



Material Damage

Material Damage / INSURANCE POLICY

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INTRODUCTION

WELCOME

Welcome to NZI. Thank you for selecting **us** as **your** insurer.

ABOUT THIS POLICY

Your Material Damage Policy consists of:

1. this policy document, and
2. the **schedule**, and
3. any endorsements or warranties that **we** apply, and
4. the information **you** have provided in the **application**.

YOUR DUTY OF DISCLOSURE

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** or anyone on **your** behalf must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

1. to accept or decline **your** insurance, and/or
2. the cost or terms of the insurance, including the excess.

You also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** or anyone on **your** behalf breaches this duty, **we** may treat this policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

EXAMPLES

We have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in *italics* and do not affect or limit the meaning of the section they refer to.

HEADINGS

The headings in this policy document are for reference only and do not form part of it. They must not be used when interpreting the policy document.

DEFINED WORDS

If a word is shown in **bold**, it has a specific meaning. There is a list of these words and what they mean at the back of this policy in the section 'DEFINITIONS'.

INSURANCE AGREEMENT

OUR AGREEMENT

You agree to pay **us** the premium and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

WHAT YOU ARE COVERED FOR

DAMAGE TO INSURED PROPERTY

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

AUTOMATIC POLICY EXTENSIONS

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

Unless expressly stated otherwise, any amounts payable under these Automatic Extensions are included within 'What We Will Pay –

A. Maximum Amount Payable'. They are not additional.

A. BURGLARY COVER

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

1. at the **situation**, or
2. during the period the **insured property** is covered by:
 - (a) Automatic Policy Extension – Q. Temporary Removal Cover, or
 - (b) Automatic Policy Extension – S. Transit Cover, or
 - (c) Automatic Policy Extension – U. Unspecified Locations,

caused by theft or attempted theft:

1. accompanied by threat of violence, or actual violence, to any person, or
2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or
3. involving physical evidence of violent and forcible entry to, or exit from, a securely locked motor vehicle or **storage container**, or
4. of a permanently attached part of the building by the forcible removal of it.

If the **loss** occurs during the period the **insured property** is covered by one of the Automatic Policy Extensions referred to in 2 (a), (b) or (c) above, any sub limit detailed in that extension also applies to the cover under this extension.

B. CAPITAL ADDITIONS COVER

You are insured for:

1. sudden and **accidental loss** to a **building** or **contents**, located in New Zealand, that **you** acquire during the **period of insurance**, provided **you** own or are legally responsible for that property, and
2. appreciation in value of a **building** or **contents** that results solely from a physical:
 - (a) alteration, or
 - (b) addition, or
 - (c) improvement,

provided that **you** notify **us** within 90 days of **you** acquiring the property or the physical works being completed.

Once **you** have notified **us**:

1. **we** may charge **you** an additional premium, and
2. any increased value of the property will be added to **your** sum insured.

The most **we** will pay under this extension during any **annual period** is:

- (a) 10% of the sum insured for the **building** and 10% of the sum insured for the **contents**, or
 - (b) \$100,000 in total for both,
- whichever is the lesser.

C. ELECTRIC MOTORS COVER

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

1. electric motors and starters not exceeding 5kw (6.7 hp), and
 2. distribution switchboards and permanently installed electric reticulation,
- at the **situation** provided that the damage is **fusion immediately preceded by**:
1. the failure of electrical insulation, or
 2. an identifiable abnormal electric current fluctuation from any power supply network, or
 3. electrically induced self-heating.

D. ELECTRONIC DATA AND SOFTWARE

You are insured for the loss of **electronic data** and **software** resulting from electronic equipment insured by this policy suffering sudden and **accidental loss** covered by this policy.

Please also read 'How We Will Pay – Basis of settlement: certain types of property – 'Electronic Data' and 'Software'.

E. EMPLOYEE EFFECTS COVER

You are insured for sudden and **accidental loss** to the clothing, personal effects and tools of trade of **your** directors and employees (but not **your** contractors). **We** will cover this property as if it were **contents**, provided that:

1. the property is at the **situation**, or
2. the property is being worn, carried or used by **your** directors or employees while they are acting in the course of their directors' duties or employment, anywhere in New Zealand.

The most **we** will pay under this extension:

1. is \$5,000 for any **event**, per person, and
2. in total during the **annual period** is the sum insured shown in the **schedule** for **contents**.

F. EXPEDITING COSTS COVER

You are insured for the reasonable costs of express freight and overtime to expedite the repair or replacement of **insured property** following a **loss** covered under this policy.

You must have **our** prior approval before incurring any costs.

Our approval will be based on the economic benefit gained.

G. FIRE FIGHTING EQUIPMENT

You are insured for the reasonable costs **you** incur to replenish **your** portable hand-held fire fighting equipment after the equipment has been used to protect **your insured property** from **loss** covered under this policy, or immediate and imminent threat of **loss**, provided that the **loss** would be covered under this policy if it did occur.

The most **we** will pay under this extension in total during any **annual period** is \$5,000.

H. HAZARDOUS SUBSTANCE EMERGENCY

You are insured for any charge the New Zealand Fire Service is authorised to impose on **you** in respect of any Hazardous Substance Emergency at the **situation** during the **period of insurance**.

We will pay these costs where there is **loss** covered under this policy, or where there is an immediate and imminent threat of **loss**, that would be covered under this policy if it did occur.

'Hazardous Substance Emergency' is as defined in the Fire Service Act 1975.

The most **we** will pay under this extension is \$25,000 for any **event**.

I. MONEY COVER

You are insured for sudden and **accidental loss** of **money**, provided that the **loss** occurs in any of the circumstances outlined below:

Money Section A

1. **money** in transit, or
2. **money** at the **situation** during **business hours**, or
3. **money** at the **situation** in a securely locked safe or strongroom outside **business hours**.

Money Section B

1. **money** at the **situation** outside **business hours** and not in a securely locked safe or strongroom, or
2. **money** at residential premises occupied by **you** or any director, employee, or agent, authorised to have possession of the **money**.

This extension does not provide cover for **loss** of **money**:

1. caused by errors in receiving it or paying it out, or
2. occurring while the **money** is entrusted to any person other than:
 - (a) **you** or any director or executive officer of **yours**, or
 - (b) any employee or agent of **yours**, or
 - (c) any professional **money** carrier, or
3. resulting from payment of **money** in exchange for any cheque that is subsequently dishonoured, or
4. occurring while the **money** is in an unlocked and unoccupied vehicle, or
5. caused by theft or fraud by any of **your** employees, unless the **loss** is discovered within three consecutive **business days** of the act of theft or fraud, or
6. through electronic means.

The most **we** will pay under this extension is:

Material Damage / INSURANCE POLICY

1. \$5,000 or the 'Special Carry' sum insured (during the months specified) for any **event** under Money Section A, and
2. \$1,000 for any **event** under Money Section B, unless a different amount for Money Section A or Money Section B is shown in the **schedule**. Payment under this extension is in addition to 'What We Will Pay – A. Maximum Amount Payable'.

J. PROPERTY UNDER CONSTRUCTION

You are insured for sudden and **accidental loss** to any **building** and **contents** at the **situation** during the course of:

1. demolition, or
2. installation, construction or erection, or
3. testing and commissioning following 2. above,

provided that:

1. the property is owned, will be owned or will be occupied by **you**, and
2. the completed value of contract works does not exceed:
 - (a) 10% of the sum insured for the **building** and/or **contents** (whichever is/are relevant), or
 - (b) \$100,000,whichever is the lesser.

K. PROTECTION COSTS COVER

You are insured for reasonable costs **you** incur to temporarily protect **insured property** by preventing or minimising an imminent sudden and **accidental loss**, provided that the **loss** would be covered under this policy if it did occur.

The most **we** will pay under this extension during the **annual period** is \$100,000.

L. REDUNDANT FOUNDATIONS

You are insured for **undamaged** foundations that are made redundant, where the **insured property** resting on them has been **destroyed** as a result of a **loss** covered by this policy.

Where the redundant and **undamaged** foundations are not demolished, and the presence of them increases the market value of the **site** to which they are fixed, the amount of the market value increase will be deducted from the amount payable for **your** claim.

M. REDUNDANT PLANT AND STOCK

You are insured for any of the following provided it is also **insured property**:

1. **stock** rendered redundant as a result of **loss** covered by this policy to other **insured property**.
2. (a) plant which is interdependent with **insured property**, and/or
(b) spare parts held exclusively for **insured property**, rendered redundant as a result of **loss** covered by this policy to its respective **insured property** in (a) or (b) above.

Regardless of any Basis of Settlement shown in the **schedule**, **we** will only ever pay **you** the indemnity value of the redundant plant and/or spare parts.

N. REWARDS COVER

You are insured for a reward that **you** offer and pay to successfully secure the return of **insured property** that suffers a **loss**, provided that:

1. the **loss** is covered under this policy, and
2. **you** have **our** prior approval to offer the reward.

O. SOCIAL CLUB COVER

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

1. social club, and/or
2. sports club or similar body,

provided that the clubs' activities are principally for the benefit of **your** employees. **We** will cover this property as if it were **contents**.

P. STOLEN KEYS COVER

You are insured for the reasonable costs to:

1. open a safe or strongroom, and
2. alter or replace locks, keys and combinations that give access to **your insured property**, provided that the costs are incurred because the keys or combinations are:

1. stolen, or
2. believed on reasonable grounds to have been duplicated without proper authority, during the **period of insurance**.

The most **we** will pay under this extension during the **annual period** is \$5,000.

Q. TEMPORARY REMOVAL COVER

You are insured for sudden and **accidental loss** to **contents** while **temporarily removed** from the **situation** to another location within New Zealand (including while in transit).

The most **we** will pay under this extension for **portable electronic equipment** and portable tools of trade is:

1. \$5,000 for any one item including its standard accessories, and
2. \$25,000 in total for any **event**.

R. TENANTED PREMISES

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

1. glass, and
2. doors and windows, and
3. light fittings and power points, and
4. floor coverings,

that are not owned by **you** at the **situation**, provided that:

1. **you** are responsible to arrange and bear the cost to repair them under the terms of **your** lease agreement, and
2. the provisions of sections 268 to 272 of the Property Law Act 2007 do not release **you** from this responsibility.

The most **we** will pay under this extension during the **annual period** is \$5,000.

S. TRANSIT COVER

You are insured for sudden and **accidental loss** to **contents** and/or **stock** during any transit beginning and ending within New Zealand.

We will include **your** liability for general average and salvage charges where the contract of carriage or governing law and practice make **you** liable for such payments.

No cover is provided under this extension for:

- (a) **contents** while **temporarily removed**, or
- (b) **contents** and/or **stock** otherwise insured.

The most **we** will pay under this extension is:

1. \$5,000 for any one item of **portable electronic equipment** or any one portable tool of trade, including their standard accessories, and
2. \$25,000 in total for any **event**,

unless a different amount for Transit Cover is shown in the **schedule**.

T. UNHARMED PROPERTY COVER

You are insured for the reasonable cost to:

1. damage, demolish or remove, and
2. subsequently repair, replace or reassemble,

insured property that has not suffered **loss**, if this action becomes necessary to repair or replace **insured property** that has suffered a **loss** which is covered by this policy.

We will pay these costs provided that they are not being incurred solely to comply with any **regulations**.

U. UNSPECIFIED LOCATIONS

You are insured for sudden and **accidental loss** to **contents** and/or **stock** while situated at any unspecified location in New Zealand away from the **situation**.

This extension does not apply to:

- 1. **contents** and/or **stock** that are **temporarily removed**, and
- 2. any **portable electronic equipment**, and
- 3. any portable tools of trade.

The most **we** will pay under this extension is:

- 1. \$25,000 for any **event**, or
- 2. the sum insured for **contents** and/or **stock**,

whichever is the lesser, unless a different amount for Unspecified Locations is shown in the **schedule**.

OPTIONAL POLICY EXTENSIONS

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

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

A. THEFT COVER

You are insured for sudden and **accidental loss** to **insured property** caused by theft occurring:

- 1. at the **situation**, or
- 2. during the period the **insured property** is covered by:
 - (a) Automatic Policy Extension – Q. Temporary Removal Cover, or
 - (b) Automatic Policy Extension – S. Transit Cover, or
 - (c) Automatic Policy Extension – U. Unspecified Locations.

No cover is provided under this extension for theft from any motor vehicle, or part of any motor vehicle, that is not securely locked.

The most **we** will pay under this extension for any **event** is:

- (a) \$5,000 for any one item of **portable electronic equipment** or any one portable tool of trade, including their standard accessories, in respect of 2(a) and 2(b) above, and
- (b) \$25,000 in total for any **event**,

unless a different amount for Theft Cover is shown in the **schedule**.

An excess of \$2,500 applies for each **event** under this extension, unless a higher excess for Theft Cover is shown in the **schedule**.

B. NATURAL DISASTER COVER

You are insured for **natural disaster damage** to **insured property**.

The table below shows the excess for each **region** named and will apply to the aggregate of:

- 1. all **natural disaster damage** claims under this policy, and
- 2. all **natural disaster damage** claims under the **business interruption policy** (if applicable), arising from any one **event** at each **common site**.

Regions	Excess excluding pre 1935 building risks	Excess on pre 1935 building risks
The Regions of Auckland, Northland, and the Districts of Dunedin City and Clutha	2.5% of the site sum insured	10% of the site sum insured
All other Regions and Districts	5% of the site sum insured	10% of the site sum insured

Where the **insured property** that suffers the **loss** from **natural disaster damage** has been **temporarily removed**, the **site sum insured** excess applicable will be that of the **insured property's** original **situation**.

In all cases, the minimum excess for each **common site** is \$2,500 or any higher excess for **natural disaster damage** shown in the **schedule**.

Material Damage / INSURANCE POLICY

Where **insured property** is covered wholly or in part by the **EQC Act**, the following apply:

1. What we will pay if EQC Cover applies

If EQC Cover applies:

- (a) this policy only pays in excess of the maximum cover under the **EQC Act**, and
- (b) the most **we** will pay for **loss** to **insured property** from any **event** is the difference between **your EQC entitlement** (whether or not that is actually paid to **you**) and the maximum amount payable under this policy for that **loss**.

2. Excess

The **natural disaster damage** excess is reduced by any payment made by the Earthquake Commission except for payments for land.

C. REFRIGERATED GOODS

You are insured for:

1. **accidental loss** to **refrigerated stock** at the **situation** provided that the **loss** results from:
 - (a) **machinery breakdown** of the refrigeration plant, or
 - (b) sudden failure of power supplied by a public utility to **your** premises, or
 - (c) the operation of an overload switch, and
2. reasonable costs **you** incur to avoid or minimise **accidental loss** to **refrigerated stock** that is covered by 1. above. *For example, moving the goods to an alternative storage unit.*

The most **we** will pay under this extension for any **event** is \$2,500 unless a different amount for Refrigerated Goods is shown in the **schedule**.

D. SEASONAL STOCK ADJUSTMENTS

Where **stock** has suffered a **loss** covered by the policy, the maximum amount payable for **stock** is increased by the percentage shown in the **schedule** (as 'Seasonal Stock Increase'), for the months of October, November and December, unless another period for the Seasonal Stock Increase is shown in the **schedule**.

E. LANDSLIP AND SUBSIDENCE

You are insured for sudden and **accidental loss** to **insured property** at the **situation** caused by landslip or subsidence.

The most **we** will pay under this extension for any one **situation** in any **annual period** is \$250,000 unless a different amount for Landslip and Subsidence is shown in the **schedule**.

An excess of \$10,000 applies for each **event** under this extension, unless a higher excess for Landslip and Subsidence is shown in the **schedule**.

This extension does not include landslip or subsidence caused by **natural disaster damage**.

F. SUSTAINABLE REBUILDING COSTS

You are insured for the reasonable costs **you** incur to upgrade the **building** with **sustainable products** following a **loss** covered by this policy, provided that:

1. the **building** is **destroyed**, and
2. the 'Basis of Settlement – Reinstatement' applies to the **building**, and
3. **you** replace the **building**, and
4. the **sustainable products** are first approved by **us**.

The most **we** will pay under this extension for any **event** is:

1. 5% of the actual cost to replace the **building**, or
2. \$250,000 in total,

whichever is the lesser, unless a different amount for Sustainable Rebuilding Costs is shown in the **schedule**.

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

EXCLUSIONS

A. TYPES OF PROPERTY NOT COVERED

This policy does not insure:

1. any **insured property** during:
 - (a) demolition, or
 - (b) installation, construction or erection, or
 - (c) testing and commissioning following 1.(b) above,other than cover provided by Automatic Policy Extension – J. Property under Construction.
2. jewellery, precious stones, furs, precious metals or bullion, except if any of these items are:
 - (a) **stock of your** business, or
 - (b) a component of any plant or machinery that is insured under this policy as **contents**.
3. any of the following (including plant attaching to, or accessories in or on any of them):
 - (a) any vehicle or trailer that is required to be registered or licensed to travel on a public road,
 - (b) any mechanically or electrically propelled vehicles (including railway locomotives and rolling stock),
 - (c) watercraft of any kind,
 - (d) aircraft of any kind,except if any of these items are **stock of your** business, and at the time of the **loss** they are at the **situation** and are:
 - (i) stationary, or
 - (ii) not in operation, or
 - (iii) not being used.
4. any of the following property:
 - (a) standing timber or growing crops,
 - (b) live plants including any trees, shrubs, hedges or grass, other than those forming part of **landscaping**,
 - (c) livestock,
 - (d) any living creature,
 - (e) dams, canals, or reservoirs,
 - (f) road bridges or road tunnels,
 - (g) railways, railway bridges or railway tunnels,
 - (h) docks, piers, or wharves,
 - (i) mining property located below ground level,
 - (j) any land, earth or fill (including topsoil and backfill),
 - (k) driveways, patios, footpaths, paving or **landscaping**, constructed or consisting of gravel or shingle,
 - (l) transmission and distribution lines not located at the **situation**,
 - (m) well or bore hole including its pump, lining or casing,
 - (n) artificial turf, swimming pools or tennis courts,
 - (o) property located outside New Zealand,except, if the item of property is specifically listed in the **schedule** as being insured.
5. **money**, other than cover provided by Automatic Policy Extension – I. Money Cover.
6. **insured property** that is in transit away from the **situation**, other than cover provided by:
 - (a) Automatic Policy Extension – I. Money Cover,
 - (b) Automatic Policy Extension – Q. Temporary Removal Cover,
 - (c) Automatic Policy Extension – S. Transit Cover.

B. LOSSES NOT COVERED

This policy does not insure:

1. any of the following types of damage to **insured property**:
 - (a) slowly developing deformation or distortion,
 - (b) marring or scratching,
 - (c) gradual deterioration,
 - (d) rot or mildew,
 - (e) wear and tear, corrosion or rust.
2. **loss immediately preceded by** any of the following:
 - (a) interruption of the supply of water, gas, electricity, or any fuel to the **situation**, other than cover provided by Optional Policy Extension – C. Refrigerated Goods,
 - (b) total or partial stoppage of work, or interruption or cessation of any process,
 - (c) a change in artificially controlled temperature or atmosphere, other than cover provided by Optional Policy Extension – C. Refrigerated Goods.
3. **loss** caused by or arising from any of the following:
 - (a) action of micro-organisms, vermin or pests,
 - (b) action of light, or inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish),
 - (c) fumes, gas, dust, smoke or soot,
 - (d) maintenance of **insured property** including servicing, cleaning and subsequent testing,
 - (e) spontaneous combustion,
 - (f) spontaneous fermentation.

This exclusion only applies to the **insured property**, or to the part of the **insured property** (as applicable), directly affected. It does not apply to any resultant sudden and **accidental loss** to separate **insured property**, or to other parts of the same **insured property** (as applicable).

4. **loss** that is:
 - (a) only evidenced by an unexplained disappearance,
 - (b) only revealed by the taking of an inventory,
 - (c) due to clerical or accounting errors.
5. **loss** caused by any of the following:
 - (a) theft or attempted theft, other than cover provided by:
 - (i) Automatic Policy Extension – A. Burglary Cover,
 - (ii) Automatic Policy Extension – I. Money Cover,
 - (iii) Automatic Policy Extension – P. Stolen Keys Cover,
 - (iv) Optional Policy Extension – A. Theft Cover,
 - (b) any fraudulent scheme or device, or false pretence practised on **you** or any other person,
 - (c) theft, attempted theft or fraud by **you** or an employee of **yours** other than cover provided by Automatic Policy Extension – I. Money Cover.
6. **loss** following any of these events:
 - (a) exposure to weather conditions if the property is not designed to be left in the open (unless reasonable precautions have been taken to protect the property from those conditions),
 - (b) landslip or subsidence, other than cover provided by Optional Policy Extension – E. Landslip and Subsidence,
 - (c) erosion or expansion of the ground,
 - (d) normal settlement, normal shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements,
 - (e) settling, warping or cracking caused by earth or other movements, other than cover provided by Optional Policy Extension – B. Natural Disaster Cover.

C. BUILDING DEFECTS

This policy does not insure **loss** in connection with a building or structure being affected by:

1. moisture or water build-up or the penetration of external moisture or water, or
2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,

that is caused directly or indirectly by:

1. non-compliance with the New Zealand Building Code, or
2. faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or
3. faulty materials, or
4. faulty workmanship,

when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.

This exclusion does not apply to **loss** that is caused by or directly arises from the leakage of internal pipes, internal water reticulation systems or internal cisterns.

D. CONFISCATION

This policy does not insure **loss** in connection with confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any immediate and imminent threat of **loss** provided that the **loss** would be covered by this policy if it did occur).

E. CONSEQUENTIAL FINANCIAL LOSS

This policy does not insure any kind of consequential financial loss (*e.g. financial loss that occurs as a direct or indirect result of the loss of insured property*), including the following:

1. delays,
2. loss of market,
3. penalties,
4. rates, taxes, duties, development charges,
5. other charges or assessments arising out of capital appreciation, that are payable to comply with any **regulations**,
6. loss of use of any property, other than cover provided by:
 - (a) Automatic Policy Extension – F. Expediting Costs Cover,
 - (b) Automatic Policy Extension – L. Redundant Foundations,
 - (c) Automatic Policy Extension – M. Redundant Plant and Stock.

F. COSTS NOT INSURED

This policy does not insure the cost of:

1. repairing or replacing faulty materials, or
2. fixing faulty workmanship, or
3. fixing any work performed to a faulty:
 - (a) design plan, or
 - (b) design specification, or
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.

This exclusion does not apply to any resultant sudden and **accidental loss** to separate **insured property** or to other parts of the same **insured property** arising from the above.

G. DAMAGE TO MACHINERY

This policy does not insure any **machinery breakdown** of a **machine**. This does not apply:

- (a) where sudden and **accidental loss** covered under this policy (or that would have been covered if the property was insured under this policy) occurs completely outside the **machine** resulting in the **machinery breakdown** occurring. However, this proviso does not apply to **machinery breakdown** resulting directly or indirectly from any:
 - (i) error: in setting, programming or operating the **machine**, or
 - (ii) **stock** or part of the **machine** being drawn into the **machine**, or
 - (iii) failure to service or maintain the **machine** correctly, or

	(b) to resultant sudden and accidental loss to other parts of the machine that is not machinery breakdown, or (c) to the cover provided by Automatic Policy Extension – C. Electric Motors Cover, or (d) to the cover provided by Optional Policy Extension – C. Refrigerated Goods.
H. DAMAGE TO BOILERS AND PRESSURE VESSELS	This policy does not insure the cost of repairing or replacing any part of a boiler or pressure vessel that suffers loss through: 1. explosion, overheating, rupture, bursting or collapse (but not pressure caused by chemical explosion), or 2. overheating, cracking or leaking. This exclusion does not apply to any resultant sudden and accidental loss to other parts of the boiler or pressure vessel arising from the above.
I. ELECTRONIC DATA AND SOFTWARE	This policy does not insure loss to electronic data and software, from any cause whatsoever including, but not limited to, a computer virus. This includes loss of use, reduction in functionality or any other associated loss or expense in connection with electronic data and software. This exclusion does not apply to: 1. any sudden and accidental loss to other parts of the insured property, that occurs as a result of the loss to electronic data and software, or 2. cover provided by Automatic Policy Extension – D. Electronic Data and Software.
J. INFECTIOUS DISEASES	This policy does not insure loss in connection with a: 1. notifiable infectious disease under the Health Act 1956, and/or 2. notifiable disease under the Biosecurity Act 1993.
K. NATURAL DISASTER	This policy does not insure natural disaster damage other than cover provided by Optional Policy Extension – B. Natural Disaster Cover.
L. NUCLEAR	This policy does not insure any loss in connection with: 1. ionising radiation or contamination by radioactivity from: (a) any nuclear fuel, or (b) any nuclear waste from the combustion or fission of nuclear fuel. 2. nuclear weapons material.
M. PRODUCTION PROCESSES	This policy does not insure loss to insured property while undergoing any production process where any part of that production process (including any accidental modification of the process) causes or contributes towards the loss in any way.
N. SEEPAGE, POLLUTION AND CONTAMINATION	This policy does not insure loss in connection with seepage, pollution or contamination except if the seepage, pollution or contamination results from sudden and accidental loss to insured property, which is otherwise covered under this policy.
O. TERRORISM	This policy does not insure any loss in connection with an act of terrorism, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism.
P. WAR	This policy does not insure any loss in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

HOW WE WILL PAY

A. BASIS OF SETTLEMENT: REINSTATEMENT

Where the **schedule** shows any item(s) of **insured property** are insured for reinstatement, **we** will indemnify **you** as follows:

1. where **insured property** is lost or **destroyed**: by paying **you** the cost to replace the **insured property** to a condition substantially the same as its condition when new, or
2. where **insured property** is physically damaged but not lost or **destroyed**: by paying **you** the cost to repair the **loss** to the damaged part of the **insured property** to a standard that is reasonably equivalent to its condition and relative quality when new, but without necessarily reproducing it exactly.

Circumstances Where Reinstatement Does Not Apply

'How We Will Pay – B. Basis of Settlement: Indemnity' will apply in the following circumstances, regardless of any basis of settlement shown in the **schedule** to the contrary:

1. if **you** do not repair or replace the **loss** to the **insured property**, or
2. repair or replacement of the **loss** to the **insured property** is not started within a reasonable period of time, or
3. until the actual costs of repair or replacement of the **loss** to the **insured property** are incurred, or
4. if the **insured property** is awaiting demolition or disposal at the time of the **loss**, or
5. either of the following apply:
 - (a) repair or replacement of the damaged, lost or **destroyed insured property** is not permissible under any **regulations**, or
 - (b) repair or replacement of the damaged, lost or **destroyed insured property** is not permissible because of the **undamaged** portion of the property.

B. BASIS OF SETTLEMENT: INDEMNITY

Where the **schedule** shows any item(s) of **insured property** are insured for indemnity, **we** will indemnify **you** using whichever of the following options **we** choose:

1. where **insured property** is lost or **destroyed**: pay **you** the cost to replace the **insured property** with property of a similar condition, age and specification, as it was in, immediately prior to the **loss**, or
2. where **insured property** is physically damaged but not **destroyed**: pay **you** the cost to repair the **loss** to the damaged part of the **insured property**, as nearly as possible, to the condition it was in immediately prior to the **loss**, or
3. pay **you** an amount equal to the indemnity value of the damaged part of the **insured property**.

C. ADDITIONAL COSTS YOU ARE COVERED FOR

Where **insured property** has suffered a **loss** covered by this policy, then included in 'What We Will Pay – A. Maximum Amount Payable' for the **insured property** are:

Costs of Compliance

Necessary and reasonable costs incurred in complying with **regulations** in order to repair or replace **loss** to the damaged, lost or **destroyed** part of **insured property**, except costs incurred:

1. for work that **you** have already been ordered to carry out, or
2. solely for the purpose of seismically strengthening the **insured property** to a performance level greater than its performance level before the **loss**.

We will repair your building to the same structural performance level it had before the loss.
3. in connection with **undamaged** property, or **undamaged** parts of property. This applies even if the **undamaged** property comprises a separate building, structure or item of plant or equipment.

Demolition Costs

Necessary and reasonable costs incurred to:

1. demolish or dismantle **insured property**, and/or
2. temporarily shore or prop **insured property**, and/or
3. remove debris from the **situation** (including any kind of solid, liquid or gas), and/or
4. clear, clean and repair gutters, drains and the like, and/or
5. recover, defend, safeguard, remove, temporarily store, and return **stock** and **contents**, whether damaged or **undamaged**, and/or
6. temporarily repair and secure **insured property** to make it comply with safety rules and **regulations** suitable for continued use,

provided that the costs arise from a **loss** covered by this policy.

Where any costs are in connection with the removal of asbestos, the maximum **we** will pay for any **event** is:

- (a) 5% of the **site sum insured**, or
- (b) \$25,000,

whichever is the lesser.

Fees and Other Costs

Necessary and reasonable costs incurred for:

1. architect's, engineer's, surveyor's, building consultant's fees, and/or
2. consents and associated legal fees, and/or
3. training consultants and IT technicians,

to repair or replace the damaged, lost or **destroyed insured property** following a **loss** covered by this policy.

Claims Preparation Costs

Necessary and reasonable costs incurred to assess or prepare a claim following a **loss** covered by this policy.

You are not insured for any costs incurred to investigate or negotiate a claim made under this policy.

The most **we** will pay for any **event** is \$25,000.

D. LOCATION OF REPLACEMENT

Where **we** pay to replace damaged, lost or **destroyed insured property**, **you** may choose to replace the property at:

1. the **situation**, or
2. any alternative site that **you** provide in New Zealand.

Where **you** choose to use an alternative site **we** will not pay more than the cost to replace the damaged, lost or **destroyed insured property** at the **situation** in accordance with the terms of this policy.

E. METHOD OF REPAIR OR REPLACEMENT

We will pay the reasonable cost to repair or replace **insured property** based on current industry accepted building materials and construction methods.

F. BASIS OF SETTLEMENT: CERTAIN TYPES OF PROPERTY

The method of indemnity for the following types of **insured property** will be as follows, regardless of any basis of settlement shown in the **schedule** to the contrary.

Stock

For **loss** to **stock**, **we** will indemnify **you** by one of the following methods:

1. for raw materials, supplies and other merchandise not manufactured by **you**:
 - (a) the replacement cost at the time of replacement, provided that the replacement is carried out within a reasonable period of time, or
 - (b) if this property is not replaced, the market value of it at the time and place of the **loss**.
2. for materials in the process of manufacture: the replacement cost of the raw materials and the cost of labour and other overhead charges expended at the time of the **loss**.

3. for finished goods: the replacement cost of the raw materials and the cost of labour and other overhead charges expended before any allowance for profit, or the cost of re-stocking these goods, whichever is the lesser.

Works of Art

For **loss** to a **work of art**, **we** will at **our** option pay:

1. the indemnity value of the **work of art**, or
2. the cost to repair the **work of art**, as near as reasonably possible, to the condition it was in immediately prior to the **loss**.

Electronic Data

For **loss** to **electronic data** **we** will pay the cost of blank media plus the cost of copying the **electronic data** from back-up or from originals of a previous generation.

These costs will not include research and engineering, nor any costs of recreating, gathering or assembling the **electronic data**.

If the media is not repaired, replaced or restored, **we** will pay the cost of blank media. However, **we** do not cover the value of the **electronic data** to **you**, even if the **electronic data** cannot be recreated, gathered or assembled.

Software

For loss to **software**, **we** will pay the reasonable cost of restoring, re-setting or re-programming the **software** that is necessary to operate any electronic equipment or **machine** insured under this policy.

Portable Electronic Equipment

For **loss** to **portable electronic equipment** more than two years old **we** will at **our** option pay:

1. the indemnity value of the **portable electronic equipment**, or
2. the cost to repair the **portable electronic equipment**, as near as reasonably possible, to the condition it was in immediately prior to the **loss**.

Limited Lifetime Construction Materials

For **loss** to:

1. cladding, roofing or skylights, where they are made of plastic, polycarbonate, acrylic or PVC materials, and/or
2. any textile awnings or shade sails,

we will at **our** option pay:

- (a) the indemnity value of the materials, or
- (b) the cost to repair the materials, as near as reasonably possible, to the condition they were in immediately prior to the **loss**.

The indemnity value of the materials will be depreciated over the lifetime of the product based upon the manufacturer's UV rating.

Office Equipment Upgrade

For **loss** to **office equipment**, **we** will pay the cost to replace the equipment with an alternative model(s) of **office equipment**, provided that:

1. the alternative model has more energy-efficient features, and
2. the alternative model has otherwise comparable features and capabilities, and
3. the **office equipment** is **destroyed**, and
4. **we** approve the upgrade.

WHAT WE WILL PAY

A. MAXIMUM AMOUNT PAYABLE

1. The most **we** will pay for any **event** for a **building** (or group of **buildings**) at a specified location in the **schedule** is the corresponding sum insured noted in the **schedule** for that **building** (or group of **buildings**).
2. The most **we** will pay for any **event** for **contents** is the corresponding sum insured for **contents** in the **schedule**. If there is a separate sum insured for **contents** at a specified location, the most **we** will pay for any **event** for **contents** at that location is the corresponding sum insured for that location in the **schedule**.
3. The most **we** will pay for any **event** for **stock** is the corresponding sum insured for **stock** in the **schedule**. If there is a separate sum insured for **stock** at a specified location, the most **we** will pay for any **event** for **stock** at that location is the corresponding sum insured for that location in the **schedule**.
4. The most **we** will pay for any other individually specified item of **insured property** in the **schedule** with a corresponding sum insured is that sum insured.

However, the most **we** will pay for all **insured property** for any **event** is the Total Sum Insured shown in the **schedule**, subject to clauses 'C. Reinstatement of Sum Insured Once Repaired' and 'D. Adjustment for Unrepaired Items' below.

B. INCREASED MAXIMUM AMOUNT PAYABLE

The amount referred to in 'What We Will Pay – A. Maximum Amount Payable' is increased as follows:

The most **we** will pay for any **event**:

1. for all **contents** at a **situation** shown in the **schedule** is the sum insured for **contents** at that **situation** plus:
 - (a) 10%, or
 - (b) \$100,000,whichever is the lesser.
2. for all **stock** at a **situation** shown in the **schedule** is the sum insured for **stock** at that **situation** plus:
 - (a) 10%, or
 - (b) \$100,000,whichever is the lesser.

Provided that:

1. these increases for **contents** and **stock** do not apply to cover provided by Optional Policy Extension – B. Natural Disaster Cover, and
2. the most **we** will pay for any **event** at all **situations** for all **contents** and all **stock** remains unchanged.

C. REINSTATEMENT OF SUM INSURED ONCE REPAIRED

Following a **loss** for which a claim is payable under this policy the sum insured for the item of **insured property** that suffered the **loss** is reduced by the amount of the **loss**. The sum insured will only be reinstated as follows:

If the **insured property**:

1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the **insured property** that suffered the **loss** is progressively repaired or replaced.
2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the **insured property** that suffered the **loss** has been completed.

Reinstatement of the sum insured does not apply to any **loss** caused by **natural disaster damage** unless **we** have agreed in writing.

We may ask **you** to pay an additional premium for any reinstatement of the sum insured.

D. ADJUSTMENT FOR UNREPAIRED ITEMS

The most **we** will pay for any item of **insured property** that has suffered **loss** in any previous **annual period** and that has not been repaired or replaced at the start of the current **annual period** is:

1. the maximum amount payable for that item, less
2. the cost of remedying the existing unrepaired or unreplaced **loss**.

E. SUB LIMITS

Where the maximum amount payable for an item is less than the amount expressed to be payable under this policy wording due to the operation of a sub limit, then the most **we** will pay for that item is as described in 'What We Will Pay – A. Maximum Amount Payable'.

F. ITEMS OF INSURED PROPERTY WITH LIMITED COVER

The amount **we** will pay for some items of **insured property** is limited as follows:

Site Improvements

The most **we** will pay for **site improvements** at the **site** during any **annual period** is:

1. 10% of the maximum amount payable for **building(s)** at that **site**, or
 2. \$500,000,
- whichever is the lesser, unless a different amount for **site improvements** is shown in the **schedule**.

Landscaping

The most **we** will pay for **landscaping** at the **site** during any **annual period** is:

1. 5% of the maximum amount payable for **building(s)** at that **site**, or
 2. \$25,000,
- whichever is the lesser, unless a different amount for **landscaping** is shown in the **schedule**.

Works of Art

The most **we** will pay for any individual **work of art** for any **event** is \$25,000 unless a different amount for that **work of art** is shown in the **schedule**.

G. EXCESS

The excess shown in the **schedule** will be deducted from the amount payable for each **event**.

Where an **event** occurs over a period of more than 72 consecutive hours, one excess will be deducted for every 72 consecutive hour period.

H. ONE EXCESS

If a single **event** causes sudden and **accidental loss** to tangible property that **you** insure with **us** under more than one policy, only one excess will apply, being the highest applicable individual policy **excess**. This does not apply to any **loss** caused by **natural disaster damage**.

I. GST

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

1. all sums insured exclude GST, and
2. all sub limits exclude GST, and
3. all excesses include GST, and
4. GST will be added, where applicable, to claim payments.

HOW TO CLAIM

A. WHAT YOU MUST DO

If anything happens that may lead to a claim under this policy, **you** must:

1. do what **you** can to take care of the **insured property** to prevent any further **loss**, expense or liability, and
2. tell **us** as soon as possible, and
3. notify the police as soon as possible if **you** think any **loss** was caused by an illegal act, and
4. allow **us** to examine the **insured property** before any repairs are started, and
5. not destroy or dispose of anything that is or could be part of a claim, and
6. send to **us** as soon as possible anything **you** receive from anyone about a claim or possible claim against **you**, and
7. give **us** any information or help that **we** ask for, and
8. consent to **your** personal information, in connection with the claim, being:
 - (a) disclosed to **us**, and
 - (b) transferred to the Insurance Claims Register Limited.

B. WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO

You must obtain **our** agreement before **you**:

1. incur any expenses in connection with any claim under this policy, or
2. negotiate, pay, settle, admit or deny any claim against **you**, or
3. do anything that may prejudice **our** rights of recovery.

C. DISHONESTY

If **your** claim is dishonest or fraudulent in any way, **we** may:

1. decline **your** claim either in whole or in part, and/or
2. declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

D. ACTIONS WE MAY TAKE

1. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery. If **we** initiate a recovery **we** will include **your** excess, and any other uninsured **losses** suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

You must fully co-operate with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

2. Recoveries

If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to **us** if **we** request it. **We** have the right to keep any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.

3. Reparation

If any person is ordered to make reparation to **you** for **loss** to any property that **we** have paid a claim for under this policy, then **you** must tell **us**. Any payments received must first reimburse **our** claims payment up to the amount of any reparation received.

4. Branded Stock

For salvage that is branded goods or merchandise, **we** will not dispose of these items by sale unless **you** agree. If **you** do not agree, the value of the salvage will be deducted from any claim payment.

GENERAL CONDITIONS

A. HOW WE ADMINISTER THIS POLICY

1. Cancellation

BY YOU

You may cancel this policy at any time by notifying **us**. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium due for the used portion of the **period of insurance**.

BY US

We may cancel this policy by giving **you** or **your** broker notice in writing or by electronic means at **your** or **your** broker's last known address. **Your** policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

2. Change of Terms

We may change the terms of this policy (including the excess) by giving **you** or **your** broker notice in writing or by electronic means at **your** or **your** broker's last known address. Unless otherwise specified in this policy the change in terms will take effect from 4pm on the 30th day after the date of the notice.

3. Other Insurance

You must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

This policy does not cover **your loss** at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy. This does not apply to cover provided by Automatic Policy Extension – E. Employee Effects Cover or Automatic Policy Extension – R. Tenanted Premises.

4. Interests of Other Parties

If **we** are advised of any party having a financial interest over **your insured property**, **we** may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of **our** obligations to **you** under this policy.

You consent to **us** transferring **your** relevant personal information to that party.

Any party, who is recorded as having a financial interest under this policy, is not covered by this policy and does not have rights to claim under this policy.

5. Separate Insurance

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).

However, the sum insured and any sub limit in this policy will apply to the aggregate of all amounts payable to all insureds for any **event**.

6. Premium Payment Options

If **you** choose to pay the premium other than annually, then:

1. **you** must use the Deduction Authority **we** require, and
2. this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

The policy will be renewed for further monthly or quarterly periods of insurance (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

7. Premium Adjustments

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within three months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

8. Stock Declarations

Where **stock** is insured on a Stock Declaration basis, the premium charged on the item **stock** is provisional and represents 75% of the full premium payable for that item. At the end of each **annual period** **we** will adjust it as follows:

1. **you** must give **us** a declaration of the actual value of the **stock** **you** held on the last business day of each month for the **annual period**. This must be received by **us** within six weeks from the end date of the **annual period**,
2. if a monthly declaration exceeds the sum insured then **we** will adjust it back to the sum insured for the purpose of calculating **your stock** averages,
3. if no declaration is received for any one month, the **stock** sum insured will apply for that month,
4. the average of the monthly declarations will be calculated at the end of the **annual period** and the final premium payable will be based on the greater of:
 - (a) that average, or
 - (b) one half of the sum insured on **stock**,
5. **we** will re-calculate **your** actual premium based on the actual figures. The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending upon the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

B. LAWS AND ACTS THAT GOVERN THIS POLICY

1. Governing Law and Jurisdiction

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

2. Legislation Changes

Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.

3. Insurance Law Reform Acts

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

4. Currency

Any amounts shown in this policy and in the **schedule** are in New Zealand dollars.

C. YOUR OBLIGATIONS

1. Breach of Any Condition

If:

1. **you**, or
2. any other person or entity **we** cover under this policy, or
3. anyone acting on **your** behalf,

breaches any of the terms and/or conditions of this policy, **we** may:

- (a) decline **your** claim either in whole or in part, and/or
- (b) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist.

2. True Statements and Answers

True statements and answers must be given, whether by **you** or any other person, when **you**:

- (a) apply for this insurance, and/or
- (b) notify **us** regarding any change in circumstances, and/or
- (c) make any claim under this policy, and provide any further communication regarding the claim.

3. Reasonable Care

You must take reasonable care at all times to avoid circumstances that could result in a claim.

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

4. Change in Circumstances

You must notify **us** immediately if, after **we** have accepted **your application** for this policy, there is a material:

1. increase in the risk covered, or
2. alteration of the risk covered.

We may change the terms of this policy in response to any material change in circumstances **you** or anyone else advises **us** of. The change in terms will be effective from the date of the change in circumstances.

Information is 'material' where we would have made different decisions about either:

- (a) accepting your insurance, or
- (b) setting the terms of your insurance, if we had known that information.

If in any doubt, notify us anyway.

The 'risk covered' refers to both:

- (a) the actual property or liabilities insured, and
- (b) you or other persons covered by this policy.

DEFINITIONS

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

accidental	Unexpected and unintended by you .
act of terrorism	Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: (a) involves violence against one or more persons, or (b) involves damage to property, or (c) endangers life other than that of the person committing the action, or (d) creates a risk to health or safety of the public or a section of the public, or (e) is designed to interfere with or disrupt an electronic system.
annual period	The period of insurance. However, if: (a) you pay the premium monthly or quarterly, or (b) the period of insurance is for more than 12 months, the annual period is the current 12 month period calculated consecutively from the date this policy first started.
application	The information provided by you to us when you purchased this insurance or requested a quotation for this insurance from us . It also includes any subsequent information you provide us with.
building	Any of the following, provided they are located at the situation at the start of the period of insurance: (a) any building, (b) underground and above ground services directly associated with the building, (c) permanent fixtures and fittings at the building(s), including but not limited to signs, sprinkler systems, wired alarm systems, and wired security cameras, (d) site improvements, (e) landscaping.
business days	The days your business usually operates.
business hours	The hours that: (a) you or any director or manager of yours, or (b) 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.
business interruption policy	The insurance policy, that we call the Business Interruption Policy, that you have with us that covers the financial interruption to or interference with your business operations.
common site	A common physical location where the insured property is linked to achieve a common business purpose at that location.
computer virus	A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.

Material Damage / INSURANCE POLICY

contents	Contents, including but not limited to: (a) machinery, plant, tools and contents, (b) business fixtures, fittings and furnishings, (c) tenants' improvements of any type, provided that they are: ▶ owned by you (including joint ownership with others), or ▶ in your care, custody or control and for which you are legally responsible. Contents does not include stock.
destroyed	So physically damaged by an insured loss that the property, by reason only of that loss, cannot be repaired or the cost of repair is uneconomic.
electronic data	Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment.
EQC Act	Earthquake Commission Act 1993 and any Act in substitution of that Act.
EQC entitlement	An amount payable to you or for your benefit by the Earthquake Commission as a result of loss to the insured property; and any amount that would have been payable but for: 1. the application of an excess under the EQC Act, 2. a failure by you to correctly notify a claim to the Earthquake Commission within the time required under the EQC Act, 3. a decision by the Earthquake Commission to decline a claim or limit its liability for that loss in whole or in part and for any reason whatsoever, 4. any act or omission on your part, the part of your agent, or the part of the Earthquake Commission.
event	Any one event or series of events arising from one source or original cause.
fusion	The process of fusing or melting together of windings or wiring following damage to the insulating material as a result of overheating.
immediately preceded by	The event occurring in sequence immediately prior to the loss. <i>If there is a chain of events, this will be the last event occurring immediately prior to the loss.</i>
insured property	Tangible property shown in the schedule within the following categories: (a) buildings, and (b) contents, and (c) stock, and (d) any other tangible property listed, provided that: ▶ the property is owned by you (including joint ownership with others), or ▶ the property, other than buildings, is in your care, custody or control and for which you are legally responsible.
landscaping	Permanently sited live plants, trees, shrubs, hedges or grass including rock work, paving and ornamentation used to adorn or improve the grounds at the situation, except if any of these items are stock of your business.
loss	Physical loss or physical damage occurring during the period of insurance.
machine	Any device that: (a) converts and directs motion or energy, and/or (b) performs any electronic process, including any protective component connected with that device.

Material Damage / INSURANCE POLICY

machinery breakdown	- any mechanical, hydraulic, electrical or electronic: - breakdown or failure, or - cessation of function, or - malfunction, or - derangement, or fusion of any nature.
money	any of the following, where they are associated solely with your business operations: - current coin, bank and currency notes, - cheques and travellers' cheques, - bank drafts and money orders, - phone cards, - unused postage and revenue stamps, - credit card vouchers, redeemable vouchers and tokens, - franking machine credits, - other tangible negotiable instruments. <i>For example, promissory notes or bills of exchange.</i>
natural disaster damage	Sudden and accidental loss that results directly or indirectly from earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these.
office equipment	Any of the following office equipment: desktop or laptop computers, fax machines, computer and video monitors, printers, document scanners, refrigerators and dishwashers.
pre 1935 building risks	Where: - the building is, or - the contents and/or stock are located in any building, or part of a building, originally constructed prior to 1935.
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
portable electronic equipment	Cellphones, video data projectors, digital cameras, other audio visual equipment, portable computing devices and portable data storage devices.
pressure vessel	The parts of any insured property or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including: - all integral parts, and - controls, and - systems (other than systems forming part of a building or structure).
production process	Any process of producing, making, treating or servicing goods.
refrigerated stock	Perishable goods and/or their containers/packaging that are kept in a refrigerated storage chamber at the situation .
region	The areas of land in each of the named Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.
regulations	Building regulations or other regulations that are: - made under, or - framed pursuant to, any Act of Parliament or any local authority regulation or by-law.
schedule	The latest version of the Schedule we issued to you for this policy.
site	Any parcel of land that you own or occupy.

Material Damage / INSURANCE POLICY

site improvements	Site improvements are: (a) footpaths, driveways, car parks, site roads, and yards, of permanent construction, (b) permanently sited water storage tank, septic tank or heating oil tank, (c) retaining walls, (d) gates, fences.
site sum insured	The total sum insured for all insured property located at each common site under this policy and any other material damage policy held with us .
situation	The location or locations referred to in the schedule .
software	Programs, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment including any operating system.
stock	Stock and materials in trade provided that they are: (a) owned by you (including joint ownership with others), or (b) in your care, custody or control and for which you are legally responsible.
storage container	Any fully enclosed: (a) shipping container or similar, or (b) portable shed or similar structure, or (c) non-portable container, such as a metal or wooden container that has been built into or secured to a vehicle.
sustainable products	Sustainable products are: (a) products that increase the efficiency of the building relating to the use of energy and/or water, (b) rebuilding materials that reduce environmental impacts. Sustainable products do not include the following: (a) fire protection devices or systems, (b) security devices or systems, (c) natural hazard protection. <i>Examples of sustainable products include the following:</i> ▶ double glazing, ▶ solar water heating systems, ▶ environmentally friendly timber, ▶ environmentally friendly paints and/or carpets, ▶ rainwater collection tanks and/or water efficient interior plumbing, ▶ natural lighting and/or ventilation, ▶ 'Best Practice' insulation (as recommended by Standards New Zealand), ▶ Energy Star-rated electrical equipment and/or interior lighting systems, ▶ Energy Star-qualified roof materials, ▶ facilities to encourage the use of alternative transport (e.g. bicycle storage), ▶ wind turbines.
temporarily removed	Contents that: (a) you have removed from their original location for a particular purpose, and (b) you intend to return to their original location, once that purpose has been served.
undamaged	Not directly or physically damaged by an event that would be covered by this policy.
we	NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.
work of art	An object of artistic or cultural value including but not limited to pictures, paintings, prints, sculptures or ornaments, hand woven carpets, rugs or mats.
you	The person(s) or entity named in the schedule as 'Insured'. We may also use the word 'insured' to describe you.



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