification, or

5.2.4 Altering or modifying any part of any refrigeration or air conditioning plant to enable the plant to operate with a more ozone-friendly refrigerant; or

5.2.5 Reinstating any electronic data or electronic files of any kind.

5.3 This policy does not insure the cost of repairing or replacing any **machine** that fails or breaks down, unless this is caused by a **loss**, covered by this policy, occurring first outside that **machine**.

5.4 This policy does not insure the cost of repairing or replacing any part of a boiler or **pressure vessel** that suffers **loss** through its internal failure or breakdown, including:

- (a) collapse or overheating of the boiler or **pressure vessel**, or
- (b) cracking or leaking of the boiler or **pressure vessel**, or
- (c) the generation of fluid pressure or vacuum to the boiler or **pressure vessel** (but not pressure caused by chemical explosion).

5.5 This policy does not insure any of the following:

5.5.1 **Loss** to **insured property** caused by:

- (a) exposure to weather conditions if the **insured property** is not designed to be left in the open,
- (b) unexplained disappearances, shortages revealed only by the taking of an inventory, and shortages resulting from clerical or accounting errors,
- (c) burglary or theft, unless accompanied by:
 - (i) violence to **you**, or
 - (ii) threat of violence to **you**, or
 - (iii) violent and forced entry to or exit from an enclosed building;
- (d) any fraudulent scheme or device, or false pretence practised on **you**, or on any other person who has care of the **insured property**;
- (e) theft or fraud by **you** or an employee of **yours**.

- 5.5.2 **Loss** following any of the following:
- (a) interruption of the supply, to the **situation**, of:
 - (i) water,
 - (ii) gas or electricity, or
 - (iii) any other fuel;
 - (b) total or partial stoppage of work, or interruption or cessation of any process;
 - (c) erosion;
 - (d) a change in artificially-controlled temperature or atmosphere.
- 5.5.3 **Loss** caused by any of the following:
- (a) fumes, gas, dust smoke, soot, (unless as a result of fire damage covered by this policy),
 - (b) action of micro-organism, vermin or pests;
 - (c) rust, action of light, or inherent nature of the property.
- This exclusion only applies to the **insured property** first affected. It does not apply to any resultant **accidental loss** to other parts of the **insured property**.
- 5.6 This policy does not insure:
- 5.6.1 Any of the following types of damage to **insured property**:
- (a) pollution,
 - (b) slowly developing deformation or distortion,
 - (c) marring and scratching,
 - (d) gradual deterioration,
 - (e) rot or mildew;
- 5.6.2 any of the following costs:
- (a) the cost of wear and tear of **insured property**,
 - (b) the cost of maintenance of **insured property**.
- 5.7 This policy does not insure **loss** in connection with any of the following:
- 5.7.1 Earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, or hydrothermal activity,
- 5.7.2 Landslip or subsidence, expansion of the ground,
- 5.7.3 Normal settlement, shrinkage or expansion of **buildings**, foundations, walls, pavements, roads and other structural improvements
- 5.8 This policy does not insure **loss** to **insured property** that is in transit, unless the property is at the **situation**.
- 5.9 This policy does not insure **loss** to **insured property** undergoing any **production process**, unless the **loss** is caused by the abnormal operation of that process.
- 5.10 This policy does not insure any kind of consequential financial loss, including the following:
- 5.10.1 Penalties, or
 - 5.10.2 Loss of use of any property, or
 - 5.10.3 Delays, or
 - 5.10.4 Loss of market.
- 5.11 This policy does not insure **loss** directly or indirectly caused by any of the following:
- 5.11.1 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,
 - 5.11.2 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 **loss** that is covered by this policy),
 - 5.11.3 Nuclear power generation,
 - 5.11.4 Nuclear weapons material,
 - 5.11.5 Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. Solely for

the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission.

5.12 This policy does not insure loss, damage, death, injury, illness, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

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

6 BASIS OF SETTLEMENT

6.1 *Method of indemnity*

We will indemnify you by whichever of the following options we choose:

- 6.1.1 we will pay the cost of repairs to restore the property to the condition it was in immediately prior to the **loss** (you will be asked to contribute to this cost if the repairs will substantially improve the item), or
- 6.1.2 we will replace the **insured property** with property of similar condition, or
- 6.1.3 we will pay an amount equal to the **market value** of the **insured property**.

6.2 *Stock*

- 6.2.1 If the **insured property** is **stock**, the Sum Insured is automatically increased by the percentage shown in the **schedule** (as 'SEASONAL STOCK INCREASE'), for the months of: October, November and December.

6.3 *Reinstatement cover*

Where any item of **insured property** is shown in the **schedule** as insured for **reinstatement**, we will indemnify you by **reinstatement** of that **insured property**.

This is subject to the following special conditions:

6.3.1 Compliance with **regulations**:

- (a) All costs and expenses incurred in complying with **regulations** are included in the amount payable for **reinstatement**, except for:
 - (i) work that you had already been ordered to carry out,
 - (ii) **undamaged** property or **undamaged** parts of property other than foundations, unless foundations are expressly excluded from being covered under this policy (this applies even if the **undamaged** property or **undamaged** part comprises a separate building, structure or item of **plant** or equipment).

6.3.2 Location of **reinstatement**:

- (a) If the property is **destroyed** the **reinstatement** must be carried out on the same **site**, unless this is not:
 - (i) allowed because of any **regulations**, or
 - (ii) suitable to **your** reasonable requirements (in this case, and provided that we agree (our agreement will not be unreasonably withheld), **reinstatement** may be carried out on any alternative **site**).

6.3.3 Limitations on the amount payable:

- (a) Where the **reinstatement** is carried out based on:
 - (i) an **equivalent building** - second or third option, or
 - (ii) on an alternative **site**,the most we will pay is the amount we would have been liable to pay if **reinstatement** had been carried out based on **equivalent building** - first option at the original **site**.

- (b) If the **insured property** is damaged, but not **destroyed**, the most **we** will pay will be the amount **we** would have been liable to pay had the property been **destroyed**.
- (c) In all cases, **our** liability for any item of **insured property** will not exceed the sum insured for that item.

6.3.4 Circumstances where **reinstatement** does not apply:

- (a) **We** will not pay the cost of **reinstatement**:
 - (i) If **you** do not reinstate the property;
 - (ii) If **reinstatement** is not started within a reasonable period of time;
 - (iii) Until the actual costs of **reinstatement** have been incurred;
 - (iv) If any of the following apply:
 - a building or structure is damaged, but not **destroyed**, or
 - repair of the damage is not permissible under any **regulations**, or
 - repair of the damage is not permissible because of the **undamaged** portion of the property.

In any of these circumstances, **we** will settle **your loss** on the same basis as if **reinstatement** cover had not applied to the property.

6.3.5 Valuation of the property:

- (a) Only if **we** request it, **you** must provide us with a professional property valuation certificate at the start of the **period of insurance**. This certificate:
 - (i) Is required for all items of **insured property** that are covered for **reinstatement**, and
 - (ii) Must cover the forthcoming **period of insurance**, and
 - (iii) Must contain all information that **we** ask for.

If **we** have requested a valuation (as above) and no valuation certificate has been provided within 30 days of the start of the **period of insurance**, the following Average Condition will apply:
Average condition:

Where the Sum Insured is less than 90% of the **reinstatement** cost, **you** are **your** own insurer for the difference, and **you** will share the cost of the **loss** in proportion. For example:

New replacement cost	\$20,000
Your Sum Insured	\$10,000

You are your own insurer for 50% of any **loss** that occurs.

6.3.6 Rates, tax and other charges

- (a) The amount payable to **you** does not include:
 - (i) any rate, tax, duty, development charge, or
 - (ii) any other charge or assessment arising out of capital appreciation,
 that is payable to comply with any laws.

6.4 *Excess*

6.4.1 The **excess** shown in the **schedule** will be deducted from the amount of the **loss** for each **claim**.

6.5 *EQ Cover*

6.5.1 If any **insured property** is covered under the Earthquake Commission Act 1993, this policy only pays in excess of the cover under that Act.

6.6 *Maximum amount payable*

6.6.1 The most **we** will pay under each heading of **insured property**, during the **period of insurance**, is the sum insured shown in the **schedule** for each heading.

6.6.2 The most **we** will pay under all headings, during the **period of insurance**, is the total sum insured shown in the **schedule**.

6.7 *Reinstatement of the Sum Insured*

6.7.1 After **we** have paid a claim under this policy, **we** will reinstate **your** sum insured. **You** must pay any additional premium **we** request.

7 CLAIMS CONDITIONS

7.1 *Making a claim on this insurance*

You must:

- (a) Tell **us** as soon as **you** are aware of any **loss** covered under this policy
- (b) Complete **our** claim form in full if requested
- (c) Allow **us** to investigate and inspect the **loss**
- (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 burglary, theft, arson or intentional damage
- (i) Minimise **your loss**, and try to avoid any further **loss**
- (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 make recovery for the **loss** from any other person who may be responsible for it.

7.2 *After you have made a claim*

After **you** have made a claim:

- (a) **We** may take over in full any legal right of recovery that **you** have.
- (b) 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.
- (c) **You** must reimburse **us** if **you** receive any money from any person ordered to make reparation to **you**.

7.3 *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.

8 GENERAL CONDITIONS

8.1 *Comply with the policy*

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

- 8.1.1 **You** must comply with all the policy terms, and
- 8.1.2 Provide 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.

8.2 *Cancellation*

- 8.2.1 **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**.
- 8.2.2 **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**.

8.3 *Change in circumstances*

- 8.3.1 **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.

8.4 *Double insurance*

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

8.5 *Goods and Services Tax*

- 8.5.1 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.

8.6 *Governing Law*

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

8.7 *Insurance Law Reform Acts*

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

8.8 *Notices*

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

8.9 *Take reasonable care*

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

8.10 *Parties with financial interests*

- 8.10.1 **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.

8.10.2 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.

8.11 *Acts of Parliament*

8.11.1 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.

8.12 *Separate insurance*

8.12.1 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).

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

8.13 *Headings*

8.13.1 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.

9 DEFINITIONS

9.1 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.

Additional property means other property:

- (a) specifically listed in the **schedule**, and
- (b) not covered under the headings: **buildings, contents, stock or money**.

Buildings means any of the following provided they are located at the **situation**:

- (c) buildings,
- (d) plate glass that forms part of the building,
- (e) walls, retaining walls,
- (f) gates, fences,
- (g) fixed signs and lights,
- (h) underground and above-ground services,
- (i) **site** improvements.

Business hours means the hours that:

- (j) **you, your** director or manager, or
- (k) any of **your** employees who are entrusted with the care, custody or control of **money**,

are on **your** business premises for the purpose of **your** business.

Claim means an event or series of events arising from one source or original cause.

Contents means the contents of **buildings**, including:

- (l) machinery, plant and contents, and
- (m) business fixtures, fittings and furnishings, and
- (n) tenant's improvements of any type, and
- (o) property owned by another person or entity, and left in **your** care, custody or control for cleaning, servicing or repair.

Market value means the new replacement cost of an item, less a fair allowance for depreciation based on age, use and condition.

Destroyed means cannot be repaired because of an insured event.

Equivalent building means:

- (p) Firstly, a **building** that is as similar as possible as the **building** that was **destroyed**, and that:
- (i) uses equivalent building materials and techniques currently available, and
 - (ii) incorporates any alterations necessary to comply with any **regulations** or other legal requirements, or
- (q) Secondly, if because of special circumstances, a **building** (described in (a) above) can no longer be built, an equivalent building is a **building** that:
- (i) has the same functional use as, and
 - (ii) is as similar as possible to, the **building** that was destroyed, or
- (r) Thirdly, if because of special circumstances there is no **building** that meets the criteria listed in (a) or (b) above, (subject to our agreement) an equivalent building is a **building** that:
- (i) has a functional use as similar as possible as, and
 - (ii) is no more extensive than, the **building** that was **destroyed**.

Equivalent plant means any plant that:

- (s) Is the same as, or is equivalent to, or as similar as possible to the **destroyed plant**, and
- (t) Has an equivalent (but not greater) capacity to that of the **destroyed plant**. If **plant** of an equivalent capacity is not available, then **equivalent plant** will be plant with a capacity as close as possible to that of the **destroyed plant**.

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

Insured property means the following tangible property specified in the **schedule**:

- (u) **Buildings**,
- (v) **Contents**,
- (w) **Stock**,
- (x) **Additional property**,

that is:

- Located at the **situation**, and
- Owned by **you** (including joint ownership with others), or another person or entity, and is in **your** care, custody or control.

Loss means physical loss, physical damage or physical destruction.

Machine means any device that:

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

Money means the following, where they are associated solely with **your** business operations:

- (aa) current coin, bank and currency notes.
- (bb) cheques and travellers' cheques,
- (cc) bank drafts and money orders,
- (dd) phone cards,
- (ee) unused postage and revenue stamps,
- (ff) credit card vouchers, redeemable vouchers and tokens,
- (gg) franking machine credits,
- (hh) other negotiable instruments.

Natural disaster damage means damage that results directly from:

- (ii) earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these, and
- (jj) measures taken under proper authority, to avoid any of these spreading, or reduce their consequences.

Period of insurance means the period of time shown in the **schedule**.

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

(kk) all integral parts, and

(ll) controls, and

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

Production process means any process of producing, making, treating or servicing goods.

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

Refrigerated stock means perishable goods (including their containers/packaging) that are kept in a refrigerated storage chamber at the **situation**.

Reinstatement means:

(nn) where property is destroyed – replacement by an **equivalent building** or **equivalent plant** as appropriate, or

(oo) where property is damaged but not destroyed – restoration of the damaged part of the property to a condition that is:

- substantially the same as, but
- not better nor more extensive than, its condition when new.

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

Site means any parcel of land that **you** own or occupy.

Situation means the location or locations referred to in the **schedule**.

Stock means stock and materials in trade.

Temporarily removed means **insured property** that:

(pp) **you** have removed from its original location for a particular purpose, and

(qq) **you** intend to return to its original location, once that purpose has been served.

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

You means the person or entity named in the **schedule** as 'Insured'.