

THE NEW INDIA ASSURANCE COMPANY LIMITED

Statutory Liability 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

2.1 Fines cover

2.1.1 Notification to you and to us

We will indemnify **you** against a **fine** under an **Act** that arises from an **occurrence** in New Zealand in connection with **your business**, provided:

- (a) **you** first become aware of the **breach** during the **period of insurance**, and
- (b) **you** first notify **us** of the **breach** either:
 - during the **period of insurance**, or
 - within 30 days after the **period of insurance** ends.

2.1.2 Effect of notifications

Once (a) and (b) have occurred, any **fine**, arising out of that **breach** is covered based on the terms of this policy.

2.2 Defence Costs

We will indemnify **you** for all reasonable legal costs and expenses you incur to defend a breach covered under 2.1 above.

3 AUTOMATIC EXTENSIONS

3.1 Damages cover (Privacy Act and Human Rights Act)

We will indemnify **you** against **your** legal liability to pay **damages** that arises from an act or omission in New Zealand after the **retroactive date** in connection with **your business**, provided:

- 3.1.1 **you** first become aware of a **breach** during the **period of insurance**, and
- 3.1.2 **you** first notify **us** of the **breach** either:
 - (a) during the **period of insurance**, or
 - (b) within 30 days after the **period of insurance** ends.

3.2 Damages defence costs

We will indemnify **you** for all reasonable legal costs and expenses **you** incur to defend a **breach** covered under 3.1 above.

3.3 *Official investigations cover*

We will indemnify **you** for all reasonable legal costs and expenses **you** incur, in connection with an **official investigation**, provided:

3.3.1 the investigation involves **you**, and

3.3.2 the investigation arises out of:

(a) an **occurrence**, or potential **occurrence**, or

(b) an act or omission that may result in **you** being legally liable to pay **damages**, and

3.3.3 **you** first become aware of the **official investigation** during the **period of insurance**, and

3.3.4 **you** first notify **us** of the **official investigation** either:

(a) during the **period of insurance**, or

(b) within 30 days after the end of the **period of insurance**.

4 **EXCLUSIONS**

4.1 *Prior claims*

4.1.1 There is no cover under this policy for any **breach** first notified to **you** prior to the **period of insurance**, or which **you** first became aware of prior to the **period of insurance**.

4.2 *Intentional or reckless breach*

4.2.1 There is no cover under this policy for any intentional or reckless breach of an **Act** by **you**.

4.3 *Dishonesty/fraud*

4.3.1 There is no cover under this policy for any **occurrence** that involves an act or omission by **you** that is:

(a) dishonest, or

(b) fraudulent.

4.4 *Taxes*

4.4.1 There is no cover under this policy for any **occurrence** connected with a requirement to pay taxes, rates, duties, levies, charges, fees or any other kind of revenue under an **Act**.

4.5 *Continuing offences*

4.5.1 If a **fine** is imposed for a continuing offence under an **Act**, there is no cover for the part of the **fine** relating to the period after which **you**:

- (a) know an offence is being committed, or
- (b) ought to know an offence is being committed.

4.6 *Health and Safety in Employment Act 1992*

4.6.1 There is no cover under this policy for any **fine** or infringement fee under the Health and Safety in Employment Act 1992.

4.7 *War/Confiscation/Nuclear*

4.7.1 There is no cover under this policy for any claim connected in any way with:

- 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,
- Confiscation, nationalisation, requisition or destruction of, or damage to, property by order of government, public or local authority,
- Nuclear weapons material,
- Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the fusion or fission of nuclear fuel.
- Nuclear power generation.

4.8 *Terrorism*

4.8.1 There is no cover under this policy for any claim 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**.

5 **BASIS OF SETTLEMENT**

5.1 *Maximum amount payable*

5.1.1 The most **we** will pay under clauses 2.1 to 3.3 above, in total, during the **period of insurance** is the Sum Insured shown in the **schedule**.

5.2 *Excess*

- 5.2.1 The **excess** shown in the **schedule** will be deducted from the amount payable for each **occurrence**, or series of **occurrences** arising from one source or original cause.

6 CLAIMS CONDITIONS

6.1 *Making a claim on this insurance*

You must:

- (a) Tell **us** as soon as **you** are aware of any circumstance likely to result in a claim under this policy
- (b) Complete **our** claim form in full if requested
- (c) Allow **us** to investigate the alleged liability
- (d) Provide any other information or assistance which **we** need
- (e) Give **us** permission to obtain personal information that 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 claim if **we** request it
- (h) Minimise **your** liability, and try to avoid any further liability
- (i) Take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses.

You must not:

- (a) Say or do anything that may prejudice **our** ability to defend the claim made against **you**, or to make a recovery from any other person.

6.2 *If the claim is accepted*

If the claim is accepted:

- (a) **We** have the sole right to act in **your** name and negotiate, defend or settle any liability on **your** behalf at **our** own expense.
- (b) **We** may appoint **our** own lawyers to defend **you**. They report to **us**, and **you** waive any privilege **you** have in the information **you** provide to them.
- (c) **We** may pay the maximum amount payable under this policy (or any lesser amount for which the liability can be settled), plus the **defence costs** incurred to date. This meets **our** obligations under the policy in full.
- (d) **We** may take over in full any legal right of recovery that **you** have.

6.3 *Dishonest or fraudulent claims*

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

7 GENERAL CONDITIONS

7.1 *Comply with the policy*

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

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

7.1.2 **You** must 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.

7.2 *Cancellation*

7.2.1 **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**.

7.2.2 **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**.

7.3 *Change in circumstances*

7.3.1 **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.

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

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

Those changes will be effective immediately.

7.3.3 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.

7.4 *Double insurance*

7.4.1 **You** must notify **us** immediately of any other insurance policy that covers any of the risks covered under this policy.

7.4.2 If any other insurance policy exists, **we** will only pay over and above the limit payable under that other policy.

7.5 *Goods and Services Tax*

7.5.1 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.

7.6 *Governing Law*

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

7.7 *Insurance Law Reform Acts*

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

7.8 *Notices*

7.8.1 Notices from **you** to **us** must be delivered personally, posted or emailed to **us**.

7.8.2 Notices from **us** to **you** must be delivered personally, posted or emailed to **your** last known postal address

7.9 *Take reasonable care*

7.9.1 **You**, and anyone else covered under this policy, must take reasonable care to avoid circumstances that may result in a claim.

7.9.2 **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

7.10 *Acts of Parliament*

7.10.1 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.

7.11 *Separate insurance*

7.11.1 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).

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

7.12 *Headings*

7.12.1 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

8 **DEFINITIONS**

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

Act means all Acts of the New Zealand Parliament in force at the start of the period of insurance and any Statutory Regulations made under them, other than the following Acts:

- (a) The Arms Act 1983.
- (b) The Aviation Crimes Act 1972.
- (c) The Crimes Act 1961.
- (d) The Commerce Act 1986.
- (e) The Criminal Investigations (Bodily Samples) Act 1995.
- (f) The Land Transport Act 1998.
- (g) The Misuse of Drugs Act 1975.
- (h) The Summary Offences Act 1981.
- (i) The Transport Act 1962.
- (j) The Transport (Vehicle and Driver Registration and Licensing) Act 1986.
- (k) Any Acts that Parliament passes to amend or replace any of the Acts listed in (a) to (j) above (as well as the Statutory Regulations created under these Acts).

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.

Business means the business described in the **schedule**.

Breach means whichever of the following that occurs first:

- (a) An official complaint of a breach (or potential breach) of an **Act** against **you**, or

- (b) A prosecution or proceeding (or notice of intended prosecution or proceeding) under an **Act** brought against **you**, or
- (c) A circumstance that **you** become aware of, that is likely to lead to either (a) or (b) above.

Damages means damages for a breach of the:

- (a) Privacy Act 1993, or
- (b) Human Rights Act 1993.

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

Fine means a sum of money (including court costs) that a New Zealand court or tribunal sentences **you** to pay, upon conviction for a **strict liability offence**.

However, it excludes:

- (a) compliance costs, or
- (b) remedial costs, or
- (c) reparation sentences.

Occurrence means an act or omission by **you** that:

- (a) occurs after the **retroactive date**, and
- (b) is a **strict liability offence** that **you** committed innocently and unintentionally.

Official investigation means an investigation:

- (a) by a body empowered under an **Act** to investigate, and
- (b) relating to a breach or potential breach of an **Act**.

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

Retroactive date means the date shown in the **schedule**.

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

Strict liability offence means an offence under an **Act** where a conviction can be obtained against **you** without proof of **your** intention to commit that offence.

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

You means any person or entity named in the **schedule** as 'Insured'. This includes the following, provided they are living or based in New Zealand:

- (a) any subsidiary company, or joint venture, or any company over which active management is exercised; and
- (b) any director, executive officer, employee or partner of:

- (i) the person or entity named in the **schedule**, or
 - (ii) any entity referred to in (a) above,
- but only while acting in that capacity.