

22 May 2024

BODY CORPORATE - 46906

Renewal Policy Schedules and Documents

14 MAY 2024 TO 14 MAY 2025

POLICY DETAILS	
RISK CLASS:	Material Damage / Business Interruption, General Liability and Statutory Liability
INSURER:	AIG Insurance New Zealand Limited
POLICY NUMBER:	SBS 200182
POLICY DETAILS	
RISK CLASS:	Association Liability
INSURER:	AIG Insurance New Zealand Limited
POLICY NUMBER:	MAS 100240

CONTACT DETAILS

Client Executive

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POLICY SCHEDULES



MATERIAL DAMAGE AND BUSINESS INTERRUPTION POLICY

Section 1 : Material Damage | Section 2 : Business Interruption

POLICY SCHEDULE

POLICY NUMBER	SBS 200182
DOCUMENT NO.	MDBI/202405/094
THE COMPANY	AIG Insurance New Zealand Limited
INSURED	Elmdale Lane Body Corp 46906 and the owner of each unit in the Insured Property and any management company acting on behalf of each unit owner.
INTERESTED PARTIES	As per the Certificate of Insurance
PERIOD OF INSURANCE	From: 4:00pm Local Standard Time on 14/05/2024 To: 4:00pm Local Standard Time on 14/05/2025 Or any other period for which the Company and the insured agree to renew the policy.
INSURED PROPERTY (Section 1)	Buildings and Chattels, all while at the specified Location.
LOCATION (Section 1)	17 Gatherer Street Christchurch and as extended by this Policy
BUSINESS (Section 2)	All business of whatsoever kind conducted by the Insured, including but not limited to property owner of residential and/or commercial accommodation and landlord.
PREMISES (Section 2)	All premises owned or occupied by the Insured and all other places where Insured Property is used or to be used for the purpose of the Business, anywhere in New Zealand.

**INDEMNITY PERIOD
(Section 2)**

Alternative Residential Accommodation Indemnity Period:	24 Months
Loss of Rents Indemnity Period:	24 Months

**SUMS INSURED
Section 1**

Buildings	\$3,319,000
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Section 2

Gross Profit:	-
Gross Revenue:	-
Additional Costs:	\$200,000
Book Debts:	-
Claim Preparation Costs:	\$50,000
Fines or Damages:	-
Redeployment Costs:	-
Severance and Redundancy Payments:	-
Loss of Rents:	\$2,500,000
Alternative Residential Accommodation (per unit per month):	\$10,000

**SPECIAL LIMITS
(Section 1)****Capital Additions Memorandum**

Limit at any one time:	\$10,000
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Chattels Memorandum

The Chattels Memorandum does not apply where a Chattels sum insured is recorded in the Schedule.

Subject to this, where the Chattels Memorandum does apply, the limit within the Buildings sum insured any one Event for loss of or damage to Chattels is:

Chattels includes Landlord Fixtures and Fittings.

\$2,000,000

Computer Breakdown Memorandum

Limit any one loss or series of losses arising out of any one event:

\$5,000

**SPECIAL LIMITS
(Section 1):**

Continued

Contractual Value Memorandum

Limit any one loss or series of losses arising out of any one event: \$10,000

Electric Current Damage Memorandum

Limit any one loss or series of losses arising out of any one event: \$10,000

Gradual Memorandum

Limit any one loss or series of losses arising out of any one event: \$10,000

Limit During the Period of Insurance: \$20,000

Landslip Memorandum

Limit any one loss or series of losses arising out of any one event: \$1,000,000

Locating Damaged Internal Water Systems Memorandum

Limit any one loss or series of losses arising out of any one event: \$10,000

Limit During the Period of Insurance: \$20,000

Lost or Stolen Keys Memorandum

Limit any one loss or series of losses arising out of any one event: \$10,000

Money Memorandum

Section A: \$10,000

Additional Limit: Cumulative on the above in respect any Christmas pay, back pay, and other extraordinary payments: Not Insured

Section B: \$2,000

Property to which the Contract Works Extension does not apply

Specified maximum contract price: \$175,000

Refrigerated Goods Memorandum

Limit any one loss or series of losses arising out of any one event: \$5,000

Subsidence Memorandum

Limit any one loss or series of losses arising out of any one event: \$1,000,000

Theft

Limit any one loss or series of losses arising out of any one occurrence of theft, other than theft accompanied by violence or threat of violence to any person or violent and forcible entry to or exit from any enclosed building:

Full Sum
Insured

Transit Memorandum

Limit any one loss or series of losses arising out of any one event: \$20,000

Unlawful Substances Memorandum

Limit during the Period of Insurance: \$100,000

This limit does not apply to loss or damage by fire or explosion.

**SPECIAL LIMITS
(Section 2)****Defective Drains or Sanitation Memorandum**

In respect of Loss of Rent only:

Limit any one loss or series of losses arising out of any one event: \$250,000

Dependency Memorandum

In respect of Loss of Rent only:

Limit any one loss or series of losses arising out of any one event: 10% of the Loss of Rent Sum Insured

Prevention of Access Memorandum

In respect of Loss of Rent only:

Limit any one loss or series of losses arising out of any one event: 10% of the Loss of Rent Sum Insured

Public Authorities Memorandum

In respect of Loss of Rent only:

Limit any one loss or series of losses arising out of any one event: 10% of the Loss of Rent Sum Insured

Loss of Rents

Maximum payable any one unit owner any one Event: \$500,000

**EVENT
(Definition)**

'Event' means an event or series of events arising from any one cause during any period of 72 consecutive hours.

**DEDUCTIBLE AMOUNT
(Section 1)**

In respect of loss indemnified under the Protection Costs Memorandum: \$100

In respect of loss indemnified under the Landslip Memorandum: \$10,000

In respect of loss indemnified under the Subsidence Memorandum: \$10,000

In respect of Loss by Natural Disaster 2.5% of the Site Value, subject to a minimum of \$2,500

Residential Units - In respect of other loss to:

Owner occupied residential units \$250

Tenanted residential units \$400

Unoccupied residential units \$500

Commercial Units

In respect of loss to commercial units by burglary, vandalism, malicious damage or theft: \$1,000

In respect of other loss to commercial units: \$250

In respect of other loss to common areas: \$500

In respect of any loss for which no other deductible is specified: \$500

DEDUCTIBLE AMOUNT
(Section 2)

Nil

POLICY WORDING

MDBI Policy eDIT V2 AIG V2 310816

ENDORSEMENTS

AIG BodyCorp V2 011017 clauses
Natural Disaster Deductibles Endorsement AIG BodyCorp V1 010418
LMA5393 AIG Communicable Disease Endorsement
AIG Cyber Loss Limited Exclusion Clause Endorsement (LMA138060)(07.21) Marsh

AIG BodyCorp V2 011017 clauses

SECTION 2 – INSURED INTERESTS

ALTERNATIVE RESIDENTIAL ACCOMMODATION

Where any residential accommodation insured by this Policy is made uninhabitable by Damage, Section 2 of this Policy is extended to cover the reasonable cost of alternative accommodation necessarily incurred by the Insured who normally occupies the accommodation unit during the Indemnity Period.

Provided that:

- (a) the cost is not otherwise insured;
- (b) the period for which the costs are covered will be limited to the Alternative Residential Accommodation Indemnity Period;
- (c) the Company may deduct a reasonable allowance for costs reduced or avoided as a result of the accommodation being uninhabitable.

The Company's liability under this Insured Interest any one unit owner for each month of the Alternative Residential Accommodation Indemnity Period will not exceed the Alternative Residential Accommodation Sum Insured.

The Alternative Residential Accommodation Indemnity Period is the period reasonably required for reinstatement of the Damaged accommodation during which the accommodation remains uninhabitable in consequence of the Damage, beginning with the occurrence of the Damage and continuing for not more than the period stated in the Schedule.

LOSS OF RENT

Where any Insured earns rent by leasing all or any part of the premises insured under this Policy, the Company will indemnify the Insured for loss of any such rent incurred as a result of Damage to the Premises. The amount payable under this clause will be the difference between:

- (a) the rent due to the Insured during the Loss of Rent Indemnity Period; and
- (b) the rent that would have been due to the Insured during the Loss of Rent Indemnity Period had the Damage not occurred.

The Company will also indemnify the Insured for any additional expenditure reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent during the Loss of Rent Indemnity Period, but not exceeding the loss of rent thereby avoided. If any costs payable out of rent cease or are reduced during the Loss of Rent Indemnity Period in consequence of the Damage, the amount so saved will be deducted from the difference between the rent due and the rent that would have been due had the Damage not occurred.

The Company's liability under this Insured Interest will not exceed the Loss of Rent Sum Insured.

Unless stated otherwise in the Schedule, the maximum payable any one unit owner during the Loss of Rent Indemnity Period is \$500,000.

The Loss of Rent Indemnity Period is the period, during which revenue derived from rents is affected in consequence of the Damage, beginning with the occurrence of the Damage and continuing for not more than the period stated in the Schedule.

CONDITIONS (SECTIONS 1 & 2)

INSURED

The text “and any subsidiary company, more than half the nominal value of whose equity share capital is owned by the named Insured either directly or through other subsidiaries; and any entity over which an Insured exercises management control” is deemed to be deleted from the Schedule and replaced by “The Body Corporate named in the Schedule and the owner of each unit in the Insured Property and any management company acting on behalf of each unit owner.”

GOODS AND SERVICES TAX

The Goods and Services Tax Condition is deemed to be deleted and replaced by the following.

All Sums Insureds and Special Limits contained within this Policy exclude GST. All Deductible Amounts within this Policy include GST.

For any indemnity payable under this Policy the Company shall pay the relevant amount of GST in excess of such payment. Such payment of GST is in addition to the indemnity otherwise payable and will not be subject to any sum insured or other limit of the Company's liability. For the purpose of this clause, 'GST' means tax payable under Section 5(13) of the Goods and Services Tax Act 1985, or under any statutory amendment to or re-enactment of the Section or Act.

CONDITIONS (SECTION 1)

DEFINITIONS

'Buildings' means:

- (a) buildings and structures of any kind and their appurtenances situated at the Location;
- (b) plant, fixtures and fittings, pipes and cables pertaining to or located in or about (a) above; and
- (c) any and all site improvements including but not limited to signs, tanks, poles, walls, gates, fences, landscaping, gardens, ornamental trees and shrubs, roads, paths, yards and the like, situated at the Location;

all owned by the insured Body Corporate and/or in which ownership is shared by the unit owners.

Buildings also includes all fitted floor coverings (including but not limited to glued, smooth edge or tacked carpet and floating floors) owned by the insured Body Corporate and/or in which ownership is shared by the unit owners and/or owned by the individual unit owner in whose unit the property is located.

Buildings does not include Chattels or Landlord Fixtures and Fittings whether belonging to the Insured or to any other party.

'Chattels' means all chattels situated at the Location owned by the insured Body Corporate and/or in which ownership is shared by the unit owners but does not include fitted floor coverings. Chattels also includes Landlord Fixtures and Fittings.

'Landlord Fixtures and Fittings':

- (a) in respect of residential property means whiteware, curtains, blinds drapes and light fittings owned by or the responsibility of the individual unit owner in whose unit the property is located;
 - (b) in respect of commercial property means fixtures and fittings provided by the landlord;
- at the Location while contained in an individual unit owner's unit that is occupied by tenants, subject to:
- (i) if the property is occupied at the time of loss, a Tenancy Agreement (as defined by the Residential Tenancies Act 1986) or a commercial lease agreement being in place at the time of loss; and
 - (ii) such property not being otherwise insured.

INSURED PROPERTY (Section 1)

The Insured Property (Section 1) definition stated in the Schedule is deemed to be deleted and replaced by "Buildings and Chattels, all while at the specified Location."

MEMORANDA (SECTION 1)

ALTERNATIVE RESIDENTIAL ACCOMMODATION

The Alternative Residential Accommodation Memorandum is deemed to be deleted.

ADDITIONAL COST OF SUSTAINABLE PRODUCTS

Where a claim is payable under this Policy for Reinstatement of a Destroyed building, then, to the extent permitted by law, the Company will pay the additional cost of including Sustainable Products in the Reinstatement of that building. The most that the Company will pay for this under Section 1 of this Policy is 5% of the cost of Reinstatement that would otherwise be incurred; but not more than \$250,000 any one Event. The limit does not apply to any cost that would be covered without the benefit of this clause.

'Reinstatement' and 'Destroyed' have the meanings given to them in the Reinstatement Memorandum.

'Sustainable Products' are products that have reduced environmental impact or will enable more efficient use of energy or water. Products that fall within the scope of this clause include:

- (a) Wall and ceiling insulation (as recommended by Standards New Zealand);
- (b) Double glazed windows;
- (c) Solar water heating systems;
- (d) Heat pumps;
- (e) Rainwater collection tanks;
- (f) Low volatile organic paint;
- (g) Home sprinkler systems (but only where the Destroyed building is a stand alone unit);
- (h) Any building material that would have a lesser impact on the environment.

The Company reserves the right to approve the use of any of these products before they are installed. Such approval will not be unreasonably withheld.

CHATELS

The Company's liability for physical loss of or damage to Chattels under Section 1 of this Policy will not exceed \$2,000,000 any one Event – this limit is within the Buildings sum insured and not in addition to it.

This limit does not apply where a Chattels sum insured is recorded in the Schedule.

COMPUTER BREAKDOWN

In the event of computer Breakdown of any Building or Chattels being Insured Property, Section 1 of this Policy is extended to indemnify the Insured for the reasonable and necessary cost to repair or replace the item.

'Breakdown' means the sudden and unforeseen mechanical, electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$5,000 any one Event.

DECLARED VALUES

1. Where the Buildings sum insured is supported by a valuation no more than 36 months old at the date of inception of this Policy the Company's liability for loss of or damage to any item of Buildings will not exceed 125% of the Buildings sum insured.
2. Where the Buildings sum insured is not supported by a valuation no more than 36 months old at the date of inception of this Policy the Company's liability for loss of or damage to any item of Buildings will not exceed the Buildings sum insured.

For the sake of clarity, "supported by a valuation" includes any value that is equal to or greater than the value stated in the most recent valuation, including but not limited to any increases to reflect actual or perceived increased building costs.

EMPLOYEES' EFFECTS

The Employees and Directors Effects Memorandum is deemed to be deleted and replaced by the following.

Personal effects of:

- (a) employees of the Body Corporate listed as the Insured in the Schedule; and
- (b) employees of any management company acting on behalf of each unit owner of the Body Corporate listed as the Insured in the Schedule;

are deemed to be included in the description of Insured Property as if they were owned by the Insured, but only while the effects are in or about premises owned or occupied by the Insured, or elsewhere while being worn, kept, carried or used by employees acting in the course of their employment with the Insured. This Memorandum will not operate to the benefit of any person who is otherwise insured.

GRADUAL INTERNAL WATER DAMAGE

Section 1 of this Policy is extended to cover damage caused by the action of micro-organisms or by gradual deterioration where such damage results from the accidental leaking or overflowing of any permanently connected water pipe, waste disposal pipe, water cylinder or water storage tank within the confines of any insured building.

Where a claim for such damage is payable under this extension, the Policy also extends to cover the reasonable cost of:

- (a) searching for and gaining access to the source of the damage; and
- (b) reinstating the property or part to a condition the same as, but not better nor more extensive than, its condition immediately prior.

Where the date upon which the damage commenced cannot be determined, the damage will be deemed to have occurred at the time the Insured first had reason to suspect that damage had occurred.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$10,000 any one Event and \$20,000 during the Period of Insurance.

HAZARDOUS SUBSTANCE EMERGENCIES LIMIT

The Company's liability under the Hazardous Substance Emergencies Memorandum under Section 1 of this Policy will not exceed \$90,000 during the Period of Insurance.

LOCATING DAMAGED INTERNAL WATER SYSTEMS

Section 1 of this Policy is extended to cover the reasonable cost of:

- (a) searching for and gaining access to any part of a cracked, leaking, broken or overflowing Internal Water System that has caused loss or damage insured under this Policy; and
- (b) reinstating any property or part damaged under (a) above to a condition the same as, but not better nor more extensive than, its condition immediately prior.

Provided that this Memorandum does not insure the cost of repairing or replacing any part of a cracked, leaking, broken or overflowing Internal Water System.

'Internal Water System' means any permanently connected water pipe, waste disposal pipe, water cylinder or water storage tank within the confines of any building insured under this Policy.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$10,000 any one Event and \$20,000 during the Period of Insurance.

MACHINERY BREAKDOWN – REINSTATEMENT BASIS

Subject to the Special Provisions set out below and to all other terms of this Policy in so far as they can apply, Section 1 of this Policy extends to cover Building or Chattels being Insured Property comprising any Machine against damage caused by Breakdown, but only after its successful initial commissioning at the place where the Machine is or will be used.

'Machine' means any contrivance for the conversion and direction of motion or energy, or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

'Breakdown' means the sudden and accidental breaking, seizing, deformation, or burning out of any part of the Machine while in use; the cause being a defect in the Machine; the result being a stoppage in the function of the Machine; and repair or replacement being necessary before the Machine can resume working.

'Pre-Breakdown Value' means the new installed replacement value of the Machine (of its nearest available equivalent having not less than the same capacity or functions of the original Machine) subject to a reasonable deduction for use.

'Reinstatement' means replacement of the damaged Machine by a Machine as nearly as practicable the same as or equivalent to the damaged Machine, having regard to the current state of technology, and having an equivalent capacity to that of the damaged Machine, but not greater capacity unless a Machine with an equivalent capacity is not available and the replacement Machine has the nearest to an equivalent capacity. The words 'Reinstate' and 'Reinstating' have corresponding meanings.

Basis of Settlement

Where the damage can be repaired, the basis of settlement under this Memorandum will be the cost of restoring of the Machine to its former state of serviceability, based on the customary daily labour cost in the district, together with normal freight and erection and customs dues net of Maintenance Agreement benefits used.

Except in respect of excluded parts (as defined in the Excluded Parts Exclusion), no deduction will be made for depreciation of parts replaced, but account will be taken on any salvage value in those parts. Where any excluded part is damaged in circumstances where the exclusion does not apply, due allowance will be made for the working life of that part expended at the time of the damage.

In the event of repair costs equalling or exceeding the Pre-Breakdown Value, the Machine will be deemed to be destroyed.

Where the Machine is destroyed or deemed to be destroyed, the basis on which the amount payable under this Memorandum is to be calculated will be the cost of Reinstating the Machine plus the cost of removing the damaged Machine, less any salvage value of the damaged Machine. However, this basis will not apply if the Insured elects not to reinstate the Machine or if the work of Reinstatement is not commenced and carried out with reasonable despatch.

Where the Reinstatement basis does not apply the basis of indemnity will be the Pre-Breakdown value of the Machine together with the cost of removing the damage Machine, less any salvage value of the Machine.

Exclusions

1. This Memorandum does not insure against damage that is otherwise insured under this Policy or under any other memorandum incorporated in this Policy including Maintenance Agreement recoveries. In respect of Machinery a Service Contract must be in force at all times. Any Machinery maintenance requirements must be attended to by properly qualified servicing Agents.
2. This Memorandum does not insure against damage resulting from experiments, overload, or similar tests, requiring the imposition of abnormal conditions; but this exclusion does not apply where the imposition of abnormal conditions is for the purpose of checking the correct working of the Machine or of its safety installations.
3. This Memorandum does not insure against damage due to faults or defects known to the Insured prior to breakdown.
4. This Memorandum does not cover the cost of alterations, additions, improvements or overhauls carried out on the occasion of a repair.
5. This Memorandum does not cover the cost of any temporary repairs, except to the extent that the temporary repairs form part of permanent repairs including temporary repairs to the Machinery pending replacement parts etc becoming available.

6. This Policy does not cover any part described below except where it is physically damaged as a direct result of other insured damage to the Machinery with which the part is used.
- (a) Any expendable part such as a shear pin, rupture disc or fuse.
 - (b) Any die, mould, pattern, block, stamp, punch or any coating or engraving on a cylinder or roll.
 - (c) Any part made of glass, rubber or textile.
 - (d) Any part that, by its use or nature, suffers a high rate of wear or depreciation, such as any: bit, drill, knife, or saw blade; crushing or grinding surface; ball or hammer; screen, sieve or filter cloth; wear plate; elevator or conveyor belt or band; flexible pipe; jointing or packing material; rope, belt, strap, chain or cable (other than any electrical conductor); electrical brush or battery; tyre, track, blade bucket or similar attachment to mobile plant; refractory material, grate bar or burner jet.
 - (e) Any masonry.
 - (f) Any operating medium such as any fuel, chemical, catalyst, filter substance, heat transfer medium, cleansing agent or lubricant.

Other Damage

For the avoidance of doubt, this Memorandum does not apply to any Insured Property other than a Machine, regardless of whether the other Insured Property has been damaged as a result of the Breakdown of any Machine.

Repairs

Providing the Company has been notified of the damage in accordance with the Claims condition of this Policy, the Insured may proceed with the repair of any Machine. However, any damaged part must be kept for inspection by the Company.

STRESS PAYMENT

Where a claim is payable under this Policy for Reinstatement of a Destroyed building, Section 1 of this Policy is extended to pay a benefit of \$2,000 to each residential unit owner that occupies their residential unit for the stress caused.

The Company's liability under this Memorandum under Section 1 of this Policy during the Period of Insurance will not exceed \$50,000. Where this limit is reached, the payment per residential unit owner will be apportioned evenly.

'Reinstatement' and 'Destroyed' have the meanings given to them in the Reinstatement Memorandum.

UNLAWFUL SUBSTANCES

The Unlawful Substances Memorandum is deemed to be deleted and replaced by the following.

This Policy extends to include any loss or damage, unintended and unforeseen by the Insured that occurs during the Period of Insurance to a unit that is tenanted, consequent upon the Use, Manufacture, Storage or Distribution of Illegal Substances.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$100,000 during the Period of Insurance, unless stated otherwise in the Schedule.

No claim is payable under this benefit unless the Landlords Obligations have been met.

Definitions

'High-Use Areas' and 'Limited-Use Areas' have the meanings described in the NZS8510-0217 Testing and decontamination of methamphetamine properties standard.

'Landlord's Obligations' means the Insured or the person who manages the tenancy on the Insured's behalf must:

- (a) Exercise reasonable care in the selection of tenant(s) by at least obtaining a satisfactory written or verbal references, and
- (b) Complete an internal and external inspection of the property at a minimum of four monthly intervals and upon every change of tenant(s), and
- (c) Keep a written record of the outcome of each inspection, and provide to the insurer a copy of the record if the insurer requests it.

'Illegal Substances' means methamphetamine or any controlled drug as defined in the Misuse of Drugs Act 1975.

'Use, Manufacture, Storage or Distribution' means loss or damage caused by the use of any Illegal Substance that results in contamination of Insured Property exceeding:

- (i) for High-Use Areas of a property: 1.5 micrograms per 100 square centimetres as measured by a competent tester.
- (ii) for Limited-Use Areas of a property: 3.8 micrograms per 100 square centimetres as measured by a competent tester.

This Memorandum does not apply to any loss for which indemnity would be payable under this Policy in the absence of this Memorandum.

MEMORANDA (SECTION 2)

DEFECTIVE DRAINS OR SANITATION EXTENSION

Where, in consequence of defective drains or sanitation at any of the leased premises, action taken by a competent public authority prevents continued tenancy of the premises, thereby causing a loss of rent, the Insured will be indemnified for Loss of Rent as if the loss had resulted from Damage.

In respect of Loss of Rent only, the Company's liability under this Memorandum will not exceed \$250,000 any one Event.

DEFERMENT OF THE INDEMNITY PERIOD

1. In respect of Damage to EQC Residential Property the Insured may elect to defer the commencement of the Indemnity Period for a period of up to 24 months, subject to the Company having not paid any claim in consequence of Damage to EQC Residential Property (other than for the reconstitution of records or for Claims Preparation Costs) under any Section 2 insured interest subject to the Indemnity Period.
2. In respect of Damage to Insured Property other than EQC Residential Property the Insured may elect to defer the commencement of the Indemnity Period for a period of up to 12 months subject to the Company having not paid any claim in consequence of Damage to Insured Property other than EQC Residential Property (other than for the reconstitution of records or for Claims Preparation Costs) under any Section 2 insured interest subject to the Indemnity Period.

PROVIDED THAT the period between the occurrence of the Damage and the end of the Indemnity Period will not exceed 48 months.

'EQC Residential Property' has the meaning given to it in the Earthquake – Residential Property clause of this Policy.

Where the Insured elects to defer the commencement of the Indemnity Period and meets the conditions above, when used with any Section 2 insured interest the words "beginning with the occurrence of the Damage" are deemed to be deleted from the Indemnity Period description in the Schedule and replaced by "beginning when elected by the Insured (but not before the occurrence of the Damage)".

DEPENDENCY

The Dependency Memorandum is deemed to be deleted and replaced by the following.

Loss, as insured by this Policy and resulting from Damage to any property whatsoever but excluding any Maui, Kapuni or offshore gas fields:

- (a) at any place anywhere in New Zealand and occupied by any direct customer of the Insured; or
- (b) at any place anywhere in New Zealand and occupied by any direct supplier of goods or services to the Insured; or
- (c) at any port installation, railway warehouse or airport anywhere in New Zealand; or
- (d) that prevents or hinders the public supply of water or gas or electricity to the terminal ends of the supplier's service feeders at the Premises; or
- (e) that prevents or hinders the discharge of effluent from the Premises; or
- (f) that prevents or hinders any telecommunication with the Premises,

is deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

In respect of Loss of Rent only, the Company's liability under this Memorandum will not exceed 10% of the Loss of Rent Sum Insured any one Event, unless stated otherwise in the Schedule.

INFECTIOUS NOTIFIABLE HUMAN DISEASE

The Infectious Notifiable Human Disease Memorandum is deemed to be deleted from this Policy.

PREVENTION OF ACCESS

The Prevention of Access Memorandum is deemed to be deleted and replaced by the following.

Loss, as insured by this Policy and resulting from Damage to any property within five kilometre of the Premises, that prevents or hinders the use of or access to the Premises will be deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

In respect of Loss of Rent only, the Company's liability under this Memorandum will not exceed 10% of Loss of Rent Sum Insured any one Event, unless stated otherwise in the Schedule.

PUBLIC AUTHORITIES

The Public Authority Memorandum is deemed to be deleted and replaced by the following.

Loss, as insured by this Policy, and resulting from any action of a public authority consequent upon:

- (a) Damage to any property whatsoever;
- (b) bodily injury to any person on or within five kilometre of the Premises;
- (c) vermin, pests, fumes, escape of any hazardous material, defective sanitation or effluent system;

or the threat or fear of any of them, is deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

For the purpose of any claim under this Memorandum, the Alternative Residential Accommodation Indemnity Period and/or Loss of Rent Indemnity Period will commence 24 hours after the action is first taken by the Public Authority.

In respect of Loss of Rent only, the Company's liability under this Memorandum will not exceed 10% of Loss of Rent Sum Insured any one Event, unless stated otherwise in the Schedule.

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393

25 March 2020

NATURAL DISASTER DEDUCTIBLES ENDORSEMENT

This endorsement does not apply to EQC Residential Property as defined in the Earthquake – Residential Property clause of this Policy.

If this Policy includes Natural Disaster cover and unless stated otherwise in the Schedule, the Deductible Amount that will apply to a Natural Disaster Event will be as follows.

Where the loss arises from damage to Insured Property located on any Site within the Local Government Regions of Northland, Auckland, Waikato, Otago and Southland:

- (a) 1% of the Site Value, subject to a minimum Deductible of \$2,500
- (b) for Pre-1935 Risks, 5% of the Site Value, subject to a minimum Deductible of \$5,000.

Where the loss arises from damage to Insured Property located on any Site within the Local Government Region of Bay of Plenty:

- (a) 2.5% of the Site Value, subject to a minimum Deductible of \$2,500
- (b) for Pre-1935 Risks, 5% of the Site Value, subject to a minimum Deductible of \$5,000.

Where the loss arises from damage to Insured Property located on any Site within New Zealand, but not detailed above:

- (a) 5% of the Site Value, subject to a minimum Deductible of \$5,000
- (b) for Pre-1935 Risks, 10% of the Site Value, subject to a minimum Deductible of \$10,000.

Combined Material Damage and Business Interruption Loss

The deduction will be made from the combined Material Damage and Business Interruption loss arising from damage to Insured Property at the Site. If damage at more than one Site contributes to the same Business Interruption loss, then, for the purpose of the Deductible, the whole of the Business Interruption loss will be deemed to have arisen from the contributing Site at which the damage has been greatest.

Definitions

'Local Government Regions' means districts or regions as defined in the Local Government Act 2002 or any amending legislation.

'Pre-1935 Risks' means any building, and/or other property including stock located in any building that was constructed prior to 1935.

'Site' means a location of Insured Property as declared in a schedule of assets that the Insured has provided to the Company. If the Insured Property is not at a location so declared, 'Site' will mean a physical location where property is linked to achieve a common business purpose at that location.

'Site Value' means the insured value of all Insured Property located at the Site.

[AIG BodyCorp V1 010418]

AIG CYBER LOSS LIMITED EXCLUSION CLAUSE

- 1 Subject to paragraphs 2 and 3 below and notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 - 1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a **Computer System**, unless subject to the provisions of paragraph 2;
 - 1.2 any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Data**, including any amount pertaining to the value of such **Data**, unless subject to the provisions of paragraph 3.
- 2 Subject to the other terms, conditions and exclusions contained in this Policy or any endorsement thereto, this Policy will cover physical loss or physical damage to property insured under this Policy and any **Time Element Loss** directly resulting therefrom, where such physical loss or physical damage is directly occasioned by any of the following perils:

avalanche, fire, bush fire, forest fire, water damage, flood, landslide, landslip, looting, theft, burglary, mudslide, lightning, explosion, aircraft or vehicle impact, falling objects, meteorite/asteroid impact, sinkhole, windstorm, hail, tornado, cyclone, hurricane, seismic and/or volcanic disturbance, tsunami, seaquake, rain, storm surge, liquefaction, volcanic eruption, solar flares, ice storm, winter storm, sleet, freeze or weight of snow, smoke, riot, strike, civil commotion, collapse, earth movement
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should **Data Processing Media** owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the **Data Processing Media** itself plus the costs of copying the **Data** from back-ups or from originals of a previous generation. These costs will not include any research and engineering nor any costs of recreating, gathering or assembling the **Data**. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank **Data Processing Media**. However, this Policy excludes any amount pertaining to the value of such **Data**, to the Insured or any other party, even if such data cannot be recreated, gathered or assembled.

4 Definitions

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

Data Processing Media means any property insured by this Policy on which **Data** can be stored but not the **Data** itself.

AIG Amended

11 May 2021

GENERAL LIABILITY POLICY

POLICY SCHEDULE

POLICY NUMBER	SBS 200182
DOCUMENT NO.	LGLG/202405/184
THE COMPANY	AIG Insurance New Zealand Limited
INSURED	Elmdale Lane Body Corp 46906 and others as defined in the conditions of this Policy.
THE BUSINESS	Property Owner and Landlord
PERIOD OF INSURANCE	From 4:00pm Local Standard Time on 14/05/2024 To 4:00pm Local Standard Time on 14/05/2025 Or any other period for which the Company and the insured agree to renew the policy.
TERRITORIAL LIMITS	Occurrences other than those specified below: Anywhere in New Zealand Occurrences during and in connection with the performance of duties of any person normally resident or domiciled in New Zealand, but not while performing duties requiring predominantly manual labour except for the purpose of training, or promoting the sale of Products: Anywhere in the World Occurrences in connection with Products: Anywhere in New Zealand

LIMITS OF INDEMNITY AND DEDUCTIBLES

General Indemnity

Indemnity for damages in respect of which no alternative limit and deductible are specified.

Limit any one Occurrence:	\$10,000,000
Deductible:	\$250

Bailees' Liability Memorandum

Limit any one Occurrence:	\$250,000
Deductible:	\$1,000

Exemplary Damages Memorandum

All claims made against the Insured during the Period of Insurance:

Aggregate limit:	\$1,000,000
Deductible (each Occurrence):	\$250

Farm Business Memorandum

All occurrences of damage or Injury during the Period of Insurance:

Aggregate Limit:	\$500,000
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Fire Authorities Memorandum

Limit any one Occurrence:	\$500,000
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Motor Trades Memorandum

In respect of Damage caused by or arising out of the repair, renovation, installation or servicing by the Insured of any property to which the Memorandum applies:

Limit any one Occurrence:	\$500,000
Deductible	\$1,000

Products

All occurrences of Damage or Injury during the Period of Insurance:

Aggregate Limit:	\$10,000,000
Deductible (each Occurrence):	\$250

Support of Land or Buildings

In respect of Damage caused by or arising out of the removal or weakening of or interference with the support of land or buildings:

Limit any one Occurrence:	\$500,000
Deductible:	\$5,000

DESIGNATED CONTRACTS

Contracts to which the exclusion of liability assumed by agreement does not apply:	Nil
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POLICY WORDING

GL Policy eDIT V1 AIG V2 310815

STATUTORY LIABILITY POLICY

POLICY SCHEDULE

POLICY NUMBER	SBS 200182
DOCUMENT NO.	LGLG/202405/185
THE COMPANY	AIG Insurance New Zealand Limited
INSURED	Elmdale Lane Body Corp 46906 and others as defined in the conditions of this Policy.
THE BUSINESS	Property Owner and Landlord
PERIOD OF INSURANCE	From 4:00pm Local Standard Time on 14/05/2024 To 4:00pm Local Standard Time on 14/05/2025 Or any other period for which the Company and the insured agree to renew the policy.
STANDARD LIMITS	Aggregate Limit of Indemnity \$1,000,000
DEDUCTIBLE	\$500
RETROACTIVE DATE	Unlimited
POLICY WORDING	AIG Statutory Liability Wording V2



ASSOCIATION LIABILITY POLICY

POLICY SCHEDULE

POLICY NUMBER	MAS 100240	
DOCUMENT NO.	LGLG/202405/186	
THE COMPANY	AIG Insurance New Zealand Limited	
INSURED	Elmdale Lane Body Corp 46906 and others as defined in the conditions of this Policy.	
THE BUSINESS	Property Owner and Landlord	
PERIOD OF INSURANCE	From 4:00pm Local Standard Time on 14/05/2024 To 4:00pm Local Standard Time on 14/05/2025 Or any other period for which the Company and the insured agree to renew the policy.	
STANDARD LIMITS	Limit of Liability	\$1,000,000
DEDUCTIBLE		\$2,000
RETROACTIVE DATE		Unlimited
POLICY WORDING	AIG BodyCorp Associations Combined Liability Wording 190316 [0624]	

POLICY WORDINGS

MATERIAL DAMAGE AND BUSINESS INTERRUPTION POLICY

In consideration of the Insured having paid or promised to pay the required premium and subject to the terms of this Policy, the Company agrees to indemnify the Insured as set out in the Sections of this Policy.

SECTION 1 – MATERIAL DAMAGE SECTION 2 – BUSINESS INTERRUPTION

Each Section of the Policy is to be interpreted as if issued as a separate policy and, unless the context requires otherwise, the word 'Policy' is to be read accordingly.

In this Policy, 'Event' means an event or series of events arising from any one cause during any period of 72 consecutive hours.

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SECTION 1 – MATERIAL DAMAGE

THE INDEMNITY

If any physical loss or damage – unintended and unforeseen by the Insured – happens to any Insured Property during the Period of Insurance, the Company will indemnify the Insured for that loss or damage.

Except where expressly provided to the contrary, the Company's liability will not exceed the Sum Insured and, if more than one Item is included in the Schedule attaching to this Policy, will not exceed in respect of each Item the Sum Insured set against that Item.

EXCLUSIONS

Note: Some of the following exclusions may be fully or partially overridden by memoranda attaching to this Policy

Building Defects And Deterioration

This Policy does not insure against loss or damage to any building or structure directly or indirectly caused by the failure of that building or structure to contain:

- (a) materials; or
- (b) a design; or
- (c) a system; or
- (d) a standard of workmanship;

that is necessary to effectively prevent or manage the presence or penetration of moisture or water to which the building or structure might reasonably be subjected.

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

Consequential Loss

For the avoidance of doubt, the insurance against physical loss or damage to Insured Property does not include insurance against consequential economic loss such as loss of market or loss of profit.

Contract Works

This Policy does not insure property in the course of installation, construction, demolition, erection, or testing following any of them, under any contract for which the expected final contract price will exceed the amount specified in the Schedule.

Defective Workmanship or Design

For the avoidance of doubt, this Policy does not cover the cost of repairing or replacing defective materials, the cost of putting right defective workmanship, or the cost of putting right work performed to a defective design plan or design specification. This exclusion does not apply to any loss or damage occurring as a result of the defective materials or workmanship, or as a result of work performed to a defective design plan or design specification.

Deterioration

This Policy does not insure against loss or damage to the property or part immediately affected directly caused by:

- (a) normal working, normal maintenance, wear and tear, erosion, corrosion (caused by atmospheric conditions only), slowly developing deformation or distortion;
- (b) action of micro-organisms, vermin, insects, mould, mildew, rot, fungi or gradual deterioration;
- (c) the nature of the Insured Property (including shrinkage, evaporation, loss of weight, change in flavour, or colour or texture or finish), action of light;
- (d) pollution or contamination;
- (e) fumes, smoke or smut;
- (f) a change in any artificially controlled temperature or atmosphere;

but this exclusion will not apply to loss or damage directly attributable to fire or any other accidental cause not expressly excluded.

Disappearance

This Policy does not insure against unexplained disappearance, loss directly resulting from shortages revealed only by the taking of an inventory, or shortages due to clerical or accounting errors.

Interruption

In respect of the property or part immediately affected, this Policy does not insure against damage directly caused by total or partial cessation of work, retarding or interruption or cessation of any process.

Land Movement

This Policy does not insure against loss or damage directly or indirectly caused by or resulting from landslip, subsidence or erosion of land.

Machinery

This Policy does not insure against mechanical or electrical Breakdown of any Machine in which the damage originates. However, this exclusion does not apply to:

- (a) subsequent loss or damage arising from an ensuing cause not otherwise excluded;
- (b) damage to any:
 - 1) electric motor or starter that does not individually exceed 10 kW;
 - 2) distribution switchboard or permanently installed electrical reticulation directly caused by failure of electrical insulation or abnormal electric current or electrically induced self heating.

For the purpose of this exclusion:

'Machine' means any contrivance for the conversion and direction of motion or energy, or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

'Breakdown' means the actual breaking, seizing, deformation, or burning out of any part of the Machine while in use; the cause being a defect in the Machine; the result being a stoppage in the function of the Machine; and repair or replacement being necessary before the Machine can resume working.

Money

This Policy does not insure Money, meaning current coin, bank and currency notes, cheques, postal notes, travellers cheques, money orders, unused postage stamps, franking machine credits, tickets, redeemable vouchers and tokens, and other negotiable instruments.

Precious Goods

This Policy does not insure jewellery, precious stones, furs, precious metals or bullion other than as stock of the business or as part of any plant.

Pressure Vessels

In respect of the Pressure Vessel in which the damage originates, this Policy does not insure against:

- (a) explosion, rupture, bursting, collapse, of the Pressure Vessel due to generated or applied fluid pressure (other than pressure caused solely by weight of contents or by chemical explosion); or
- (b) overheating, cracking or leaking of any Pressure Vessel due to or arising from its operation.

This exclusion does not apply to subsequent loss or damage arising from an ensuing cause not otherwise excluded.

For the purpose of this exclusion, 'Pressure Vessel' means a boiler or vessel that, in normal use, is subject to generated or applied fluid pressure (other than pressure caused solely by weight of contents), but does not include any tank used solely for storage.

Production Process

This Policy does not insure property damaged as a result of its undergoing any production process where the damage is directly caused by the normal operation of that process.

Property Excluded Unless Specified

This Policy does not insure any of the following property unless it is specified in the Schedule or declared to the Company in a schedule of assets provided to the Company for the purpose of underwriting information:

standing timber, growing crops, livestock, dams, canals, road or railway tunnels, road or railway bridges, docks, piers, wharves, mining property located beneath the surface of the ground, or any land including topsoil and backfill. However, this exclusion does not apply to tunnels, bridges, earthworks or other site improvements not otherwise excluded, or to docks, piers, or wharves forming part of any building, all at the Insured's building or industrial sites.

Settlement, Shrinkage or Expansion

This Policy does not insure against normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, and other structural improvements. However, this exclusion will not apply to loss or damage arising from an ensuing cause not otherwise excluded.

Theft by Employees

This Policy does not insure against theft by any of the Insured's employees, but this exclusion does not apply if:

- (a) the theft is discovered within 72 hours (excluding the hours of any Saturday, Sunday, or other public holiday) of its occurrence; or
- (b) the theft is accompanied by violence or threat of violence to persons or violent and forcible entry to or exit from any enclosed building.

Transit

This Policy does not insure any property while in transit other than at premises owned or occupied by the Insured.

Vehicles, Aircraft and Watercraft

This Policy does not insure any motor vehicle, other mechanical or electrically propelled vehicle, watercraft or aircraft of any kind, and any accessories in them or on them. This exclusion does not apply to stock of the Insured's business or to any crane or other mobile plant used at or around the Insured's premises and not otherwise insured.

War, Confiscation and Nuclear Risks

This Policy does not insure against loss or damage directly or indirectly caused by or resulting from any of the following:

- (a) War, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power.
- (b) Confiscation, requisition or destruction of or damage to property by lawful order of government or local authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this Policy.
- (c) Nuclear weapons material.
- (d) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission.

Weather

This Policy does not insure against damage directly caused by weather conditions to property not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions.

SECTION 2 – BUSINESS INTERRUPTION

THE INDEMNITY

If, during the Period of Insurance:

- ♦ any building or any other property or part used by or for the Insured at the Premises for the purpose of the Business is Damaged; and
- ♦ the Business carried on by the Insured at the Premises is consequently interrupted or interfered with;

the Company will pay to the Insured the amount of loss resulting from the interruption or interference as provided in this Policy for each item of Insured Interest.

The Company will not be liable under this Policy unless the property is Insured Property and its insurers have accepted a valid claim for the Damage. However, this requirement will not apply where the property is a Pressure Vessel, or where the property does not belong to the Insured, or where a deductible prevents acceptance of the otherwise valid claim.

'Damage' means such loss or damage as would be covered under Section 1 of this Policy on property at the Premises. 'Damage' also includes explosion damage to any Pressure Vessel whether insured or not. 'Damaged' has a corresponding meaning.

'Pressure Vessel' means any boiler or economiser or pipe or other vessel that, in normal use, is subject to generated or applied fluid pressure.

'Insured Property' means property insured under Section 1 of this Policy and includes property insured under any equivalent stand-alone Material Damage policy.

Except where expressly provided to the contrary, the Company's liability will not exceed the Sum Insured and, if more than one Item of Insured Interest is included in the Schedule attaching to this Policy, will not exceed in respect of each Item the Sum Insured set against that Item.

SECTION 2 – INSURED INTERESTS

GROSS PROFIT

This insurance covers loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity will be:

(a) In Respect of Reduction in Turnover

the sum produced by applying the Rate of Gross Profit to the amount by which Turnover during the Indemnity Period falls short of Standard Turnover in consequence of Damage;

(b) In Respect of Increase in Cost of Working

any additional cost incurred for the sole purpose of avoiding or diminishing the reduction in Turnover that would have taken place during the Indemnity Period in consequence of Damage if the cost had not been incurred, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided or diminished;

less any sum saved during the Indemnity Period in respect of such Business costs payable out of Gross Profit as are ceased or reduced in consequence of Damage.

Definitions

'Gross Profit' means the amount by which the sum of the Turnover and the Closing Stock exceeds the sum of the Opening Stock and the Uninsured Working Costs.

'Closing Stock' and 'Opening Stock' mean the amounts of the Insured's opening and closing stocks arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

'Uninsured Working Costs' mean all costs subtracted by the Insured in calculating the amount of insured Gross Profit.

'Turnover' means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises. Turnover also includes any money paid or payable to the Insured by tenants in respect of rental of the Premises and for services rendered; including any money paid or payable by tenants for rates, insurance and other fixed costs which, but for that payment, would be payable by the Insured.

'Rate of Gross Profit' means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage, adjusted as may be necessary to provide for trend and any other circumstances affecting the Business before or after the Damage, or that would have affected the Business had the Damage not occurred, so that the result will represent, as nearly as practicable the results of the Business that would, but for the Damage, have been obtained during the relative period after the Damage.

Where the Damage has occurred before completion of the first year's trading of the Business, the words 'during the financial year immediately before the date of the Damage' are deemed to read 'during the period between the date of the commencement of the Business and the date of the Damage'.

'Standard Turnover' means the Turnover during that period in the twelve months immediately before the date of the Damage that corresponds with the Indemnity Period, adjusted as may be necessary to provide for trend and any other circumstances affecting the Business before or after the Damage, or that would have affected the Business had the Damage not occurred, so that the result will represent, as nearly as practicable the results of the Business that would, but for the Damage, have been obtained during the relative period after the Damage.

Where the Damage has occurred before the completion of the first year's trading of the Business, the words 'the Turnover during that period in the twelve months immediately before the date of the Damage that corresponds with the Indemnity Period' are deemed to read 'the proportional equivalent for a period equal to the Indemnity Period of the Turnover during the period between the commencement of the Business and the date of the Damage'.

Where Damage occurs before sufficient results of the Business have been realised for the above definitions to produce an equitable loss adjustment, the loss will be adjusted on the basis of the results of the Business that would have been realised during the Indemnity Period had no Damage occurred.

Provisions (Gross Profit)

Alternative Trading

If, during the Indemnity Period, goods are sold or services are rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable in respect of those sales or services will be brought into account in arriving at the Turnover during the Indemnity Period.

Departments

If the Business is conducted in departments or other units, the independent trading results of which are ascertainable, the provisions of Gross Profit clauses (a) and (b) will apply separately to each department or other unit affected by the Damage.

Premium Adjustment

The premium charged for this insurance is adjustable at the end of the Period of Insurance in accordance with the following conditions:

- (a) Within six months after expiry of the Period of Insurance, or as soon as practicable thereafter, the Insured must submit to the Company a certificate setting out the actual Gross Profit earned in the accounting year most nearly concurrent with the Period of Insurance.
- (b) The premium will be adjusted at the agreed rate on the amount so certified.
- (c) If Damage has occurred during the Period of Insurance, any amount paid or payable for consequent loss of Gross Profit during that period will be regarded as actually earned.

Reduced Margin

If Turnover is maintained at a reduced Rate of Gross Profit in consequence of Damage giving rise to a claim under this Policy, an equitable allowance will be made for the loss of Gross Profit resulting from an increase in the ratio of stock usage or purchases (adjusted for stock variation) to Turnover. No allowance will be made for an increase in the ratio of any other uninsured costs to Turnover.

Uninsured Fixed Costs

If any fixed costs of the Business are not insured by this Policy (having been deducted in arriving at the Gross Profit), then, in computing the amount payable as Increase in Cost of Working, that proportion only of any additional cost will be brought into account that the Gross Profit bears to the sum of the Gross Profit and those uninsured fixed costs.

GROSS REVENUE

The following Section 2 Insured Interest applies only if a Gross Revenue sum insured is shown in the Schedule.

This insurance covers loss of Gross Revenue and increase in cost of working and the amount payable as indemnity will be:

- (a) In respect of Gross Revenue
the amount by which the Gross Revenue during the Indemnity Period falls short, in consequence of Damage, of the Gross Revenue that would have been earned during that period had no Damage occurred;
- (b) In respect of increase in cost of working
any additional cost incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue that would have taken place during the Indemnity Period in consequence of Damage had the cost not been incurred, but not exceeding the amount by which the loss of Gross Revenue is thereby avoided or diminished;

less any sum saved during the Indemnity Period in respect of such costs of the Business payable out of Gross Revenue as may cease or be reduced in consequence of Damage.

'Gross Revenue' means the money paid or payable to the Insured for services rendered in the course of the Business at the Premises, including any money paid or payable by tenants to others for rates, insurance and other fixed costs that would otherwise be payable by the Insured.

Provisions (Gross Revenue)

Alternative Premises

If, during the Indemnity Period, services are rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable in respect of those services will be brought into account in arriving at the Gross Revenue during the Indemnity Period.

Premium Adjustment

The premium charged for this insurance is adjustable at the end of the current Period of Insurance in accordance with the following conditions:

- (a) Within six months after expiry of the Period of Insurance, or as soon as practicable thereafter, the Insured must submit to the Company a certificate setting out the actual Gross Revenue earned in the accounting year most nearly concurrent with the Period of Insurance.
- (b) The premium will be adjusted at the agreed rate on the amount so certified.
- (c) If Damage has occurred during the Period of Insurance, any amount paid or payable for consequent loss of Gross Revenue during that period will be regarded as actually earned.

ADDITIONAL COSTS

This insurance covers additional costs reasonably incurred by the Insured in consequence of the Damage for any of the following purposes:

- (a) Avoiding or diminishing a reduction in Turnover or Gross Revenue that would, but for the additional costs being incurred, have taken place during the Indemnity Period.
- (b) Resuming or maintaining any normal operation or service of the Business during the Indemnity Period.

However, this insurance does not apply to costs otherwise recoverable under this Policy, or any costs incurred in the reinstatement of physically Damaged property other than those incurred in the reconstitution of records.

Turnover' has the same meaning as in the Gross Profit Insured Interest. 'Gross Revenue' has the same meaning as in the Gross Revenue Insured Interest.

BOOK DEBTS

This insurance covers the sum that the Insured is unable to recover from customers who purchase goods or services on a credit basis due to the Insured's accounting or other business records being Damaged anywhere in New Zealand. The amount payable as indemnity will be the difference between:

- ♦ the total amount of debit balances in customer's accounts due to the Insured and outstanding as at the date of Damage; and
- ♦ the total of all amounts in respect thereof that can be established during the 12 months after the occurrence of the Damage as owing by customers, subject to an equitable allowance for bad debts or any abnormal condition of trade that had or could have had a material effect on the Business.

CLAIM PREPARATION COSTS

This insurance covers costs reasonably incurred by the Insured for assessing and preparing any valid claim under the Insured's Material Damage and Business Interruption insurance in respect of loss resulting from the Damage.

FINES OR DAMAGES

This insurance covers fines or damages incurred by the Insured for breach of contract. The amount payable as indemnity will include all sums that the Insured becomes legally liable to pay as fines or damages, in sole consequence of the Damage, for non-completion or late completion of orders.

REDEPLOYMENT COSTS

Where, in consequence of Damage, the Insured elects to permanently re-deploy employees at any alternative site, this insurance will cover costs reasonably incurred by the Insured in the necessary relocation of employees for that purpose. The insured costs will include all such costs as the Insured would normally incur or reimburse to employees when transferring them and their families to different places of permanent residence for the purpose of the Business.

SEVERANCE AND REDUNDANCY PAYMENTS

This insurance covers all payments that the Insured elects to make to its employees whose services are terminated as a result of Damage.

CONDITIONS

GENERAL CONDITIONS APPLICABLE TO SECTIONS 1 AND 2

APPLICATION OF MEMORANDA

Where the terms of any Memorandum attaching to this Policy are inconsistent with any other terms of the Policy, the terms of the Memorandum will prevail. Where the terms of any Memorandum are inconsistent with the terms of any other Memorandum, the terms most favourable to the Insured will prevail.

Where the Schedule states that a Memorandum is subject to a special limit or other special provision, the limit or provision will apply to that Memorandum but not to loss that would be covered under the Policy without the Memorandum.

CANCELLATION

(a) **By the Insured**

The Insured may cancel this Policy at any time with immediate effect by giving written notice to the Company. The Company will then retain a pro-rata proportion of the premium (subject to any adjustment required by the terms of this Policy) for the time during which the Policy has been in force, and will refund the unearned balance to the Insured.

(b) **By the Company**

The Company may cancel this Policy at any time by giving written notice to the Insured or to the Insured's broker. The notice must be delivered personally or by a method that requires confirmation of delivery. The cancellation will take effect at 4 p.m. on the 45th day after the notice has been delivered. The Company will then refund a pro-rata proportion of the premium to the Insured, subject to any adjustment required by the terms of this Policy.

DEDUCTIBLE

Each loss or series of losses arising out of one Event will be adjusted separately. The adjusted loss will be net of salvage and other recoveries. From each adjusted loss the amount specified in the Schedule will be deducted.

FRAUD

If the Insured or anyone acting on behalf of the Insured makes any claim that is in any respect fraudulent, or makes any false declaration in support of any claim, or uses any other fraudulent means or devices to obtain benefit under this Policy, all benefit in respect of that claim will be forfeited. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

GOODS AND SERVICES TAX

Where the Insured is liable to pay GST on receiving any indemnity payment under this Policy, the Company will reimburse the Insured for the cost of that tax. The reimbursement will be made in addition to the indemnity otherwise payable and will not be subject to any sum insured or other limit of the Company's liability. For the purpose of this clause, 'GST' means tax payable under Section 5(13) of the Goods and Services Tax Act 1985, or under any statutory amendment to or re-enactment of the Section or Act.

MISREPRESENTATION

This Policy is voidable in the event of the misrepresentation or non-disclosure of any material fact. However, the insurance will not be prejudiced by:

- (a) any innocent misrepresentation of property or occupancy; or
- (b) any act or omission of the occupier whereby, without the Insured's knowledge or consent, the risk of loss or damage to property not occupied by the Insured is increased.

The Insured's Insurance Manager (or equivalent) must give notice to the Company immediately upon becoming aware of any such event and the Insured must pay an appropriate additional premium if required. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

MUTUALLY ACCEPTABLE ADJUSTERS

Where the Company wishes to appoint any loss adjuster or assessor in respect of any claim under this Policy, the appointee must be mutually acceptable to the Company and the Insured.

NATURAL DISASTER DEFINITION

Wherever the words 'Natural Disaster' and/or 'Earthquake' appear in the Schedule, Policy Wording, Schedule of Property Values and/or any Endorsement they mean physical loss or physical damage directly or indirectly caused by;

- (a) Earthquake, tsunami, volcanic activity, or hydrothermal activity;
- (b) Landslip and subsidence (except where modified by Memoranda or Endorsement);
- (c) Fire following any perils shown in (a) or (b).

NEW ZEALAND POLICY

This Policy is to be governed by and construed in accordance with the laws of New Zealand, whose courts will have sole jurisdiction over any legal action arising out of or in connection with this Policy.

OBSERVANCE

The Insured's observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with, and the truth of statements made by the Insured in writing, are conditions precedent to the Company's liability under this Policy. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy. Breach of this condition without the Insured's knowledge will not invalidate the Policy, but the Insured's Insurance Manager (or equivalent) must advise the Company immediately upon becoming aware of it. The Insured agrees to pay an appropriate additional premium if required.

OTHER INSURANCE

If, at the time of any claim arising under this Policy, there is any other valid and collectable insurance covering all or part of the same loss, this Policy will apply only to the amount of any loss in excess of that recoverable under the other insurance. This condition does not apply where the other insurance is 'excess' insurance expressly intended to provide a layer of cover in excess of that provided under this insurance.

The amount of loss excluded from this Policy by reason of any other insurance will not be cumulative upon the amount of loss excluded from the Policy by application of any Deductible; other insurance being permitted on loss within the Deductible.

REASONABLE PRECAUTIONS

The Insured must make reasonable endeavours to maintain any fire protection or security equipment or installations in accordance with the manufacturer's recommendations; and must take reasonable precautions against loss or damage as insured under this Policy.

REINSTATEMENT OF AMOUNT

In the event of loss for which a claim is payable under this Policy, and in the absence of written notice by the Company or the Insured to the contrary, any amount of insurance cancelled by the loss will be automatically reinstated. The Insured agrees to pay such pro rata premium at the applicable rate as may be required for the reinstatement.

This condition does not apply to loss from Natural Disaster.

SUBROGATION

Where, upon accepting liability for a claim under this Policy, the Company is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation, the Insured must, at the Company's expense, do and concur in doing and permit to be done anything reasonably required by the Company for the purpose of enforcing that right.

The Insured must comply with this condition when required, whether before or after having been indemnified by the Company. The Company will not exercise subrogation against any person or corporation insured under this Policy, or against any employee of the Insured unless the employee has caused the loss or damage wilfully.

CONDITIONS APPLICABLE TO SECTION 1 ONLY

CLAIMS

On becoming aware of any event giving or likely to give rise to a claim on this Policy, the Insured must:

- (a) take prompt steps to minimise the loss or damage;
- (b) take reasonable steps to protect the property from further loss or damage;
- (c) immediately notify the Company;
- (d) if a criminal act is suspected, inform the police.

As soon as practicable after any event from which a claim arises, the Insured must submit full particulars of the claim in writing to the Company and, at its own expense, provide the Company with any reasonably required proof and information in respect of that claim.

PROGRESS CLAIM PAYMENTS

Where loss or damage has given rise to a valid claim on this Policy, the Company will make progress claim payments on production of acceptable evidence of insured loss. If the aggregate of progress payments exceeds the total amount of loss as finally adjusted, the Insured will immediately refund the difference to the Company.

SALVAGE

The Company may enter any building where Insured Property has been damaged and may take and keep possession of the damaged property providing the Insured has been fully indemnified for the damage. The Insured will not be entitled to abandon any property to the Company. The Company may deal with the salvage in any reasonable manner, but will not sell or otherwise dispose of salvaged branded goods without the Insured's consent. If the Insured declines to give consent, the Insured will retain possession of the salvaged goods and their reasonable salvage value will be deducted from the amount of claim that would otherwise be payable. Where it is practical to remove brands labels or other marks, that identify the goods as supplied by the Insured, the salvage value of the goods will be determined after such removal at the Company's expense.

CONDITIONS APPLICABLE TO SECTION 2 ONLY

ACCUMULATED STOCKS

Where any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks, an equitable allowance will be made for this in the adjustment of the loss.

CLAIMS

Upon becoming aware of any Damage, the Insured must:

- (a) immediately notify the Company;
- (b) use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption to or interference with the Business and to avoid or diminish the loss;
- (c) as soon as is practicable, deliver to the Company a statement in writing of any claim certified by the Accountant, whose reasonable fee will be paid by the Company, with all particulars and details reasonably practicable of the loss;
- (d) produce and furnish all records, information, explanations, evidence and facilities as may reasonably be required for investigation and verification of the claim and, if required, a statutory declaration in verification of the particulars.

The term 'Accountant' under this condition means an accountant or adjuster whose qualifications are acceptable to both the Company and the Insured, and is appointed by both the Company and the Insured.

PROGRESS CLAIM PAYMENTS

Where Damage has given rise to a claim under this Policy, the Company will make progress claim payments on production of a statement of claim certified by the Accountant appointed in accordance with the 'Claims' condition of this Policy.

WINDING UP AND CESSATION OF INTEREST

The insurance provided under this Policy will cease if, for any reason other than Damage:

- (a) the Business is wound up or carried on by a liquidator or receiver or is permanently discontinued; or
- (b) the Insured's interest ceases;

at any time during the Period of Insurance, unless its continuance is agreed by the Company. For the purpose of this condition, each of the Insured (if more than one) will be treated as if issued with a separate policy.

MEMORANDA

GENERAL MEMORANDA APPLICABLE TO SECTIONS 1 AND 2

MORE THAN ONE INSURED

Where this Policy is to the benefit of more than one Insured:

- (a) the Insured first named in the Schedule will be responsible for payment, on behalf of all Insureds, of any premium due or that may become due in terms of this Policy;
- (b) the Company's obligation to make any payment to the Insured in terms of this Policy will be discharged on making that payment to the Insured first named in the Schedule;
- (c) any notice, for which provision is made in this Policy, given by or given to the Insured first named in the Schedule will be deemed sufficient notice by or to all Insureds.

RECOVERY APPORTIONMENT

If the Company, having exercised its right of subrogation, recovers any part or all of a loss in respect of which a claim has been paid or is payable under this Policy, the amount so recovered will be apportioned as follows:

- (a) The Insured will be fully reimbursed for the uninsured portion of the loss, excluding that portion of the loss that is uninsured by reason of a Deductible.
- (b) Any remaining balance will be apportioned between the Insured and the Company in the ratio of their respective losses; the loss to the Insured being that portion of the loss that is uninsured by reason of any Deductible, and the loss to the Company being the amount of its actual payment under the Policy.

The expenses of all recovery proceedings will be apportioned in the ratio of respective recoveries. If no recovery is made, proceedings conducted solely by the Company will be at its own expense.

No recovery to which this Memorandum applies will be taken into account in determining the amount of 'adjusted loss' for the purpose of the Deductible condition of this Policy.

RENEWAL TERMS

If the Company intends to refuse renewal of this Policy, or to offer renewal on any terms less favourable to the Insured than those applying during the current Period of Insurance, the Company must give the Insured 30 days notice of that intention. If the current Period of Insurance expires before the end of 30 days after the notice has been received by the Insured, the Period of Insurance will, if the Insured so requires, be extended to expire at the same time as the period of notice. In the event of such an extension, the Insured will pay a pro rata proportion of the premium for the extended Period of Insurance.

WAIVER OF RECOVERY RIGHTS (GROUP COMPANIES)

Where the Insured is a parent or subsidiary in a group of related companies, this insurance will not be invalidated by reason of the Insured waiving or having waived any right of recovery it may have against any other company in the same group. 'Subsidiary Company' means a company, more than half the nominal value of whose equity share capital is owned by a parent company either directly or through other subsidiaries; and a group of related companies means a group of companies related to one another by virtue of such ownership.

WAIVER OF RECOVERY RIGHTS (BY AGREEMENT)

This insurance will not be invalidated by reason of the Insured having waived any right of recovery or indemnity against any other party to a contract or agreement with the Insured in the ordinary course of business, but only where:

- (a) the contract or agreement is not for the supply of goods or services by the Insured; and
- (b) the waiver was made in writing before the loss occurred.

In addition, this insurance will not be invalidated by reason of the Insured having waived any right of recover required by legislation or by contractual agreement against the Crown; any government corporation; any municipal or local authority; the New Zealand Fire Service commission; any fire protection equipment supplier approved by the Insurance Council of New Zealand Inc; any lift maintenance engineers; any oil company; any party storing goods for, or leasing property to, the Insured; or any other party to an agreement which has been declared to and accepted by the Insurer.

MEMORANDA APPLICABLE TO SECTION 1 ONLY

ALTERNATIVE RESIDENTIAL ACCOMMODATION

Where any residential accommodation insured by this Policy is made uninhabitable by damage for which a claim is payable under the Policy, this insurance extends to cover the reasonable cost of alternative accommodation necessarily incurred by the Insured or by the occupant (being an employee of the Insured) provided that:

- (a) the cost is not otherwise insured;
- (b) the period for which the costs are covered will be limited to the period reasonably required for reinstatement of the affected accommodation;
- (c) the Company may deduct a reasonable allowance for costs reduced or avoided as a result of the accommodation being uninhabitable.

CAPITAL ADDITIONS

Subject to the additional conditions set out below, this Policy extends to cover property (including, but not limited to, alterations, additions and improvements to existing property) situated anywhere in New Zealand and acquired by the Insured during the Period of Insurance.

Additional Conditions

1. This extension of cover does not apply to stock, or property of any kind expressly excluded from this insurance, or any appreciation of value that is not due to a physical alteration, addition or improvement.
2. Cover under this extension takes effect on each acquired property when the risk in the property passes to the Insured.
3. At the end of the Period of Insurance, or at earlier intervals if the Insured prefers, particulars of each property acquired during the Period of Insurance must be given to the Company. On receipt of those particulars:
 - (a) the Company will be entitled to charge an additional premium calculated pro rata from the date on which cover commenced, and
 - (b) if the Period of Insurance has not yet expired, the terms of this extension will be fully reinstated.
4. If any Reinstatement conditions are incorporated in this Policy, and unless the Insured gives notice to the contrary, the insurance on property covered under this extension will be subject to those conditions.

Amount Payable

The cover provided by this Memorandum is not limited by anything contained within any limit of liability or margin clause. The Special Limit stated in the Schedule is in addition to any Section 1 Sum Insured stated in the Schedule unless stated otherwise.

CLAIMS ASSESSMENT

This Policy extends to cover costs, including but not limited to fees, reasonably incurred by or on behalf of the Insured for the purpose of assessing or preparing any valid claim made under this Policy. The costs are included in the sum insured on the lost or damaged property. Such costs include but are not limited to salaries, wages, overheads and other related expenses of the Insured's employees.

CONSTRUCTIVE TOTAL LOSS

Where the Insured is prevented from reinstating any Insured Property by sole reason of any Law, the Insured Property will be deemed for all purposes of this Policy to have been destroyed. For the purpose of this clause, 'Law' means any statutory, regulatory or code requirement imposed by the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.

CONTRACTUAL VALUE

Where Insured Property to which the Reinstatement Memorandum would apply is the subject of a lease, rental, hire or similar agreement which requires the Insured to insure and/or be responsible for the property at an agreed value, the basis on which the amount payable under this Policy shall be the agreed value as stipulated in the lease, rental or hire agreement.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$10,000 unless stated otherwise in the Schedule. Any limitation stated here or in the Schedule does not apply to subsequent loss or damage not otherwise excluded or to loss that would be insured in the absence of this Memorandum.

DEMOLITION AND OTHER COSTS

This Policy extends to cover costs necessarily incurred for any of the following purposes in consequence of loss or damage by an insured peril.

- (a) Demolition, dismantling, shoring up or propping of the Insured Property.
- (b) Disposal of debris (including any kind of solid, liquid or gaseous matter, and whether or not the debris is part of the Insured Property), and the clearing, cleaning and repairing of gutters, drains and the like.
- (c) Recovery, defence, safeguard, removal, storage, and return of stock, plant and other chattels whether damaged or undamaged.
- (d) Temporary repairs and other measures necessary to secure the property or to make it safe or suitable for continued use.

This extension of cover does not include any sums that the Insured becomes legally liable to pay by way of compensation or other damages consequent upon pollution or contamination of property by any of the debris.

EARTHQUAKE - RESIDENTIAL PROPERTY

(Natural Disaster Damage - Limitation)

Whereas:

- (a) the Insured has compulsory natural disaster cover under the Act (Natural Disaster Cover); and
- (b) the Natural Disaster Cover applies to EQC Residential Property;

then, in the event of any EQC Residential Property insured by this Policy suffering Natural Disaster Damage during the Period of Insurance and covered by Natural Disaster Cover, the Company's liability under this Policy will be limited to the amount of loss in excess of the Natural Disaster Cover, subject otherwise to the terms of this Policy except that the Deductible Amount will only apply to the extent that it exceeds the amount of Natural Disaster Cover. For the purpose of this clause, the Natural Disaster Cover is deemed to include the amount of 'excess' imposed by the terms of that cover.

Any amount payable under the Act for EQC Residential Property for the same Event and the same Insured Property will be deducted from the sum insured for the damaged property. The Company's liability will be limited to the amount of loss in excess of the Natural Disaster Damage cover.

The Insured's Natural Disaster deductible payable for any claim will be reduced by any amount payable under the Earthquake Commission Act for the same event and the same insured property.

Definitions

The 'Act' means the Earthquake Commission Act 1993 and any statutory amendment to or replacement of that Act.

'EQC Residential Property' means that property that is covered by the relevant sections of the Act.

'Natural Disaster Damage' has the meaning given to it in the Act.

ELECTRIC CURRENT DAMAGE

Section 1 of this Policy is extended to cover damage to Insured Property caused by the actual burning out of any part of the property by artificially generated electric current. The Company will not be liable under this extension for damage to lighting or heating elements; fuses or protective devices; or electrical contacts at which sparking or arcing occurs in ordinary working.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$10,000 unless stated otherwise in the Schedule. Any limitation stated here or in the Schedule does not apply to subsequent loss or damage not otherwise excluded.

EMPLOYEES AND DIRECTORS EFFECTS

Employees' and directors' personal effects (including Money as defined in the Money Memorandum, if included in this insurance) are deemed to be included in the description of Insured Property as if they were owned by the Insured, but only while the effects are in or about premises owned or occupied by the Insured, or elsewhere while being worn, kept, carried or used by employees acting in the course of their employment with the Insured or by directors acting in the course of their duties as directors of the Insured. This Memorandum will not operate to the benefit of any person who is otherwise insured.

EXPEDITING COSTS

Where a claim is payable under this Policy for the cost of repairing or replacing any of the Insured Property, the Company will also indemnify the Insured for such additional costs of express freight, air freight and overtime labour as are reasonably incurred for the purpose of expediting that repair or replacement.

GENERAL AVERAGE

This insurance extends to include General Average and Salvage charges payable according to Foreign Statement or to York Antwerp Rules if in accordance with the contract of affreightment. This extension of cover is not subject to any Deductible.

GRADUAL DAMAGE

Section 1 of this Policy covers physical loss or damage – unintended and unforeseen by the Insured – during the Period of Insurance to Insured Property due to gradual damage, mildew, mould or rot caused by water that leaks, overflows or is discharged from any internal piping or water system (including but not limited to any permanently connected water pipe, waste disposal pipe, water cylinder or water storage tank), installed at the premises.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$10,000 any one Event unless otherwise stated in the Schedule.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

HAZARDOUS SUBSTANCE EMERGENCIES

The Company will indemnify the Insured for any charge that the New Zealand Fire Service is authorised to make against the Insured in respect of any Hazardous Substance Emergency arising out of or in connection with any Insured Property during the Period of Insurance. The indemnity will be payable regardless of whether the Insured Property has been damaged. 'Hazardous Substance Emergency' has the same meaning as defined in the Fire Service Act 1975 or any statutory amendment to or replacement of that Act.

LANDSLIP

This Policy extends to cover physical loss or damage – unintended and unforeseen by the Insured – directly or indirectly caused by or resulting from landslip.

LOST OR STOLEN KEYS

If, during the Period of Insurance, any key (or equivalent device) or combination giving access to Insured Property is lost, stolen or believed on reasonable grounds to have been duplicated without proper authority, this Policy extends to cover the costs reasonably and necessarily incurred in altering or replacing locks and their keys or combinations. This Policy also extends to cover the reasonable cost of opening any safe or strongroom following theft or loss of its key or combination.

MONEY

Subject to the definitions and additional exclusions set out below, this Policy extends to cover Money as follows:

Section A

Money in transit anywhere in New Zealand; Money at the Insured's business premises or sites of contract during Business Hours; Money in a securely locked safe or strongroom outside Business Hours.

Section B

Money at the Insured's business premises outside Business Hours and not in a securely locked safe or strongroom; Money at the residential premises of the Insured or any Principal or authorised employee of the Insured.

Definitions

'Money' means current coin, bank and currency notes, cheques, postal notes, travellers cheques, money orders, unused postage stamps, franking machine credits, tickets, redeemable vouchers and tokens, and other negotiable instruments.

'Business Hours' means any hours during which the Insured or any Principal or any employee entrusted with the care custody or control of Money is on the premises for the purpose of the Insured's business.

'Principal' means any of the Insured's directors and executive officers, but only in their capacity as such.

Additional Perils Insured

The Policy is further extended, if necessary, to cover loss of or damage to Money:

- (a) directly caused by or resulting from earthquake.
- (b) directly resulting from theft of any kind not expressly excluded from cover under this Memorandum.

Additional Exclusions

The extension of cover provided by this Memorandum is subject to the following additional exclusions.

- 1. Loss due to errors in receiving or paying out.
- 2. Loss or damage occurring while the Money is entrusted to any person other than the Insured, or any Principal, or any employee or agent of the Insured, or any professional Money carrier, or any courier.
- 3. Loss directly resulting from theft or fraud by any of the Insured's employees. However, this exclusion does not apply to loss discovered within 72 hours (excluding the hours of any Saturday, Sunday or other public holiday) of the act of theft or fraud.
- 4. Loss covered under any valid and collectable Fidelity Guarantee (or equivalent) insurance.
- 5. Loss resulting from payment of Money in exchange for any cheque that is subsequently dishonoured.

OTHER INTERESTS

Where the Insured has agreed to insure the interest of any person or corporation having an insurable interest in any of the Insured Property, the Company will indemnify the Insured and that person or corporation subject to the terms of this Policy as if a separate policy had been issued to each. However:

- (a) the Company will not be liable to indemnify any person or corporation whose interest has not been declared to the Company by the time indemnity becomes payable, although such declaration is not required for any contractor or subcontractor required to be a co-insured to the extent required by any contract; and
- (b) the Company's liability will not be increased beyond the amount that would be payable if this Memorandum had not been incorporated in the Policy.

PROFESSIONAL FEES

This Policy extends to include all professional fees, clerk of works' and inspectors' salaries and wages, and other costs reasonably incurred in connection with the reinstatement of Insured Property lost or damaged by an insured peril. The insured fees, salaries, wages and costs are included in the sum insured on the Insured Property. This extension of insurance does not cover fees for preparing claims made under the Policy.

PROTECTION COSTS

The Company will indemnify the Insured for any costs reasonably incurred by the Insured for the purpose of, and for damage directly resulting from, fighting or controlling any insured peril that involves or threatens to involve Insured Property.

RECORDS

The Insured Property is deemed to include documents, manuscripts, computer system media, business books, microfilm, technical drawings and other records for their value as materials plus the cost of collecting and reproducing the information on them. The value of the information is not insured.

REDUNDANT FOUNDATIONS

Where the foundations of any building or plant are made redundant for any reason in consequence of insured damage to the property resting on them and, if the value of the foundations is reduced as a result, the loss of value will be deemed to be loss by physical damage for the purpose of claims under this Policy.

If it is not necessary to demolish the foundations in order to reinstate damaged property, and if the presence of the abandoned foundations increases the market value of the property to which they are fixed, the amount of increase will be treated as salvage in the adjustment of loss for claim settlement purposes.

REDUNDANT PLANT

Where, in sole consequence of loss or damage to any plant insured by this Policy, any undamaged or salvaged:

- (a) plant in the same interdependent system or line; or
 - (b) spare parts held exclusively for the lost or damaged plant or other plant in that system or line;
- are rendered redundant, the redundant plant and parts will be treated for the purpose of this insurance as lost by the same event that caused the physical loss or damage. Claims payable under this Memorandum will be net of any realisable salvage value of the redundant plant and parts.

REDUNDANT STOCK

This Policy extends to cover any reduction in the value of undamaged stock that has deteriorated or become unusable by the Insured for any reason whatsoever in sole consequence of loss or damage by an insured peril to any other Insured Property.

REFRIGERATED GOODS

This Policy extends to cover:

- (a) damage to goods stored in refrigerated cabinets or chambers arising from accidental stoppage or malfunction of refrigerating plant from any cause whatsoever except as provided below.
- (b) costs reasonably incurred to avoid or minimise the damage by transferring the threatened goods to alternative storage or by other means.

Special Provisions

1. The words 'goods stored' are deemed to include goods anywhere on the premises at the time of the loss causing event and that would, but for the event, have been placed in the refrigerated cabinets or chambers.
2. In respect of loss due to the disconnection of the public electricity supply, this extension only covers the loss where the electricity supplier has given less than 24 hours prior notice of the disconnection.

REINSTATEMENT

In so far as it can, this Memorandum applies to all Insured Property other than stock unless otherwise provided.

In the event of any Insured Property to which this Memorandum applies being lost or damaged, the basis on which the amount payable under this Policy is to be calculated will be the cost of Reinstatement of that property. Insurance under this Memorandum is subject to the Special Provisions set out below.

Definitions

In this Memorandum, and unless the context requires otherwise:

- (a) 'Reinstatement' means:
 - 1) where property is lost or Destroyed, its replacement by an Equivalent Building or by Equivalent Plant as the case may require.
 - 2) where property is damaged but not Destroyed, the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new, and including any alterations that may be necessary to comply with any Law.
- (b) 'Equivalent Building' means:
 - 1) a building or structure that is as nearly as practicable the same as the building or structure lost or Destroyed, using currently equivalent materials and techniques and incorporating such alterations as are necessary to comply with any Law.
 - 2) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph (b) 1) can be constructed; a building or structure that is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the building or structure lost or Destroyed.
 - 3) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph (b) 1) is suitable to the Insured's reasonable requirement, a building or structure that is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the building or structure lost or Destroyed.
- (c) 'Equivalent Plant' means any plant or equipment as nearly as practicable the same as or equivalent to the plant or equipment lost or Destroyed, having regard to the current state of technology, and having an equivalent capacity to that of the lost or Destroyed plant or equipment, but not greater capacity unless plant or equipment with an equivalent capacity is not available and the replacement plant or equipment has the nearest to an equivalent capacity. For the purpose of this definition only, 'plant and equipment' means Insured Property other than stock or any Equivalent Building.
- (d) 'Destroyed' means so damaged by an insured event that the property, by reason only of that damage, cannot be repaired.
- (e) 'Site' means any parcel of land owned or occupied by the Insured.

- (f) 'Law' means any statutory, regulatory or code requirement imposed by the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.
- (g) 'Undamaged' means not damaged physically and directly by an event insured under this Policy.

Special Provisions

1. Compliance With Law

The amount payable under this Memorandum will include the cost incurred in Reinstatement that is necessary to comply with any Law; provided that the amount payable will not include any such cost:

- (a) to the extent to which the work had already been required of the Insured by notice served prior to the happening of the loss or damage; or
- (b) in respect of Undamaged property or Undamaged portions of property other than foundations (unless foundations are expressly excluded from insurance under this Policy).

Special Provision 1(b) will apply whether or not the Undamaged property or portion comprises a separate building or structure or a separate item of plant or equipment.

2. Site of Reinstatement

Where property is Destroyed, the work of Reinstatement must be carried out on the same Site; provided that the work may be carried out upon any other Site:

- (a) where Reinstatement on the same Site is not permissible by reason of any Law, or
- (b) where Reinstatement on the same Site is not suitable to the Insured's reasonable requirement.

3. Limitations on Amount Payable

- (a) Where the work of Reinstatement is carried out in terms of Definition (b) 2) or (b) 3), or on any location other than the original location, the Company's liability in respect of the cost of Reinstatement will not exceed the cost that would have been incurred had Reinstatement been carried out in terms of Definition (b) 1) on the original location.
- (b) Where the Insured Property is damaged but not Destroyed, the Company's liability will not exceed the amount the Company could have been called upon to pay for Reinstatement if the property had been Destroyed.
- (c) The Company's liability under this Memorandum in respect of any item of Insured Property will not exceed the sum insured in respect of that item.

4. Circumstances Where This Memorandum Does Not Apply

No payment, beyond the amount that would have been payable had this Memorandum not been incorporated in the Policy, will be made:

- (a) if the Insured elects not to Reinstatement the property;
- (b) if the work of Reinstatement is not commenced and carried out with reasonable despatch;
- (c) until the cost of Reinstatement has been actually incurred;
- (d) where a building or structure is damaged, but not Destroyed, and the repair of the damage is not permissible by reason of any Law, or by reason of the condition of the Undamaged portion of the property.

Where, by reason of any of these circumstances, no payment is to be made beyond the amount that would have been payable if this Memorandum had not been incorporated in the Policy, the rights and liabilities of the Insured and the Company in respect of the loss or damage will be the same as if this Memorandum had not been incorporated in the Policy.

5. Rates, Tax and Other Charges

The amount payable under this Memorandum will not include the amount of any rate, tax, duty, development charge, or any other charge or assessment arising out of capital appreciation, that may be payable in respect of the property by reason of compliance with any Law.

REWARDS

This Policy extends to cover the cost of any reward paid by the Insured for the purpose of protecting or recovering any of the Insured Property, provided that:

- (a) no payment will be made unless it contributes to the protection or recovery of the property;
- (b) the terms of the reward are agreed by the Company prior to the reward being offered;
- (c) the liability of the Company is not increased beyond the sum insured on that property.

The Company will not unreasonably withhold its agreement to the terms of the reward.

SOCIAL CLUB PROPERTY

The property of any pension fund, social club, sports club, or similar entity, whose activities are principally for the benefit of the Insured's employees, is deemed to be included in the description of Insured Property as if it were owned by the Insured.

SUBSIDENCE

This Policy extends to cover loss or damage to any of the Insured Property consequent upon sudden and unforeseen subsidence of land beneath or adjacent to the property. For the avoidance of doubt, the Policy does not extend to cover loss or damage consequent upon the normal settling, shrinkage, or expansion of any building or its foundations.

TEMPORARY REMOVAL

Section 1 of this Policy is extended to cover the Insured Property other than stock while temporarily removed elsewhere on the same premises or to other premises anywhere in New Zealand and in transit to and from those premises. In this Memorandum, 'temporarily removed' means removed for a particular purpose, with the intention that the property be returned to the place from which it has been removed once the purpose has been served.

The amount recoverable under this extension in respect of the property so removed will not exceed the amount which would have been recoverable had the loss occurred in that part of the premises from which the property is temporarily removed.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

THEFT

The words "from any enclosed building" are deemed to be deleted from wherever they appear in this Policy and replaced by "from any enclosed building, enclosed yard (being a yard fully enclosed by a security fence no less than two metres in height with security gates fitted with a suitable locking device), shipping container or locked vehicle".

TRANSIT

This Policy extends to cover Insured Property while in transit anywhere in New Zealand outside premises owned or occupied by the Insured, and while in transit between New Zealand ports.

In respect of goods destined for transit beyond New Zealand, cover under this Policy ceases at the time the goods pass over the ships rail or through air transport loading doors for overseas transit from any New Zealand port or airport, or at the time the Insured's interest in the goods has ceased at a point of sale, whichever is the earlier.

UNHARMED PROPERTY

If, for the sole purpose of reinstating Insured Property damaged by an insured peril, it is necessary to demolish, damage or remove any property or part unharmed by that peril, the Company will indemnify the Insured for the cost of doing so. The Company will also indemnify the Insured for the cost of reinstating the property or part to a condition the same as, but not better nor more extensive than, its condition immediately prior to the demolition, damage or removal.

The indemnity provided by this Memorandum will not increase the Company's liability beyond the sum insured on the property damaged by the insured peril.

UNLAWFUL SUBSTANCES

Section 1 of this Policy extends to include any loss or damage, unintended and unforeseen by the Insured that occurs during the Period of Insurance to a unit that is tenanted, consequent upon the manufacture, storage or distribution of methamphetamine or any controlled drug as defined in the Misuse of Drugs Act 1975.

Provided that no claim is payable under this Memoranda for any Residential Building unless the Residential Landlord Obligations have been met. "Residential Building" has the meaning given to it in the Earthquake Commission Act 1993.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed \$100,000 during the Period of Insurance, unless stated otherwise in the Schedule.

Residential Landlord Obligations

The Insured or the person who manages the Residential Building tenancy on the Insured's behalf, must:

- (a) Exercise reasonable care in the selection of tenant(s) by at least obtaining a satisfactory written or verbal references; and
- (b) Complete an internal and external inspection of the property at a minimum of four monthly intervals and upon every change of tenant(s); and
- (c) Keep a written record of the outcome of each inspection, and provide to the Company a copy of the record if the Company requests it; and
- (d) Monitor rents on a weekly basis with written notification being sent to the tenant(s) whenever rent is 14 days in arrears, together with a personal visit to determine if the tenant(s) remain in residence; and
- (e) Make application to the Tenancy Tribunal for vacant possession in accordance with the provisions of the Residential Tenancies Act 1986 once the rent is 21 days in arrears.

UNSPECIFIED LOCATIONS

Notwithstanding anything to the contrary in the Limit of Liability clause attaching to this Policy, Section 1 of this Policy extends to cover Insured Property at any unspecified location used by the Insured anywhere in New Zealand.

For the purpose of this Memorandum, 'unspecified location' means any location not specified in the Schedule of Assets or other declaration of property values.

The Company's liability under this Memorandum under Section 1 of this Policy will not exceed the lesser of 5% of the Section 1 total Sum Insured or \$100,000 any one Event, unless stated otherwise in the Schedule. This amount is included within the Section 1 total Sum Insured and is not additional to it. This amount does not apply to any property deemed temporarily removed under the Temporary Removal Memorandum.

This Memorandum does not apply in addition to any Anywhere in New Zealand cover stated in the Schedule of Assets or other declaration of property values. This Memorandum does not remove the Insured's obligation to disclose all locations and values on the Schedule of Assets or other declaration of property values. This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

MEMORANDA APPLICABLE TO SECTION 2 ONLY

DEFERMENT OF THE INDEMNITY PERIOD

Subject to the following, the Insured may elect to defer the commencement of the Indemnity Period for a period of up to 12 months:

- (a) the period of deferment being no greater than the length of the Indemnity Period; and
- (b) the Company having not paid any claim (other than for the reconstitution of records or for Claims Preparation Costs) under any Section 2 insured interest subject to the Indemnity Period.

Where the Insured elects to defer the commencement of the Indemnity Period and meets the conditions above, when used with any Section 2 insured interest the words "beginning with the occurrence of the Damage" are deemed to be deleted from the Indemnity Period description in the Schedule and replaced by "beginning when elected by the Insured (but not before the occurrence of the Damage)".

DEPENDENCY

Loss, as insured by this Policy and resulting from any of the following, is deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

Damage to any property whatsoever but excluding any Maui or any other offshore Gas field:

- (a) at any place anywhere in New Zealand or Australia and occupied by any direct customer of the Insured;
- (b) at any place anywhere in New Zealand or Australia and occupied by any direct supplier of goods or services to the Insured;
- (c) at any port installation, railway warehouse or airport anywhere in New Zealand;
- (d) that prevents or hinders the public supply of water or gas or electricity to the terminal ends of the supplier's service feeders at the Premises;
- (e) that prevents or hinders the discharge of effluent from the Premises;
- (f) that prevents or hinders any telecommunication with the Premises.

For the purpose of any claim under this Memorandum, the Indemnity Period begins on expiry of the Waiting Period (if any). The Waiting Period is the period beginning with the occurrence of loss to which this insurance applies in consequence of the Damage and continuing for the period stated as the Waiting Period.

Unless stated otherwise in the Schedule, the Company's liability under the Dependency Memorandum in respect of reduction in Gross Profit/Revenue will not exceed 10% of the Gross Profit/Revenue sum insured.

Unless stated otherwise in the Schedule the Waiting Period under the Dependency Memorandum is 48 hours

MORE THAN ONE INSURED – INCREASED COSTS

Where, for the purpose of avoiding or diminishing a reduction in Turnover or Gross Revenue, goods or services are purchased from another Insured, the reasonable full price of the goods or services (less any discount normally allowed) will be taken into account for the purpose of adjusting a claim as though the goods or services were purchased during the course of normal business.

PREVENTION OF ACCESS

Loss, as insured by this Policy and resulting from Damage to any property within ten kilometres of the Premises, that prevents or hinders the use of or access to the Premises will be deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

For the purpose of any claim under this Memorandum, the Indemnity Period begins on expiry of the Waiting Period (if any). The Waiting Period is the period beginning with the occurrence of loss to which this insurance applies in consequence of the Damage and continuing for the period stated as the Waiting Period.

Unless stated otherwise in the Schedule, the Company's liability under the Prevention of Access Memorandum in respect of reduction in Gross Profit/Revenue will not exceed 10% of the Gross Profit/Revenue sum insured,

Unless stated otherwise in the Schedule the Waiting Period under the Prevention of Access Memorandum is 24 hours.

PUBLIC AUTHORITIES

The Public Authorities Memorandum is deemed to be deleted and replaced by the following:

Loss, as insured by this Policy, and resulting from any action of a public authority consequent upon:

- (a) Damage to any property whatsoever;
- (b) bodily injury to any person on or within ten kilometres of the Premises;
- (c) vermin, pests, fumes, escape of any hazardous material, defective sanitation or effluent system;

or threat or fear of any of them, is deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purpose of the Business.

For the purpose of any claim under this Memorandum, the Indemnity Period begins on expiry of the Waiting Period (if any). The Waiting Period is the period beginning with the occurrence of loss to which this insurance applies in consequence of the action of the public authority and continuing for the period stated as the Waiting Period.

Unless stated otherwise in the Schedule, the Company's liability under the Public Authority Memorandum in respect of reduction in Gross Profit/Revenue will not exceed 10% of the Gross Profit/Revenue sum insured.

Unless stated otherwise in the Schedule the Waiting Period under the Public Authority Memorandum is 24 hours.

TURNOVER OR OTHER INDEX

In the event of a claim under this Policy, adjustment may be based on Turnover or any other index of business activity (Alternative Index), whichever affords the more equitable result. Except in the definition of Turnover, the word 'Turnover' wherever used in this Policy is to be read as 'Turnover or Alternative Index'.

IMPOSED CLAUSES

ELECTRONIC DATA ENDORSEMENT (NMA 2915)

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils: Fire; explosion; lightning; windstorm; hail; tornado; cyclone; hurricane; earthquake; volcanic activity; tsunami; flood; freezing; weight of snow; impact by aircraft or other aerial objects dropped therefrom; impact by any road vehicle or animal; bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes; or theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data.

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs 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 such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

LIMIT OF LIABILITY

The Insured agrees to provide the Company with a Schedule of Assets at inception of the Period of Insurance. The Schedule of Assets will include the Insured's declaration of the value of property at each declared location. This Schedule of Assets is deemed part of this contract of insurance in respect of the assets and locations declared.

The basis of valuation will be the same as the basis of valuation for the purpose of loss adjustment under this Policy.

In the event of loss or damage under the Policy, the liability of the Company shall be limited to the least of the following:

- (a) The actual adjusted amount of loss within the coverage of the Policy, less any applicable deductible(s), or
- (b) 110% of the total stated value of each scheduled location or item of property insured as shown in the Schedule of Assets, less any applicable deductible(s) for all perils except for Natural Disaster where it is 100%.

In no event will this Limit of Liability endorsement increase the liability of the Company under this Policy.

MATERIAL DAMAGE – EXISTING DAMAGE

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

1. Damage caused by prior Occurrence

For the avoidance of doubt, this Policy does not cover loss, damage, cost or expense of whatever nature arising directly or indirectly from an occurrence predating the inception of this policy ("Prior Damage"). The burden of proving that any loss, damage, cost or expense arose directly or indirectly from any Occurrence during the Period of Insurance shall be on the Insured.

In the event that Prior Damage to Insured Property has not been repaired or reinstated at the date of an Occurrence during the Period of Insurance:

- (a) Where Insured Property was an actual or constructive total loss prior to the Occurrence during the Period of Insurance, this Policy does not cover loss, damage, cost or expense of whatever nature relating to that Insured Property.
- (b) In any other case, the amount that would have been required to repair any unrepaired Prior Damage, assessed at the date of settlement of the Claim, will be deducted when calculating the loss, damage, cost or expense arising directly or indirectly from the Occurrence.

2. Damage caused by successive Occurrences

Where there is Damage to Insured Property arising directly or indirectly from successive Occurrences during the Period of Insurance, and the damage arising directly or indirectly from an earlier Occurrence has not been repaired or reinstated at the date of a subsequent Occurrence, the amount payable under this Policy in respect of each Occurrence shall be calculated as follows:

- (a) Where Insured Property was an actual or constructive total loss prior to the subsequent Occurrence, this Policy does not cover loss, damage, cost or expense of whatever nature relating to that Insured Property arising directly or indirectly from the subsequent Occurrence.
- (b) In any other case, the amount that would have been required to repair any unrepaired damage arising directly or indirectly from an earlier Occurrence, assessed at the date of settlement of the Claim in respect of the subsequent Occurrence, will be deducted when calculating the loss, damage, cost or expense arising directly or indirectly from the subsequent Occurrence.

NATURAL DISASTER DEDUCTIBLES

This endorsement does not apply to EQC Residential Property as defined in the Earthquake – Residential Property clause of this Policy.

If this Policy includes Natural Disaster cover and unless stated otherwise in the Schedule, the Deductible Amount that will apply to a Natural Disaster Event will be as follows.

Where the loss arises from damage to Insured Property located on any Site within the Local Government Regions of Northland, Auckland, Waikato, Otago and Southland:

- (a) 1% of the Site Value, subject to a minimum Deductible of \$2,500
- (b) for Pre-1935 Risks, 5% of the Site Value, subject to a minimum Deductible of \$5,000.

Where the loss arises from damage to Insured Property located on any Site within the Local Government Region of Bay of Plenty:

- (a) 2.5% of the Site Value, subject to a minimum Deductible of \$2,500
- (b) for Pre-1935 Risks, 5% of the Site Value, subject to a minimum Deductible of \$5,000.

Where the loss arises from damage to Insured Property located on any Site within New Zealand, but not detailed above:

- (a) 5% of the Site Value, subject to a minimum Deductible of \$5,000
- (b) for Pre-1935 Risks, 10% of the Site Value, subject to a minimum Deductible of \$10,000.

Combined Material Damage and Business Interruption Loss

The deduction will be made from the combined Material Damage and Business Interruption loss arising from damage to Insured Property at the Site. If damage at more than one Site contributes to the same Business Interruption loss, then, for the purpose of the Deductible, the whole of the Business Interruption loss will be deemed to have arisen from the contributing Site at which the damage has been greatest.

Definitions

'Local Government Regions' means districts or regions as defined in the Local Government Act 2002 or any amending legislation.

'Pre-1935 Risks' means any building, and/or other property including stock located in any building that was constructed prior to 1935.

'Site' means a location of Insured Property as declared in a schedule of assets that the Insured has provided to the Company. If the Insured Property is not at a location so declared, 'Site' will mean a physical location where property is linked to achieve a common business purpose at that location.

'Site Value' means the insured value of all Insured Property located at the Site.

SANCTIONS

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

No Company shall be deemed to provide cover and no Company shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America, or New Zealand.

SEISMIC STRENGTHENING ENDORSEMENT SSE 812

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

Applicable to the Reinstatement Memorandum – Special Provisions

Notwithstanding anything in the Policy to the contrary, the amount payable under the Reinstatement Memorandum or otherwise under the Policy in respect of property that is damaged but not Destroyed shall not include any cost incurred in connection with the seismic strengthening of the property to a level greater than it was immediately prior to the occurrence of the damage.

For the avoidance of doubt, the Insured shall bear any costs incurred or necessary to comply with any seismic strengthening requirements of the Building Code or similar regulation, which result in an increase in the seismic strength or resistance of the property to a level greater than it was immediately prior to the occurrence of the damage.

For the purpose of this clause Destroyed means so damaged that the property by reason only of that damage cannot be repaired.

The fact that the Insured must incur seismic strengthening costs in order to obtain a building consent or otherwise in connection with the reinstatement of any damaged property shall be disregarded when assessing whether that property shall be deemed a total loss. Any provision in the Policy for Constructive Total Loss shall not apply.

All other provisions in the Policy concerning reinstatement and the basis of settlement continue to apply.

TRANSMISSION AND DISTRIBUTION LINES EXCLUSION

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

Excluding losses in respect of overhead transmission and distribution lines and their supporting structures other than those on or within 300 metres of the insured premises. It is understood and agreed that public utilities extension and/or suppliers extension and/or contingent business interruption coverages are not subject to this exclusion, provided that these are not part of a transmitters or distribution policy.

WAR & TERRORISM EXCLUSION (NMA 2918)

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. Any act of terrorism;

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured. In the event of any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

GENERAL LIABILITY POLICY

In consideration of the Insured having paid or promised to pay the required premium, and subject to the terms of this Policy, the Company agrees to indemnify the Insured as set out below.

INDEMNITY FOR DAMAGES

The Company will indemnify the Insured in respect of all sums that the Insured becomes legally liable to pay by way of compensation consequent upon:

- (a) accidental physical loss of or damage to any tangible property;
- (b) accidental loss of use of any tangible property not otherwise lost or damaged;
- (c) accidental death or bodily injury or illness (including shock, fright, mental anguish or mental injury) to any person;
- (d) false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, libel, slander, invasion of privacy, wrongful entry, wrongful prevention of access, assault or battery not committed by or at the direction of the Insured unless committed for the purpose of preventing or eliminating danger to any person or property, or any of them;

happening within the Territorial Limits specified in the Schedule during the Period of Insurance and resulting from Occurrences in connection with the Business.

The Company's liability under the Indemnity for Damages clause for all sums payable to all claimants in respect of any one Occurrence (or if so specified, in the aggregate in respect of all occurrences of Damage or Injury during the Period of Insurance) will not exceed the applicable Limit of Indemnity specified in the Schedule.

INDEMNITY FOR COSTS

The Company will pay or will indemnify the Insured in respect of any claim or action to which the indemnity in this Policy applies for:

- (a) all costs incurred by the Company, all costs recovered by any claimant against the Insured, and all interest accruing after entry of judgment until the Company has paid or deposited in court as much of that judgment as does not exceed the applicable limit of the Company's liability;
- (b) all reasonable costs, other than loss of earnings, incurred by the Insured with the Company's consent.

In respect of any claim made or action taken under the jurisdiction of the United States of America or Canada or their dependencies or territories, the Company's total liability under the Indemnity for Damages and Indemnity for Costs clauses will be subject to the same Limit of Indemnity as applies to the Indemnity for Damages clause.

The Company's liability under the Indemnity for Costs clause is not otherwise subject to any Limit of Indemnity.

DEFINITIONS

In this Policy, unless the context requires otherwise:

'Act', in the context of an Act of Parliament, includes any statutory amendment to or re-enactment of the Act and, where applicable, any regulation made under the authority of the Act.

'Aircraft' means any craft made or intended to travel through air or space.

'Damage' means any event described in (a) or (b) of the Indemnity for Damages clause.

'Injury' means any event described in (c) or (d) of the Indemnity for Damages clause.

'Occurrence' means an occurrence resulting in Damage or Injury and includes any one occurrence or a series of occurrences (including continuous or repeated exposure to injurious conditions) consequent upon or attributable to one source or original cause.

'Products' or 'Product' means any property and any container of the property (the container not being a Vehicle) manufactured, constructed, erected, installed, repaired, serviced, treated, renovated, sold, supplied or distributed by the Insured, after the property has ceased to be in the Insured's possession and control.

'Vehicle' means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.

EXCLUSIONS

Note: Some of the following exclusions may be fully or partially overridden by memoranda attaching to this Policy.

Aircraft And Aircraft Products [Amended AIG V2]

This Policy excludes all liability caused by or arising directly or indirectly out of or in connection with:

- (a) the ownership, possession, maintenance, operation or use by or on behalf of the Insured of any:
 - (i) Aircraft including loading or unloading and refuelling of any Aircraft;
 - (ii) restricted access areas of an airport including terminals, aerodromes, airstrips, runways or heliports or other area where Aircraft take off or land;
 - (iii) Aircraft hangar or any other area used for storing, sheltering, servicing, maintaining or parking Aircraft; or
- (b)
 - (i) the supply, distribution, sale, lease, hire or manufacture of Aircraft;
 - (ii) the manufacture and/or supply of parts and/or Products which are incorporated into the structure, machinery or controls of any Aircraft including any repair, maintenance or servicing thereof.

Asbestos

This Policy does not insure against liability consequent upon Damage or Injury happening directly or indirectly in connection with any:

- (a) mining, processing, handling, transport, distribution or storage of asbestos;
- (b) manufacture of asbestos products or processing of materials containing asbestos or any process of decontamination, treatment, or control of asbestos.

Defective Products

This Policy does not insure against liability for the cost of rectifying any defect in any Product, or the cost of repairing or replacing or making any refund of the price paid for any Product, by reason of the Product having proved defective, harmful or unsuitable for its intended purpose.

Employer's Liability

This Policy does not insure against liability consequent upon death or bodily injury or illness to any person arising out of or in the course of that person's employment with the Insured.

Fines & Penalties [Addition AIG V2]

This Policy excludes all liability caused by or arising directly or indirectly out of or in connection with:

- (a) any liquidated damages, civil or criminal fines or penalties; or
- (b) any punitive, aggravated or exemplary damages awarded against the Insured.

This exclusion does not apply to fines or penalties insured under the Exemplary Damages Memorandum or the Fire Authorities Memorandum.

Liability Assumed By Agreement

In respect of Products and any representation or warranty made in respect of Products, this Policy does not insure against liability assumed by the Insured by agreement except to the extent that the liability would have applied notwithstanding that agreement. This exclusion does not apply to liability assumed by agreement in any written contract designated in the Schedule.

Libel or Slander

This Policy does not apply to liability consequent upon the publication of any libel or slander:

- (a) made before inception of the Period of Insurance; or
- (b) made at the Insured's direction with knowledge of its falsity; or
- (c) relating to advertising, broadcasting or telecasting activities conducted by or on behalf of the Insured.

Loss of Use

This Policy does not insure against liability consequent upon loss of use of property not physically lost or damaged where the loss of use results from:

- (a) any delay in or lack of performance, by or on behalf of the Insured, of any contract or agreement; or
- (b) the failure of the Products to meet the level of performance, quality, fitness, or durability warranted or represented by the Insured.

Part (b) of this exclusion does not apply to loss of use of other property resulting from sudden and accidental physical damage to any Product after it has been put to use by any person or corporation other than an Insured under this Policy.

Pollution

This Policy does not insure against liability consequent upon, or costs incurred for the prevention of, the discharge, dispersal, release or escape of any irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water unless the discharge, dispersal, release or escape is caused by a sudden unexpected and unintended happening that takes place in its entirety at a specific time and place.

Product Guarantee

This Policy does not insure against liability arising from the failure of any Product or design of the Product to fulfil the function intended or represented by the Insured unless the failure is due to any malfunction or defect in the Product or design itself.

Product Recall

This Policy does not insure against liability for damages claimed for the withdrawal, inspection, repair, replacement or loss of use of Products, or of any property of which the Products form part, if those Products or parts are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

Professional Advice

This Policy does not insure against liability consequent upon the rendering or failure to render professional advice by the Insured, or against liability consequent upon any error or omission in connection with that advice. However, providing no fee has been charged for the advice and the liability is not otherwise insured, this exclusion will not apply to liability consequent upon:

- (a) accidental physical loss of or damage to any property; or

- (b) the rendering or failure to render medical advice by any doctor, nurse, dentist or first aid attendant employed by the Insured for the purpose of providing the advice at the Insured's premises.

Property [Amended AIG V2]

This Policy does not insure against liability consequent upon Damage to property owned by the Insured or in the Insured's physical or legal control. However, this exclusion does not apply to:

- (a) premises that are leased, rented or occupied' by the Insured; or
- (b) any Vehicle (not belonging to or used by or on behalf of the Insured) while the Vehicle is in a car park owned or operated by the Insured other than for income as a car park operator.

Property Worked Upon

This Policy does not insure against liability consequent upon Damage to that part of any property on which the Insured is or has been working if the Damage is caused directly by that work.

Vehicles

This Policy does not insure against liability arising from the ownership, possession or use by the Insured of any Vehicle required by law to be registered for road use. However, this exclusion does not apply to:

- (a) mobile plant being used or operated for the purpose it was designed (unless the plant is otherwise insured for that use or purpose) and not as a road vehicle;
- (b) liability arising from the act of loading or unloading or bringing to or taking away a load from any Vehicle.

War and Nuclear Risks

This Policy does not insure against liability directly or indirectly caused by or resulting from any of the following:

- (a) War, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power.
- (b) Nuclear weapons material.
- (c) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission.

Watercraft

This Policy does not insure against liability arising from the ownership, possession or use by the Insured of any Watercraft while afloat. However, this exclusion does not apply to liability arising from the act of loading or unloading or bringing to or taking away a load from any Watercraft. 'Watercraft' means any craft (exceeding eight metres in length) made or intended to travel through or over water.

Wrongful Infringement

This Policy does not insure against liability arising out of any infringement of civil rights committed by the Insured in the knowledge that the infringement was false or wrongful. For the purpose of this Exclusion, infringements of civil rights include any false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, invasion of privacy, wrongful entry, wrongful prevention of access, or any of them.

CONDITIONS

ADDITIONAL INSURED [Amended AIG V2]

Each of the following is an Insured under this Policy to the extent stated below.

- (a) The Insured named in the Schedule.
- (b) Any subsidiary company (now or hereafter constituted), more than half the nominal value of whose equity share capital is owned by the named Insured either directly or through other subsidiaries, and whose places of incorporation are within New Zealand, including its territories and protectorates.
- (c) Any director, executive officer, employee, shareholder, member or partner of an Insured, but only in connection with their duties in that capacity.
- (d) Any person or corporation to whom or to which an Insured described in (a) or (b) above is obliged under the terms of any written agreement to provide insurance as afforded by this Policy, but only:
 - 1) to the extent required by that agreement; and
 - 2) in connection with work performed by or for the Insured described in (a) or (b) above.
- (e) Any office bearer or member of any social club or sports club (or both), formed with the consent of an Insured, but only in respect of claims arising from duties connected with the activities of any such club; the activities being treated for the purpose of this Insurance as part of the Business.
- (f) Any labour only contractor or sub-contractor contracted to the Insured as defined under part (a) or (b) above when carrying out work in connection with the Business but only if not otherwise insured under any other general liability policy.
- (g) each joint venturer, co-venturer or joint lessee of a named Insured with the Company's written agreement but only in respect of liability incurred as a joint venturer, co-venturer or joint lessee.

ALTERATION OF RISK

Upon the Insured's Insurance Manager (or equivalent) becoming aware of any change materially varying any of the facts or circumstances existing at the commencement of this insurance, written notice of the change must be given to the Company as soon as possible. The Company will then be entitled to charge a reasonable additional premium for any increase in the risk, or the Insured will be entitled to a reasonable return of premium for any reduction in the risk, for the unexpired portion of the Period of Insurance.

APPLICATION OF MEMORANDA

Where the terms of any Memorandum attaching to this Policy are inconsistent with any other terms of the Policy, the terms of the Memorandum will prevail. Where the terms of any Memorandum are inconsistent with the terms of any other Memorandum, the terms most favourable to the Insured will prevail.

Where the Schedule states that a Memorandum is subject to a special limit or other special provision, the limit or provision will apply to that Memorandum but not to loss that would be covered under the Policy without the Memorandum.

CANCELLATION

(a) By the Insured

The Insured may cancel this Policy at any time with immediate effect by giving written notice to the Company. The Company will then retain a pro-rata proportion of the premium (subject to any adjustment required by the terms of this Policy) for the time during which the Policy has been in force, and will refund the unearned balance to the Insured.

(b) By the Company

The Company may cancel this Policy at any time by giving written notice to the Insured or to the Insured's broker. The notice must be delivered personally or by a method that requires confirmation of delivery. The cancellation will take effect at 4 p.m. on the 45th day after the notice has been delivered. The Company will then refund a pro-rata proportion of the premium to the Insured, subject to any adjustment required by the terms of this Policy.

CESSATION OF LIABILITY

In respect of any one Occurrence, the Company may at any time pay to the Insured the Limit of Indemnity specified in the Schedule (less any sum already paid as indemnity for compensation), or any lesser amount for which the claim or claims arising from the Occurrence can be settled. On making that payment, the Company will be under no further liability in respect of the Occurrence except for costs of litigation and other costs incurred prior to the payment being made.

CLAIMS

- (a) Notice in writing must be given as soon as possible to the Company of every Occurrence, claim, writ, summons, proceedings, impending prosecution, inquest and all information in relation to any of them in respect of which there may arise liability under this Policy.
- (b) The Insured must not, without the consent of the Company, admit liability or negotiate or make any admission, offer, promise or payment, in connection with any Occurrence or claim.
- (c) The Company may take over and conduct, in the Insured's name, the defence of any claim or action to which this insurance applies. The Company may investigate, negotiate and settle any such claim or action as it considers expedient; but will not be under any obligation to pay any claim or judgment or to defend any action after the applicable Limit of Indemnity has been exhausted by payment of judgments or settlements. The Insured must cooperate with the Company in any investigation, negotiation, defence or settlement that the Company undertakes, and must provide any assistance that the Company may reasonably require.
- (d) In the event of Damage or Injury in respect of which there may arise liability under this Policy, the Insured must, at the Insured's own expense, promptly take all reasonable steps to prevent other Damage or Injury from arising out of the same or similar circumstances.

CROSS LIABILITY

Claims made between Insureds or against any Insured will be treated as if each Insured had been issued with a separate policy in its own name. Each Insured will be separately subject to the terms of this Policy in so far as they can apply. Where an Occurrence gives rise to claims against more than one Insured, the Limit of Indemnity and any Deductible will not exceed the amounts specified in the Schedule, regardless of the number of Insureds indemnified.

Where the Limit of Indemnity is insufficient to fully indemnify all Insureds, it will apply in priority to the named Insured, then to its subsidiary companies, then to other Insureds in equal amounts.

DEDUCTIBLE

The aggregate of all sums payable to all claimants in respect of any one Occurrence will be treated as one claim for indemnity under the Indemnity for Damages clause of this Policy. From the amount of that claim, the Deductible (if any) specified in the Schedule will be deducted.

If more than one Deductible could apply in respect of the same Occurrence, the Deductibles will not be cumulative. Instead, the claim will be subject to the highest Deductible that could otherwise have applied.

FRAUD

If the Insured or anyone acting on behalf of the Insured makes any claim that is in any respect fraudulent, or makes any false declaration in support of any claim, or uses any other fraudulent means or devices to obtain benefit under this Policy, all benefit in respect of that claim will be forfeited. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy.

GOODS AND SERVICES TAX

Where the Insured is liable to pay GST on receiving any indemnity payment under this Policy, the Company will reimburse the Insured for the cost of that tax. The reimbursement will be made in addition to the indemnity otherwise payable and will not be subject to any sum insured or other limit of the Company's liability. For the purpose of this clause, 'GST' means tax payable under Section 5(13) of the Goods and Services Tax Act 1985, or under any statutory amendment to or re-enactment of the Section or Act.

NEW ZEALAND POLICY

This Policy is to be governed by and construed in accordance with the laws of New Zealand, whose courts will have sole jurisdiction over any legal action arising out of or in connection with this Policy.

MORE THAN ONE INSURED

Where this Policy is to the benefit of more than one Insured:

- (a) the Insured first named in the Schedule will be responsible for payment, on behalf of all Insureds, of any premium due or that may become due in terms of this Policy;
- (b) the Company's obligation to make any payment to the Insured in terms of this Policy will be discharged on making that payment to the Insured first named in the Schedule;
- (c) any notice, for which provision is made in this Policy, given by or given to the Insured first named in the Schedule will be deemed sufficient notice by or to all Insureds.

MUTUALLY ACCEPTABLE ADJUSTERS

Where the Company wishes to appoint any loss adjuster or assessor in respect of any claim under this Policy, the appointee must be mutually acceptable to the Company and the Insured.

OBSERVANCE

The Insured's observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with, and the truth of statements made by the Insured in writing, are conditions precedent to the Company's liability under this Policy. For the purpose of this condition, each of the Insured (if more than one) will be treated as having been issued with a separate policy. Breach of this condition without the Insured's knowledge will not invalidate the Policy, but the Insured's Insurance Manager (or equivalent) must advise the Company immediately upon becoming aware of it. The Insured agrees to pay an appropriate additional premium if required.

OTHER INSURANCE

If, at the time of any claim arising under this Policy, there is any other valid and collectable insurance covering all or part of the same loss, this Policy will apply only to the amount of any loss in excess of that recoverable under the other insurance. This condition does not apply where the other insurance is 'excess' insurance expressly intended to provide a layer of cover in excess of that provided under this insurance.

The amount of loss excluded from this Policy by reason of any other insurance will not be cumulative upon the amount of loss excluded from the Policy by application of any Deductible; other insurance being permitted on loss within the Deductible.

PREMIUM ADJUSTMENT

If the premium for this Policy has been calculated on any estimate furnished by the Insured, the Insured must keep an accurate record of all relevant particulars and must, at any reasonable time, allow the Company to inspect the record. Within a reasonable time after the expiry of the Period of Insurance, the Insured must furnish the Company with such particulars as the Company may require for adjustment of the premium. The premium for the period will then be adjusted, and the difference between the adjusted premium and the premium actually paid will be paid by or allowed to the Insured as the case may require.

SUBROGATION

Where, upon accepting liability for a claim under this Policy, the Company is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation, the Insured must, at the Company's expense, do and concur in doing and permit to be done anything reasonably required by the Company for the purpose of enforcing that right.

The Insured must comply with this condition when required, whether before or after having been indemnified by the Company. The Company will not exercise subrogation against any person or corporation entitled to indemnity under this Policy.

MEMORANDA

ADVERTISING LIABILITY [Addition AIG V2]

1. The Indemnity for Damages clause is extended to include the following:
 - (e) defamation (except arising out of defamatory statements or disparaging material made or produced prior to the inception date of this Policy), infringement of copyright, infringement of title, infringement of slogan, unfair competition, misappropriation of advertising ideas, misappropriation of style of doing business, or invasion of privacy committed or alleged to have been committed in any advertisement and arising out of any advertising activities conducted by the Insured or on the Insured's behalf, or any of them;
2. The Company will not indemnify the Insured for any claim in respect of or alleging injury described in this Memorandum arising out of:
 - (i) any statement made at the Insured's direction with knowledge that such statement are false;
 - (ii) the failure of performance of contract (but not excluding claims for unauthorised appropriation of advertising ideas contrary to an implied contract);
 - (iii) any incorrect description or mistake in advertised price of the Products or services;
 - (iv) the failure of the Products or services;
 - (v) liability incurred by the Insured if the Business is advertising, broadcasting, publishing or telecasting.
3. The Company's liability under this Memorandum will not exceed \$1,000,000 any one Period of Insurance unless stated otherwise in the Schedule. A Deductible of \$1,000 applies unless stated otherwise in the Schedule.

BAILEES LIABILITY

This Policy extends to cover the Insured's liability consequent upon Damage to property in the Insured's physical or legal control, but this extension of cover does not apply to liability consequent upon Damage to:

- (a) property owned by the Insured or held by the Insured under any hire purchase or conditional purchase agreement;
- (b) land, buildings, or other things fixed to the land;
- (c) any Vehicle held by the Insured for service or repair.

CAR PARK OPERATOR

The Business to which this insurance applies includes but is not limited to the Insured's business as a car park operator. In respect of that business, the exclusion of liability for Damage to property in the Insured's physical or legal control does not apply to any Vehicle (other than a Vehicle owned by or used by or on behalf of the Insured) while the Vehicle is in or about any car parking facility operated by the Insured.

CHANGE IN BUSINESS

In the event of any addition to or change in the Business to which this insurance applies, the Company will hold the Insured covered under this Policy in respect of that addition or change. The Insured agrees to pay such reasonable additional premium as may be required for any consequent increase in risk. The Insured must notify the Company of any material addition to or material change in the Business within 45 days, but delay in notification due to oversight will not invalidate this insurance.

CONTRACT WORKS [Amended AIG V2]

Occurrences in connection with the performance of any contract of demolition, construction, erection, alteration, decoration, installation, testing, repairs or maintenance, all at or in connection with the Insured's premises or works, are deemed to be Occurrences in connection with the Business, but only where the contract price does not exceed \$1,000,000. The Insured must declare any proposed demolition work that will involve the use of explosives to the Company prior to its commencement. Cover in respect of any such demolition work will not commence unless or until the Company has confirmed it in writing.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

EXEMPLARY DAMAGES

Subject to the Special Provisions set out below and to all terms of this Policy in so far as they can apply, the Policy extends to indemnify the Insured in respect of all sums that the Insured becomes legally liable to pay by way of exemplary damages arising out of any claim:

- (a) first made against the Insured during the Period of Insurance, and
- (b) notified to the Company during the Period of Insurance or within 30 days after expiry of the Period of Insurance;

consequent upon any accidental death or bodily injury for which compensation is payable under any Accident Compensation legislation and that happens to any person within New Zealand in connection with the Business.

The Policy also extends to indemnify the Insured in respect of any claim to which this Memorandum applies for:

- (a) all costs incurred by the Company, all costs recovered by any claimant against the Insured, and all interest accruing after entry of judgment until the Company has paid or deposited in court as much of that judgment as does not exceed the applicable limit of the Company's liability; and
- (b) all reasonable costs, other than loss of earnings, incurred by the Insured with the Company's consent.

Special Provisions

1. For the purpose of this Memorandum, 'Occurrence' means an occurrence anywhere in New Zealand resulting or potentially resulting in accidental death or bodily injury to which this Memorandum applies, and includes any one occurrence or a series of occurrences (including continuous or repeated exposure to injurious conditions) consequent upon or attributable to one source or original cause.
2. If, during the Period of Insurance, the Insured:
 - (a) becomes aware of an Occurrence; and
 - (b) gives written notice of that Occurrence to the Company;any claim subsequently arising out of that Occurrence will be deemed to have been first made against the Insured during the Period of Insurance.
3. The Company's aggregate liability under this Memorandum in respect of all damages and costs arising out of all claims made or deemed to have been made against the Insured during the Period of Insurance will not exceed the applicable Limit of Indemnity specified in the Schedule.
4. The amount of claim to which the Deductible condition of this Policy applies will include all damages and costs arising out of any one occurrence of death or bodily injury or illness to any one person.

5. This Extension does not apply to:
- (a) any claim that was made, threatened or in any way intimated against the Insured before the Period of Insurance commenced;
 - (b) any claim arising from an Occurrence that, at inception of the Period of Insurance, the Insured knew or ought to have known may give rise to the claim;
 - (c) any claim arising from an Occurrence that took place before the Retroactive Date (if any) specified in the Schedule;
 - (d) any claim arising out of asbestosis or any related illness;
 - (e) any legal liability incurred by the Insured under any jurisdiction other than New Zealand jurisdiction;
 - (f) any debt incurred by the Insured resulting from the enforcement of any liability incurred under any jurisdiction other than New Zealand jurisdiction.

FARM BUSINESS

The following extensions of cover apply in respect of the Insured's business as a farmer.

(a) **Aerial Operations**

This Policy extends to cover the Insured's liability consequent upon the falling, dropping, spraying or spreading of farming materials from aircraft (whether in the air or on the ground), or consequent upon any other Occurrence resulting from use of Aircraft operated by independent contractors in connection with the farming business.

(b) **Roadside Grazing**

This Policy extends to indemnify Transit New Zealand (or equivalent body) in respect of liability arising in connection with roadside grazing of animals owned by or in the physical or legal control of the Insured.

FIRE AUTHORITIES [Amended AIG V2]

This Policy extends to cover the Insured's statutory obligations:

- (a) in granting indemnity to the New Zealand Fire Service Commission in respect of Damage or Injury arising out of the Insured's use of Fire Service equipment or personnel in connection with any emergency or public service; and
- (b) to pay costs, fines and penalties incurred and apportioned by any Fire Authority under the Forest and Rural Fires Act 1977 and its amendments and any re-enactment of that Act (but excluding levies for expenditure under Sections 44 and 45 of the Act).
- (c) for any charge the New Zealand Fire Service Commission is authorised to make against the Insured in respect of any Hazardous Substance Emergency as defined in the Fire Service Act 1975 and its amendments and any re-enactment of that Act.

This extension of cover will operate regardless of whether Damage has actually occurred, and will also operate in respect of the use of any Vehicle to the extent that the liability is not otherwise insured.

GOODS ON HOOK [Addition AIG V2]

This Policy extends to cover liability for Damage to property while being lifted or lowered or moved or carried by any crane(s) owned, hired or otherwise the responsibility of the Insured.

The Company's liability under this Memorandum will not exceed \$250,000 any one Period of Insurance unless stated otherwise in the Schedule. Such limitation does not apply to subsequent Damage not otherwise excluded. A Deductible of \$1,000 applies unless stated otherwise in the Schedule.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

INNKEEPERS LIABILITY

This Policy extends to cover the Insured's liability for Damage under the Innkeepers Act 1962, regardless of whether the property is or has been in the Insured's physical or legal control. Any claim arising from that liability will be payable free of Deductible.

LESSORS LIABILITY

Where the Insured is under an obligation to insure the interest of any principal party (Lessor) to any lease agreement entered into by the Insured, then, to the extent required by that lease agreement, the Lessor is deemed to be included as an Insured in the Additional Insureds condition of this Policy, and the Lessor's business as property owner or manager (or both) is deemed to be included in the Business to which this insurance applies.

LOST, STOLEN OR DUPLICATED KEYS [Addition AIG V2]

This Policy extends to cover the reasonable cost of altering or replacing any locks and their keys or combinations where keys or combinations giving access to property not owned by the Insured or in the Insured's physical or legal control, are lost, stolen or believed on reasonable grounds to have been duplicated without reasonable authority.

The Company's liability under this Memorandum will not exceed \$50,000 any one Period of Insurance unless stated otherwise in the Schedule. Such limitation does not apply to subsequent Damage not otherwise excluded.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

MOTOR TRADES [Amended AIG V2]

Subject to the provisions set out below, this Policy extends to cover the Insured's liability in respect of Damage to property comprising any:

- (a) Vehicle or Watercraft;
- (b) internal combustion engine;
- (c) equipment or machinery;
- (d) accessory or fitting pertaining to any of (a) to (c) above;

while the property is in the Insured's physical or legal control, but not including property owned, hired, leased, rented or borrowed by the Insured or held by the Insured under any hire purchase or conditional purchase agreement. This Policy also extends to cover liability in respect of Damage or Injury caused by or arising from the possession or use of the defined property.

For the purpose of this Memorandum: the word 'Vehicle' has the meaning given to it in the Definitions of this Policy; and the word 'Watercraft' has the meaning given to it in the Watercraft Exclusion.

The extension of cover provided under this Memorandum includes liability for loss or damage resulting from actual or attempted theft or conversion of the property from the Insured's physical or legal control.

Provisions

1. This extension of cover does not apply to liability for Damage or Injury resulting from towing operations except where a vehicle is being towed for the reason that it is either mechanically disabled or is designed to be towed in the course of its normal use.
2. This extension of cover does not apply to the cost of rectifying any defective workmanship by the Insured. However, liability consequent upon Damage or Injury resulting from defective workmanship is not excluded.
3. If direct loss or damage happens to any Vehicle to which this Memorandum applies while the Vehicle is being driven by the Insured (or by any of the Insured's employees), and if the driver of the vehicle is under the age of 25 years at the time of the loss or damage; the indemnity payable by the Company will be subject to one of the following deductible amounts and no other.
 - (a) \$100 if the driver is a male under 21 years of age.
 - (b) \$50 if the driver is a male over 20 but under 25 years of age.
 - (c) \$50 if the driver is a female under 25 years of age.
4. This extension of cover does not apply to liability arising out of any Occurrence resulting from a Vehicle being driven by a person who, with the Insured's consent, is under the influence of intoxicating liquor or drug to the extent that an offence is committed under the Land Transport Act and its amendments or any re-enactment of that Act.

PREMISES

The Insured's ownership or occupation of premises is deemed to be part of the Business to which this insurance applies.

PRODUCT WITHDRAWAL COSTS [Addition AIG V2]

This Policy extends to cover up to 90% of those costs reasonably incurred in the withdrawal or recall from use in New Zealand of Products which have the same defect as a Product that has already given rise to a claim in respect of which the Insured is entitled to indemnity under this Policy.

The Company's liability under this Memorandum will not exceed \$100,000 any one Period of Insurance unless stated otherwise in the Schedule. A Deductible of \$2,500 inclusive of costs and expenses applies unless stated otherwise in the Schedule.

RECOVERY APPORTIONMENT

If the Company, having exercised its right of subrogation, recovers any part or all of a loss in respect of which a claim has been paid or is payable under this Policy, the amount so recovered will be apportioned as follows:

- (a) The Insured will be fully reimbursed for the uninsured portion of the loss, excluding that portion of the loss that is uninsured by reason of a Deductible.
- (b) Any remaining balance will be apportioned between the Insured and the Company in the ratio of their respective losses; the loss to the Insured being that portion of the loss that is uninsured by reason of any Deductible, and the loss to the Company being the amount of its actual payment under the Policy.

The expenses of all recovery proceedings will be apportioned in the ratio of respective recoveries. If no recovery is made, proceedings conducted solely by the Company will be at its own expense.

No recovery to which this Memorandum applies will be taken into account in determining the amount of 'adjusted loss' for the purpose of the Deductible condition of this Policy.

RENEWAL TERMS

If the Company intends to refuse renewal of this Policy, or to offer renewal on any terms less favourable to the Insured than those applying during the current Period of Insurance, the Company must give the Insured 30 days notice of that intention. If the current Period of Insurance expires before the end of 30 days after the notice has been received by the Insured, the Period of Insurance will, if the Insured so requires, be extended to expire at the same time as the period of notice. In the event of such an extension, the Insured will pay a pro rata proportion of the premium for the extended Period of Insurance.

VEHICLE DAMAGE TO PREMISES

This Policy extends to cover the Insured's liability for Damage to any premises occupied but not owned by the Insured, where the Damage is caused by or arises from the ownership, possession or use by the Insured of any Vehicle. This extension of cover does not apply where the Insured has a valid and collectable claim in respect of the same liability under any contract of Motor Vehicle insurance.

VEHICLES – EXCESS LIABILITY [Amended AIG V2]

This Policy extends to cover the Insured's liability consequent upon Damage or Injury caused by or arising from the ownership, possession or use by the Insured of any Vehicle in New Zealand, but only for any amount in excess of \$1,000,000 or the amount recoverable under the liability section of the Insured's Motor Vehicle insurance, whichever is the greater. This Memorandum does not apply to any liability that is otherwise covered under this Policy or any of its memoranda.

VISITS OVERSEAS [Addition AIG V2]

The Policy extends to indemnify the Insured in respect of Damage or Injury in any country outside of New Zealand arising solely out of the actions of non resident directors, executives and salespersons temporary visiting such countries in connection with the Business.

Provided that:

- (a) the Insured has no premises, branch or subsidiary operation in such country;
- (b) any work performed in, on or in connection with, the manufacture, assembly, repair, servicing, maintenance, amendment, alteration or enhancement to any Product is excluded;
- (c) the ownership, possession, control or maintenance or use of Vehicle or Watercraft is excluded;
- (d) the Company's total liability in respect of Damage or Injury in any the United States of America or Canada (including those territories to which the legal jurisdiction of the United States of America or Canada extends or applies) during the Period of Insurance under the Indemnity for Damages and Indemnity for Costs clauses will be subject to the same Limit of Indemnity as the Indemnity for Damages clause.

This Memorandum does not apply to any loss for which indemnity would be payable under the Policy in the absence of this Memorandum.

WAIVER OF RECOVERY RIGHTS (GROUP COMPANIES)

Where the Insured is a parent or subsidiary in a group of related companies, this insurance will not be invalidated by reason of the Insured waiving or having waived any right of recovery it may have against any other company in the same group. 'Subsidiary Company' means a company, more than half the nominal value of whose equity share capital is owned by a parent company either directly or through other subsidiaries; and a group of related companies means a group of companies related to one another by virtue of such ownership.

WAIVER OF RECOVERY RIGHTS (BY AGREEMENT)

This insurance will not be invalidated by reason of the Insured having waived any right of recovery or indemnity against any other party to a contract or agreement with the Insured in the ordinary course of business, but only where:

- (a) the contract or agreement is not for the supply of goods or services by the Insured; and
- (b) the waiver was made before the loss occurred.

WARRANT OF FITNESS [Addition AIG V2]

Subject to the Insured and their employees being licensed and qualified to issue warrant of fitness or other inspection certificates as may be required by law, this Policy extends to cover the Insured for all sums that the Insured shall become legally liable to pay by way of compensation in respect of claims made against the Insured during the Period of Insurance and arising out of a negligent act, error, omission in connection with the Business by any licensed, qualified vehicle certifier employed by the insured.

For the purpose of this Memorandum the Business includes (but is not limited to):

- (a) the inspection and certification of Vehicles for the issuing of a warrant of fitness or other inspection certificate as may be required by law and
- (b) 'pre-purchase' or vehicle appraisal services.

The coverage under this extension does not extend to include the valuation of any vehicle, motorcycle, watercraft and/or accessory of any type whatsoever.

The Company's liability under this Memorandum will not exceed \$100,000 any one Period of Insurance unless stated otherwise in the Schedule. A Deductible of \$2,500 applies unless stated otherwise in the Schedule.

IMPOSED TERMS

INFORMATION TECHNOLOGY HAZARDS [AIG V2]

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

This Policy excludes all liability caused by or arising directly or indirectly out of or in connection with:

- (a) the Insured's Internet Operations; or
- (b) Property Damage to computer data or programmes and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software;
 - (ii) the provision of computer or telecommunication services by the Insured or on the Insured's behalf; or
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any Computer Virus.

Provided this Exclusion does not apply to:

- (a) Personal Injury, Property Damage and/or Advertising Injury arising out of any material which is already in print by the manufacturer in support of any of its products, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site or any social media site; or
- (b) liability which arises irrespective of the involvement of the Insured's Internet Operations.

Internet Operations means:

- (a) transfer of computer data or programmes by use of electronic mail systems by the Insured or the Insured's Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within the Insured's organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to Computer Virus, worm, logic bomb or trojan horse;
- (b) access through the Insured's network to the world wide web or through the Insured's page, business communications via a public social media internet site, including but not limited to blogging, Twitter or Facebook, by the Insured or the Insured's Employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within the Insured's organisation.
- (c) access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for the Insured's customers or others outside the Insured's organisation; and
- (d) the operation and maintenance of the Insured's website.

POLLUTION [AIG V2]

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

The Pollution Exclusion in the Policy is deemed to be deleted and replaced by the following:

This Policy does not insure against liability consequent upon, or costs incurred for the prevention of, the discharge, dispersal, release or escape of any irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water unless the discharge, dispersal, release or escape is caused by a sudden unexpected and unintended happening that takes place in its entirety at a specific time and place outside of the United States of America or Canada or their dependencies or territories.

REASONABLE CARE [AIG V2]

The Insured shall take all reasonable care to prevent Injury and/or Damage and to maintain premises, plant and all other business assets in good repair.

The Insured shall make good or remedy any defect or danger and take such additional precautions as may be required as soon as possible after discovery, but such expenses shall not be recoverable under this Policy.

However, this condition will not operate in such a manner as to defeat the commercial purpose of this Policy.

SANCTIONS [AIG V2]

The non-negotiable wording of this endorsement has been imposed by the Company and is to be interpreted accordingly.

The Company will not be liable to provide any coverage or make any payment hereunder if to do so would be in violation of any sanctions law or regulation which would expose the Company, their parent company or their ultimate controlling entity to any penalty under any sanctions law or regulation.

Statutory Liability Insurance



AIG Insurance New Zealand Limited

Policy Wording



Bring on tomorrow



Policy Notices

Statutory Liability Insurance

This Policy is issued / insured by AIG Insurance New Zealand Limited.

The AIG Building
41 Shortland Street, Level 19
PO Box 1745, Shortland Street
Auckland 1140
New Zealand

Fair Insurance Code

The **Insurer** is a signatory to the Fair Insurance Code. This aims to raise the standards of practice and service in the insurance industry, improve the way that claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

Copyright

The content of this policy, including but not limited to the text and images herein, and their arrangement, is copyright protected. All rights reserved. AIG hereby authorises you to copy and display the content herein, but only in connection with AIG business. Any copy you make must include this copyright notice. Limited quotations from the content are permitted if properly attributed to AIG; however, except as set forth above, you may not copy or display for redistribution to third parties any portion of the content of this policy without the prior written permission of AIG. No modifications of the content may be made. Nothing contained herein shall be construed as conferring by implication or otherwise any licence or right under any patent, trademark, copyright (except as expressly provided above), or other proprietary rights of AIG or of any third party.

This document contains your Insurance Policy terms, Provisos, Exclusions and Conditions. It is important that you read it, understand it and retain it in a safe place.



Policy Notices

Statutory Liability Insurance

SME Package Statutory Liability

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Statutory Liability Insurance

The **Insurer** has received a written proposal which shall be the basis of this contract and which is incorporated into and forms part of this contract. In consideration of the payment of the premium the **Insurer** agrees as follows:

1. Insuring Clause

The **Insurer** will pay on the behalf of the **Insured** in accordance with the terms and conditions of this policy any:

1.1 **Penalty**; and

1.2 **Defence Costs**.

2. Extensions

Subject to all of the terms and conditions of the policy, cover is extended as outlined below. The total of all payments made under these Extensions shall be part of and not in addition to the **Limit of Liability** unless the **Insurer** agrees otherwise in writing.

2.1 New Subsidiary

- (a) Subject to 2.1(b), this policy will automatically extend to any entity which becomes a **Subsidiary** during the **Policy Period** provided that such entity is not a **Financial Institution**;
- (b) For any such new **Subsidiary** with total gross assets that are greater than twenty five percent (25%) of the consolidated gross assets of the **Policyholder**, as at the inception date of this policy:
 - (i) This Extension 2.1 "New Subsidiary" shall apply automatically for a period of 60 days from the date the **Policyholder** acquires control or holding of such entity provided the **Policyholder** shall submit in writing to the **Insurer** the particulars of such entity within such 60 day period (but before the end of the **Policy Period** in any event); and
 - (ii) At the **Policyholder's** request, cover may be extended for a longer period of time provided that the **Policyholder** provides the **Insurer** with sufficient details during such 60 day period to permit the **Insurer** to assess and evaluate its exposure with respect to such entity and the **Policyholder** accepts any consequent amendments to the policy terms and conditions, and pays any additional premium required by the **Insurer**.



2.2 Discovery Clause

The *Policyholder* shall be entitled to a *Discovery Period*:

- (a) automatically for 60 days if this policy is not renewed or replaced; or
- (b) as specified in Item 10 of the Schedule subject to the *Policyholder* making a request for such *Discovery Period* in writing and paying any additional premium required, no later than 30 days after the expiry of the *Policy Period*.

A *Discovery Period* specified in 2.2 (a) and (b) is non-cancellable and shall not apply if a *Transaction* occurs during the *Policy Period*.

2.3 Reparation Costs Extension

The *Insurer* will pay on behalf of the *Insured* any sentence of reparations imposed by a court pursuant to the Health and Safety in Employment Act 1992.

2.4 Investigation Costs

The *Insurer* will pay on behalf of the *Insured* any *Investigation Costs*.

2.5 Commerce, Securities & Securities Markets Acts' Extension

Notwithstanding Exclusion 4.1, cover is provided for the following acts:

Commerce Act 1986

Securities Act 1978

Securities Markets Act 2006

2.6 Individual Insured

The Definition of *Insured* is extended to include *Insured Persons*.



3. Definitions

- 3.1 **"Company"** means the **Policyholder** specified in the Schedule, and includes any **Subsidiary**.
- 3.2 **"Continuity Date"** the applicable date specified in Item 7 of the Schedule.
- 3.3 **"Defence Costs"** means any reasonable fees, costs and expenses that are necessarily incurred by or on behalf of any **Insured** with the prior written consent of the **Insurer** in the investigation, defence, settlement or appeal of any **Proceeding**.
- 3.4 **"Discovery Period"** means the period immediately following the expiration of the **Policy Period** during which written notice may be given to the **Insurer** of a **Proceeding** or **Investigation** first made during such period for an **Event** occurring prior to the expiry of the **Policy Period**
- 3.5 **"Event"** means any alleged act, error or omission of the **Insured** and referred to in a notice or an information where that notice or information results in, or is very likely to result in, or is part of, an **Investigation** or **Proceeding**.
- 3.6 **Financial Institution** means any a bank, clearing house, credit institution, undertaking for collective investment in securities, investment firm, investment advisor/manager, investment fund or mutual fund, private equity or venture capital company, stock brokerage firm, insurance company or any similar entity.
- 3.7 **"Insured"** means the **Company**; but is extended to include **Insured Persons** if Extension 2.6 applies.
- 3.8 **"Insured Person"** means any natural person who was, is or during the **Policy Period** becomes:
- (a) a director or officer, but not an externally appointed auditor, receiver, manager, administrator or liquidator of a **Company** or a person administering a deed of company arrangement or other agreement of compromise made between the **Company** and another party;
 - (b) a person who acts as a member of a committee established by or approved by the board of directors of any **Company** whether under statute or otherwise;
 - (c) in respect of a superannuation fund established for the benefit of the employees of any **Company**: (i) a director or corporate trustee; or (ii) a policy committee member;
 - (d) an employee of a **Company**;
 - (e) a de facto director or prospective director named as such in any listing particulars or prospectus issued by a **Company**;

but only when and to the extent that such Person is acting in an **Insured Person** capacity.

"Insured Person" is extended to include the administrator, heirs, legal representatives, or executor of a deceased, incompetent, insolvent or bankrupt estate; of an **Insured Person** referred to in (a) to (d) above, to the extent that a **Claim** is brought against them solely by reason of them having an interest in property that is sought to be recovered in a **Claim**.

- 3.9 **"Insurer"** means AIG Insurance New Zealand Limited.
- 3.10 **"Investigation"** means any formal inquiry or hearing before a regulatory body pursuant to a **Statute**, and which is likely to lead to a **Proceeding**.
- 3.11 **Investigation Costs** mean the reasonable fees, costs and expenses of any legal advisor retained by the **Insurer** on behalf of the **Insureds** for the principal purpose of representing the **Insured** at an Investigation and which have been necessarily incurred with the **Insurer's** prior written consent.
- "Investigation Costs"** shall not include the remuneration of any **Insured Person**, cost of their time or overhead of or any other costs of any **Company**.



- 3.12 **"Loss"** means **Defence Costs** and any **Penalties**.
- 3.13 **"Penalty"** means any fine or other monetary penalty or costs assessed for which the **Insured** may be liable following a Court determination under a **Statute** that the **Insured** should be convicted of any offence, or should pay any **Penalty** to the Crown, except where it is illegal to insure a fine or other monetary penalty or costs under a **Statute**.
- 3.14 **"Policyholder"** means the entity specified in Item 1 of the Schedule.
- 3.15 **"Policy Period"** means the period from the inception date to the expiry date specified in Item 2 of the Schedule.
- 3.16 **"Proceeding"** means any legal proceeding brought by a statutory authority or enforcement agency given that responsibility under a **Statute** seeking to impose a **Penalty**.
- 3.17 **"Single Event"** means an **Event** or any related or continuous or repeated **Events** whether committed by the **Company** or an **Insured Person** jointly or severally or by more than one **Insured Person** and whether directed to or affecting one or more than one person or legal entity.
- 3.18 **"Statute"** means, any Act of the New Zealand Parliament, not otherwise excluded by Exclusion 4.1, and includes any amendment to or re-enactment of those Acts, and any Regulations or other subordinate legislation made under those Acts.
- 3.19 **"Subsidiary"** means any entity in which the **Policyholder** either directly or indirectly through one or more other entities:
- (a) controls the composition of the board of directors;
 - (b) controls more than half of the shareholder or equity voting power; or
 - (c) holds more than half of the issued share capital or equity,
- on or before the inception date of this policy or, for the purpose of Extension 2.1, during the **Policy Period**.
- 3.20 **"Transaction"** means any one of the following events:
- (a) the **Policyholder** consolidates with or merges into or sells all or a majority of its assets to any other person or entity or group of persons and/or entities acting in concert, resulting in the extinction of the **Policyholder** as an independent legal entity; or
 - (b) any person or entity, or persons or entities acting in concert (other than a **Subsidiary** or **Subsidiaries**) becomes entitled to cast, or control the casting of, more than fifty percent (50%) of the rights to vote at general meetings of the **Policyholder** or control the appointment of directors who are able to exercise a majority of votes at meetings of the board of directors of the **Policyholder**.

Words and expressions in the singular shall include the plural, and vice versa. Additionally, where a term of this policy is not specifically defined in this document in the Definition section or the Schedule, it is agreed that the definition normally attributed to it by any applicable law or business practice shall apply.



4. Exclusions

The **Insurer** shall not be liable to make any payment under this policy for **Loss**:

4.1 Arising out of, based upon, attributable to, or in any way involving, directly or indirectly the following **Statutes** or any amendment to or re-enactment of these Acts, and any Regulations or other subordinate legislation made under those:

Arms Act 1983

Aviation Crimes Act 1972

Crimes Act 1961

Proceeds of Crime Act 1991

Summary Offences Act 1981

Transport Act 1962

Land Transport Act 1988

Transport (Vehicle and Driver Registration and Licensing) Act 1986

Commerce Act 1986 (unless extension 2.5 applies)

Securities Act 1978 (unless extension 2.5 applies)

Securities Markets Act 1988 (unless extension 2.5 applies).

4.2 Arising out of, based upon, attributable to, or in any way involving, directly or indirectly ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

4.3 Arising out of, based upon, attributable to, or in any way involving, directly or indirectly any **Event** which:

(a) would appear to have resulted from the **Insured's** intentional, knowing, wilful or reckless disregard for the provisions of any **Statute**; unless the **Insured** is subsequently acquitted under a statute in direct relation to that **Event**.

(b) has resulted from the **Insured's** intentional, knowing or reckless failure to comply with any lawful abatement notice or enforcement order, improvement notice, prohibition notice or suspension notice, building notice, Notice to Rectify, Compliance Schedule, Gazetted Notice, or order made by a Commission, Tribunal, or Standards Review Board.

4.4 Arising out of, based upon or attributable to;

(a) any litigation which is pending at, or pending prior to the **Continuity Date**; or

(b) any facts or circumstances reported (or that should have been reported) under prior policies including matters related to or arising out of them; or

(c) any **Event** occurring prior to the **Retroactive Date**.



- 4.5** In the form of a **Penalty** imposed on the **Insured** in relation to:
- (a) an **Event**, including any ongoing duty or an **Event** or offence to the extent that the **Penalty** relates to the period of time after the **Insured** first received notice of the prosecution or of the intention to commence the prosecution; or
 - (b) the cost or payment of any enforcement order, remedial order or compliance order; or
 - (c) any damages or compensation, not part of a **Penalty**, imposed by a court of competent jurisdiction, except reparation costs provided under Extension 2.3 "Reparation Costs Extension"
- 4.6** **Penalty** or **Defence Costs** payable in relation to any **Proceedings** brought by the Inland Revenue Department
- 4.7** Arising out of, based upon, attributable to, or in any way involving, directly or indirectly any **Event** directly or indirectly arising out of, based upon, attributable to or in any way connected with any prospectus which is, or should have been, registered with the New Zealand Securities Commission, and contains an offer for the issue, sale or transfer of securities.
- 4.8** Arising out of, based upon or attributable to any personal grievance brought against the **Insured** under the Employment Relations Act 2000.



5. Conditions

5.1 Transactions

The **Insurer** shall not be liable to make payment under this policy arising out of, based upon or attributable to any **Event** committed or allegedly committed after the effective date of a **Transaction**.

5.2 Notification

The Covers provided under this policy are granted solely with respect to **Proceedings** or an **Investigation** first brought against the **Insured** during the **Policy Period**, or applicable **Discovery Period**, only if such **Proceedings** or **Investigation** have been notified to the **Insurer** as soon as practicable, after the **Insured** first becomes aware of such **Proceeding** or **Investigation**, but in all events no later than during the **Policy Period** or applicable **Discovery Period**.

Any **Insured** may, during the **Policy Period** or applicable **Discovery Period**, notify the **Insurer** of any circumstance reasonably expected to give rise to **Proceedings** or **Investigation**. The notice must include the notice of **Proceeding** or **Investigation** and full relevant particulars with respect to dates, the **Event**, the potential **Insured**, and anticipated regulator or tribunal.

The details of any other insurance policy which may apply to any **Penalty** or **Defence Costs** covered under this policy shall be reported to the **Insurer** within a reasonable time of any **Proceeding** or **Investigation** notification.

All notifications relating to **Proceeding** or **Investigation** or circumstances likely to give rise to a **Proceeding** must be in writing, or sent by facsimile to the address in Item 12 of the Schedule.

5.3 Continuity

Notwithstanding Exclusion 3.5, cover is provided under this policy for any **Proceeding** or **Investigation**, fact, matter or circumstance which could or should have been notified under any earlier policy issued by the **Insurer**. Provided always that:

- (a) the **Proceeding** or **Investigation**, or circumstance, could and should have been notified after the **Continuity Date**; and
- (b) the **Proceeding** or **Investigation** shall be dealt with in accordance with all the terms, conditions, exclusions and limitations of the policy under which the **Proceeding** or **Investigation**, or circumstance, could and should have been notified; and
- (c) to the extent it is not recoverable under the earlier policy.

5.4 Limit of Liability and Retention

The total Limit of Liability payable by the **Insurer** during any **Policy Period** shall not exceed the amount stated in Item 3 of the Schedule. This shall be the total limit of the **Insurer's** liability for all **Loss** under all sections of this policy combined, arising out of any **Proceeding** or **Investigation** notified pursuant to Condition 5.2 above.

The Limit of Liability for the **Discovery Period** shall be part of and not in addition to the total aggregate Limit of Liability for the **Policy Period**.



If an *Event* or *Single Event* occurs over more than one *Policy Period*, the *Event* or *Single Event* shall be treated as if it occurred in the *Policy Period* in which the Insured should have complied with Condition 5.2.

The *Insurer* shall only pay for that amount of any *Loss* which is in excess of the Retention stated in the Schedule. This Retention is to be borne by the *Company* and shall remain uninsured.

A single Retention amount shall apply to *Loss* arising from all *Proceedings* or *Investigations* alleging or arising from a *Single Event*.

5.5 Defence and settlement of Claims

The *Insurer* shall at its own expense but for the benefit of the *Insured* assume conduct in the name of the *Insured* for the purpose of conducting the defence or settlement of any *Proceeding* or *Investigation*.

5.6 Preservation of right to Indemnity

If Extension 2.6 applies and to the extent that the *Company* is permitted or required to indemnify any *Insured Person*, but for whatever reason fails or refuses to do so, then the *Insurer* shall pay on behalf of the *Insured Persons*. In such event the Retention amount stated as being applicable to Item. 4 of the Schedule shall be paid by the *Company* to the *Insurer*. In the event of the *Company* being placed in liquidation (other than voluntary liquidation), no Retention shall apply.

5.7 Disputes involving whether to contest Claims

Should a dispute arise as to the defence of management of any *Proceedings* or *Investigation*, and the parties have not been able to agree a cause of action after discussions in good faith then the *Insurer* agrees to the appointment, at the *Insured's* request, of a Barrister, or Barrister and Solicitor, of the High Court of New Zealand (to be mutually agreed upon by the *Insured* and the *Insurer*) to resolve that dispute. The said Barrister, or Barrister and Solicitor shall take into consideration the economics of the matter, the *Penalties* which are likely to be assessed, the likely *Defence* or *Investigation Costs* and the likely outcome of the *Proceeding* or *Investigation*. The costs of the said Barrister, or Barrister and Solicitor's opinion shall be borne by the *Insurer*, and shall be payable in addition to the Limit of Liability.

5.8 Notice and authority

It is agreed that the *Policyholder* shall act on behalf of all its *Subsidiary Companies* and all *Insured Persons* with respect to:

- (a) the giving of notice of a *Proceeding*, or
- (b) the payment of premium and the receipt of any refund of premium that may become due, or
- (c) the negotiation and receipt of any endorsement, or
- (d) the election of any right to a *Discovery Period*.

5.9 Assignability

This policy and any rights under or in respect of it shall not be assignable without the *Insurer's* prior written consent.



5.10 Representation and Severability

In granting cover under this policy, the **Insurer** has relied upon the declarations and statements which are contained in or constitute the written proposal form forming part of this policy. Such written proposal form for coverage shall be construed as a separate proposal form for coverage individually submitted by each **Insured**.

No state of mind or knowledge possessed by, any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining coverage.

5.11 Taxes and Duties

All amounts indicated in this policy and the attached Schedule are exclusive of Goods and Services Tax where payable by law.

5.12 Other Insurance

If any **Loss** can be indemnified under any other valid policy or policies, prior, current or subsequently, then this policy shall cover such **Loss** subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the amount of payment from such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the limits provided in this policy.

5.13 Alteration and Assignability

No change in, modification of or assignment of interest or rights under this policy shall be effective except where made by written endorsement to this policy, and signed by an authorised employee of the **Insurer**.

5.14 Enforceability

Should any clause or part of a clause of this policy be held to be invalid or unenforceable for any reason, but would have been valid if part of the wording had been modified, such clauses shall apply with such modification as may be necessary to make them valid and effective. The **Insurer** shall not oppose any application made pursuant to the Illegal Contracts Act 1970 to enforce any clause or any part of a clause of this policy which may have been held to be illegal or unenforceable.

IN WITNESS OF WHICH this policy has been signed on behalf of the **Insurer**, but it shall not be binding upon the **Insurer** unless countersigned on the Schedule by an authorised representative of the **Insurer**.

AIG INSURANCE NEW ZEALAND LIMITED

Authorised Representative



BODY CORPORATE INSURANCE

ASSOCIATIONS COMBINED LIABILITY POLICY

Underwritten by:



ASSOCIATION COMBINED LIABILITY POLICY

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ASSOCIATION COMBINED LIABILITY

SCHEDULE

ITEMS		
THE COMPANY:	AIG Insurance New Zealand Limited	
POLICY NUMBER:	Refer to Placing Schedule	
POLICY HOLDER:	Refer to Placing Schedule	
ADDRESS:	c/- Marsh Limited	
POLICY PERIOD:	Refer to Placing Schedule	
LIMIT OF LIABILITY:	Management Liability (Executive Liability and Outside Executive Liability):	Refer to Placing Schedule
	Professional Liability	Not Insured
	Management Liability (Statutory Liability)	Not Insured
	Personal Injury (Employers Liability)	Not Insured
	General Liability	Not Insured
	Products Hazard	Not Insured
<u>Sub-Limits of Liability:</u>	Employment Liability	Not Insured
	Fidelity Loss	Not Insured
	Crisis Loss	Not Insured
	Accidental Death Benefit	Not Insured
	Publicity	Not Insured
	Registration Decisions	Not Insured
	Lost Documents	Not Insured
	Forest and Rural Fires Act	Not Insured
	Punitive & Exemplarily Damages	Not Insured
Optional Extension	Costs for Criminal Prosecutions	Not Insured
RETENTION	Refer to Deductible stated in Placing Schedule	
RETROACTIVE DATE	Refer to Placing Schedule	
CONTINUITY DATE	Not applicable	
PREMIUM	As Agreed	
INSURER & ADDRESS	AIG Insurance New Zealand Limited The AIG Building, Level 7, 21 Queen Street, Auckland 1010 Telephone: +64 (9) 355 3100 Facsimile: +64 (9) 355 3135	
CLAIMS NOTICE	Claims Manager AIG Insurance New Zealand Limited The AIG Building, Level 7, 21 Queen Street, Auckland 1010 Telephone: +64 (9) 355 3100 Facsimile: +64 (9) 355 3135	

CRISIS NOTICE

Hill & Knowlton New Zealand Ltd

Level 8, 125 Willis Street

P O Box 10040 Wellington

Telephone: +61 (2) 9268 0242

Facsimile: +61 (2) 9268 0243

Items from the Schedule are shown in **bold** wherever used in the policy, as are defined terms.

All amounts expressed in this Schedule are exclusive of Goods & Services Tax where payable by law.

Signed on behalf of the Insurer



AIG Insurance New Zealand Limited

ASSOCIATION COMBINED LIABILITY POLICY

In consideration of the payment of the **Premium** and subject to the provisions of this policy, the **Insurer** and **Policyholder** agree as follows:

Notice

Cover under this policy is afforded solely with respect to **Claims** first made against an **Insured** or an **Occurrence** arising from and within the course of the **Business** and any **Crisis Events** during the **Policy Period** that are reported to the **Insurer** as required by this policy. Amounts incurred for **Defence Costs** will reduce the **Limits of Liability** available to pay judgments or settlements (except for **Claims** under the General Liability Insuring Clause), and be applied against the **Retention**. The **Insurer** does not assume any duty to defend. This policy is not binding upon the **Insurer** unless it is countersigned on the Schedule by an authorized representative of the **Insurer**.

Words in **bold** typeface have special meaning—see the Schedule and Definitions Section. Please read this policy carefully and review its cover with your insurance agent or broker.

COVERS

Cover under these Insuring Clauses is afforded solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or a discovery period, if applicable, that are reported to the **Insurer** as required by this policy.

Professional Liability	The Insurer shall pay the Loss of any Insured due to a Claim for Professional Liability .
Management Liability	The Insurer shall pay the unindemnified Loss of any Insured Person due to a Claim for any Management Liability :
Association Reimbursement	The Insurer shall pay an Association to the extent it has indemnified Loss of any Insured Person due to a Claim for Management Liability .
Association Liability	The Insurer shall pay the Loss of any Association due to a Claim made against the Association for any Management Liability .
Employers Liability	The Insurer shall pay the Loss of the Association due to a Claim for Personal Injury sustained by an Employee .
Statutory Liability	The Insurer shall pay the Loss of any Insured due to a Claim for Statutory Liability .
Fidelity	The Insurer shall indemnify the Association due to a Claim for a Fidelity Loss .
Crisis Loss	The Insurer shall pay the Association for Crisis Loss from a Crisis Event during the Policy Period .
Accidental Death Benefit	The Insurer shall pay the Association the Accidental Death Benefit if an Executive of the Association dies as a result of Injury .

Cover under this Insuring Clause is afforded solely with respect to an **Occurrence** happening during the **Policy Period** within the **Territorial Limits** which arises from and within the course of the **Business** and provided that the action for damages is brought against an **Insured** within the **Territorial Limits**.

General & Products Liability	The Insurer agrees to indemnify the Insured for all amounts which the Insured shall become legally liable to pay as a result of Claims or Legal Proceedings for Personal Injury or Property Damage .
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EXTENSIONS

Subject to all of the provisions of this policy cover is extended as outlined below. The total of all payments made under these Extensions shall be part of and not in addition to the **Limit of Liability** unless otherwise specifically stated. These Extensions are also subject to the **Retention** unless otherwise specifically stated.

30 Day Minimum Reporting Window	Any Claim first made against an Insured during the last 30 days of the Policy Period will be deemed reported within the Policy Period if actually reported to the Insurer within the first 30 days after having been first made against the Insured .
Reinstatement of Professional Liability Insuring Clause Limit	Upon notification to the Insurer during the Policy Period of any Claim made against the Insured or of circumstances which are likely to give rise to a Claim for Professional Liability , this policy shall be deemed to be reinstated for such amount, if any, as may ultimately be paid by the Insurer in respect of such Claim , so as to remain in force during the Policy Period for the Limit of Liability , provided always that the aggregate of the amounts so reinstated shall not exceed an amount equal to the Limit of Liability .
Court Attendance	For any person described in (i) and (ii) below who actually attends court as a witness in connection with a Claim notified under and covered by this policy, Defence Costs will include the following rates per day for each day on which attendance in court has been required: (i) for any Executive, \$500 for a maximum of 5 days; (ii) for any Employee, committee member or volunteer, \$250 for a maximum of 5 days. Provided that this Extension is not available to a person described in (i) or (ii) above against whom there is an allegation of fraud or dishonesty. No Retention shall apply to this Extension.
Defence Cost Advancement	The Insurer shall advance covered Defence Costs for Management Liability .
Heirs, Estates and Legal Representatives	Any Claim made against any estate, heir or legal representative of an Insured Person of that Insured Person , shall be covered as if made against that Insured Person .
Investigation Costs	Cover is extended to, and the term Loss shall include, the reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the Insurer by or on behalf of an Insured Person in preparing for and attending any Investigation which first becomes known to any Insured during the Policy Period or any discovery period, if applicable.
Costs of Challenging official decisions	Cover is extended to, and the term Loss shall include, the reasonable and necessary fees, costs and expenses incurred with the prior written consent of the Insurer by, or awarded against an Insured Person, in challenging and/or bringing court proceedings to set aside any determination of an official investigation, examination or inquiry affecting the Insured Person's position as a director or officer of the Association. Provided that this Extension is not available to an Insured Person against whom there is an allegation of fraud or dishonesty.
Registration Decisions	Cover is extended to Defence Costs arising out of any challenge to a decision of the Association not to register or to remove from the register someone as a Registered Person in New Zealand. The total of all payments under this Extension will not exceed \$20,000 in the aggregate or as described in the Schedule. A separate retention of \$1,000 instead of the Retention will apply to each Claim covered under this Extension.

Lost Documents

With respect to a **Third Party's Documents**:

- (i) for which an **Insured** is legally responsible; and
- (ii) that, during the **Policy Period**, have been destroyed, damaged, lost, distorted, erased or mislaid solely in the performance or non-performance of **Professional Services**,

Loss shall also include costs and expenses reasonably incurred by the **Insured** in replacing or restoring such **Documents** provided that:

- (i) such loss or damage is sustained while the **Documents** are either:
 - (a) in transit; or
 - (b) in the custody of the **Insured** or of any person to whom the **Insured** has entrusted them;
- (ii) where the lost or mislaid **Documents** have been the subject of a diligent search by or on behalf of the **Insured**;
- (iii) the amount of any **Claim** for such costs and expenses shall be supported by evidence of expenditure that shall be subject to written approval by a competent person to be nominated by the **Insurer** with the consent of the **Insured**; and
- (iv) the **Insurer** shall not be liable for any **Claim** arising out of wear, tear and/or gradual deterioration, moth and vermin, or other matters beyond the **Insured's** control.

This Extension will be subject to a Sub-limit of Liability of \$500,000. A separate retention of \$1,000 instead of the **Retention** will apply to each **Claim** covered under this Extension.

Retired Insured Persons

Notwithstanding the Discovery Extension, if this policy is not renewed any **Insured Person** who retires before the expiry of the **Policy Period** may give written notice to the **Insurer** of any **Claim**, arising from a **Wrongful Act** by the **Insured Person** occurring prior to the end of the **Policy Period**, during a run-off period of 36 months immediately following the **Policy Period**, provided such **Insured Person** has retired prior to the date of non-renewal.

Publicity

Cover is extended to, and the term **Loss** shall include, the reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the **Insurer** by or on behalf of an **Insured Person** in the design and implementation of a publicity campaign to prevent or mitigate damage to the reputation of any **Executive** of any **Association** arising from a covered or potentially covered **Claim** against that **Executive**.

Cover under this Extension is subject to a Sub-Limit of Liability of \$25,000. No **Retention** shall apply to this Extension.

Spouses

Any **Claim** made against an **Insured Person's** spouse for **Management Liability** of that **Insured Person**, shall be covered as if made against that **Insured Person**.

Discovery

The **Insureds** may give written notice to the **Insurer** of any **Claim** for **Management Liability** or **Personal Injury** (Employers Liability), arising from a **Wrongful Act** or **Personal Injury** (Employers Liability) occurring prior to the end of the **Policy Period**, during a discovery period immediately following the **Policy Period** of 12 months, if the **Policyholder** requests such period in writing within 15 days following the end of the **Policy Period** and tenders an additional premium of 100% of the annual premium level in effect immediately prior to the end of the **Policy Period** within 30 days following the end of the **Policy Period**; or

This Extension is not available if this policy is:

- i) renewed or replaced with any other similar liability policy; or
- ii) cancelled or avoided.

Any discovery period purchased under this Extension is non-cancellable, and the premium paid for the discovery period is non-refundable.

Defence Payments for General & Products Liability

The **Insurer** shall defend at its own cost any **Claim** or **Legal Proceeding** against the **Insured** for an **Occurrence** that seeks compensation, even if the **Claim** or **Legal Proceeding** is groundless, false or fraudulent

In the defence of any **Claim** or **Legal Proceeding** against the **Insured** for an **Occurrence** that seeks compensation covered by the policy the **Insurer** will:

- a) Investigate, negotiate and settle the **Claim** or **Legal Proceeding**; and
- b) Pay the following supplementary payments:
 - i. all costs taxed against the **Insured** in the **Claim** or **Legal Proceeding**;
 - ii. pre-judgment interest awarded against the **Insured** on that part of the judgment paid by the **Insurer**;
 - iii. post-judgment interest that accrues after entry of judgment and before the **Insurer** has paid, offered to pay or deposited in court that part of the judgment that is within the applicable **Limits of Liability**; and
 - iv. The **Insured** expenses incurred at the **Insurer's** request or with the **Insurer's** written consent (including actual loss of wages or salary, but not loss of other income).

Notwithstanding, the **Insurer** will only be liable for the amount of damages and claimants' costs and expenses arising from an **Occurrence** that is in excess of the **Retention**. The **Retention** amount shall be borne by the **Insured** and shall remain uninsured, with regard to all payments for which the **Insured** shall be liable.

Expenses incurred to defend or investigate any **Claim** or **Legal Proceeding** for an **Occurrence** will be in addition to the applicable **Limits of Liability**.

Forests & Rural Fires Act

Notwithstanding the Fines and Penalties Exclusion, the **Insurer** agrees to indemnify the **Insured** for:

- a) Costs incurred and apportioned by any Fire Authority under section 43 of the Forest and Rural Fires Act 1977 or any amendments or replacing Act (the "Act"); and
- b) levies imposed by a Fire Authority and apportioned to the Insured during the **Policy Period** under sections 46 and 46A of the Act; and
- c) Costs claimed by any other party in order to protect their property from fire.

This Extension shall apply also:-

- i. Whether the **Property Damage** has occurred or not and to the legal liability of the **Insured** for loss of or damage to property caused by or caused to the machinery, plant, trailers or mechanically propelled **Vehicles** used by the Fire Fighting Authority insofar as the liability covered by this Extension is not otherwise insured. Provided that:
 - i) the total amount payable under this Extension shall not exceed \$250,000; and
 - ii) a retention of \$1000 in the aggregate for all sums payable to any claimant or any number of claimants in respect of or arising out of all **Occurrences** of a serious consequent on or attributed to one source or original cause.

Punitive and Exemplary Damages

Notwithstanding the definition of **Loss** the **Insurer** agrees to indemnify the **Insured** for punitive and/or exemplary damages awarded to, or on behalf of, a person who has suffered **Personal Injury** (Employers and General Liability) resulting from an event in connection with the business of the **Insured**, or the **Insured's** ownership, occupancy or tenancy of a building, structure or land, provided that:

- a) the **Claim** must be made against the **Insured** and reported to the **Insurer** during the **Policy Period**;
- b) any punitive or exemplary damages awarded by any court outside of New Zealand are excluded;
- c) the total amount payable under this Extension shall not exceed \$1,000,000, inclusive of all costs any one **Claim** and in the aggregate, during any one **Policy Period**;

d) a **Retention** of \$250 inclusive of costs shall apply to each and every **Claim**.

The **Insurer** will not indemnify the **Insured** for **Claims** arising from **Personal Injury** or an event that caused **Personal Injury** where such **Personal Injury** or event occurred prior to the Retroactive Liability Date specified in the Schedule.

Disappearance

If the body of an **Executive** of the **Association** has not been found within one year after the date of the disappearance, sinking or wrecking of the conveyance in which the **Executive** was travelling at such date during the **Policy Period**, the **Insurer** will assume that the **Executive** died as the result of **Injury** and will pay the **Accidental Death Benefit** to the **Association**.

Exposure

If an **Executive** of the **Association** dies as the result of unexpected exposure to the elements following an **Injury**, the **Insurer** will assume that the **Executive** has sustained **Injury** as defined and will pay the **Accidental Death Benefit** to the **Association**.

OPTIONAL EXTENSION – COSTS FOR CRIMINAL PROSECUTIONS

This Extension is only available by Endorsement to the policy specifically stating that it is included.

Subject to all of the provisions of this policy cover is extended as outlined below. The total of all payments made under this Extension shall be part of and not in addition to the **Limit of Liability**.

Costs for Criminal Prosecutions

Notwithstanding the Statutory Liability Exclusion, cover is extended to, and the term **Loss** shall include, the reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the **Insurer** by or on behalf of an **Insured Person** in the defence of a criminal prosecution under an otherwise excluded Act of Parliament arising out of the **Insured Persons'** role with the **Association**. This Extension will be subject to a Sub-limit of Liability of \$50,000. A separate retention of \$500 instead of the **Retention** will apply to each **Claim** covered under this Extension.

Provided that this Extension is not available to an **Insured Person** against whom there is an allegation of fraud or dishonesty or to which the Sexual Molestation Exclusion applies.

DEFINITIONS

Accidental Death Benefit	means the sum of \$50,000 payable by the Insurer to the Association if an Executive dies as a result of Injury within the Policy Period. Cover is only available to those Executives aged between 16 years and 70 years. The total amount payable by the Insurer as an Accidental Death Benefit shall not exceed the aggregate Limits of liability specified below: i) \$500,000 in the aggregate for all Claims during the Policy Period; However this limit will be reduced to: ii) \$250,000 in the aggregate for all Claims during the Policy Period relating directly to air travel in aircraft whose flights are not conducted in accordance with fixed schedules to and from fixed terminals over established routes.
Aircraft	means a vehicle designed to be used primarily in the air and to be supported by the dynamic reaction of the air upon the vehicle's wings or rotor-blades, and/or by the vehicle's buoyancy in the air. The term Aircraft, however, excludes missiles, spacecraft and the ground support or control equipment used therewith.
Aircraft Products	means: a) Aircraft and any ground support or control equipment used therewith; b) Any Insured Product furnished by the Insured and installed in Aircraft or used in connection with Aircraft; c) any tooling used for the manufacture of (a) or (b) above; d) any ground handling tools and equipment used in connection with (a) or (b) above including training aids, navigational aids, instruction or manuals; e) blueprints, engineering or other data furnished by the Insured in connection with (a), (b), (c) or (d) above; f) any advice, service and/or labour furnished by the Insured in connection with (a), (b), (c), (d) or (e) above.
Association	means the Policyholder specified in the Schedule.
Bodily Injury	means death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease and shall include mental injury, mental anguish and shock
Breach of Duty	means any actual or alleged breach of duty, act, error, misstatements, Misleading or Deceptive Conduct, Infringement, libel or slander committed unintentionally by an Insured, breach of confidentiality or omission in the performance of or failure to perform Professional Services.
Business	means all usual activities and operations of the Named Insured as described in the Policy Schedule and includes: a) The ownership, tenancy or occupation of premises of the Named Insured; b) Private work carried out with the consent of the Named Insured for any director, partner or senior official of the Named Insured by an Employee; c) The provision or management of canteen, social or sports organisations for the Named Insured's Employees; and d) The provision of the Named Insured's own internal fire, first aid, medical, security and ambulance services.
Claim	means any: (i) written complaint, proceeding or arbitration seeking damages or non-monetary relief; (ii) criminal charge; and (iii) official, written notice or other demand in connection with an Investigation. For the General Liability Insuring Clause, Claim means a written demand, notice or other written communication received by the Insured seeking a remedy and/or alleging liability or responsibility on the Insured's part for an Occurrence covered by this Policy.

Crisis Event	means any of the following unforeseen events where, in the reasonable opinion of the chief executive officer (or equivalent) of the Policyholder, the event has the potential to cause an imminent decrease of greater than 30% of the total consolidated annual revenues of the Association if left unmanaged: i) the sudden, unexpected death or disability of any Executive; ii) loss of a major customer, contract or credit facility; iii) loss of a grant; iv) Employee workplace violence; v) the first apparent unauthorized intrusion into any Association's computer facilities; vi) a man-made disaster; Crisis Event does not include an event that affects an Association's industry in general, rather than an Association, specifically.
Crisis Loss	means the reasonable and necessary fees, costs and expenses paid by an Association for external crisis management services provided in response to a Crisis Event within the first 30 days after the event. A Sub-limit of Liability of \$25,000 applies to the cover for Crisis Loss.
Defence Costs	means reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the Insurer in the defence, investigation (by or on behalf of any Insured), adjustment, settlement or appeal of any Claim against an Insured for any Management Liability, Personal Injury (Employers Liability only), Professional Liability, or Statutory Liability.
Documents	means all documents of any nature whatsoever including computer records and electronic or digitized data; but does not include any currency, negotiable instruments or records thereof.
Employee	means any past, present or future full-time, part-time, seasonal and temporary employees who are not Executives, auditors, consultants, secondees or agents. For the General Liability Insuring Clause, Employee includes: a) Any person hired or borrowed by the Named Insured from another employer under an agreement by which the person is deemed to be employed by the Named Insured; b) Any person under a work experience or similar scheme while engaged and working under the direction and control of the Named Insured in connection with and in the course of the Business.
Employment Liability	means any liability from a Claim against any Association, or any Executive or Employee of any Association by an Employee or prospective Employee of that Association based upon any Wrongful Act in connection with the employment of or the termination of such Employee or, decision to not employ the prospective Employee, including, but not limited to, any employment-related retaliation or harassment. Cover under this policy for Employment Liability is subject to a Sub-Limit of \$250,000 in the aggregate.
Event	means any act or omission which may result in the violation of a Statute
Executive	means any past, present and future duly elected or appointed: (i) director, trustee (other than a trustee of an insolvent entity) or governor of an Association and member of the management board of an Association; (ii) executive officer; and (iii) official with duties equivalent to those of the positions listed above.
Executive Liability	means liability: (i) for any Wrongful Act of any Executive or any Employee of any Association; or (ii) arising solely from an Insured Person's status as an Executive or Employee of an Association.
Financial Loss	means a pecuniary or economic loss or expense,

Fidelity Loss	means any loss up to an amount of \$100,000 in the aggregate resulting from any dishonest or fraudulent act(s) or omission(s) of an Employee or Executive first discovered by the Insured and notified to the Insurer during the Policy Period arising from loss of money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes that are the property of the Insured .
Grounding	means the withdrawal of one or more Aircraft from flight operations or the imposition of speed, passenger or load restrictions on such Aircraft , by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such Aircraft or any part thereof sold, handled or distributed by the Insured or manufactured, assembled or processed by any other person or organisation according to the Insured's specifications, plans, suggestions, orders or drawings or with tools, machinery or other equipment furnished to such persons or organisations by the Insured , whether such Aircraft so withdrawn are owned or operated by the same or different persons, organisations or corporations. A Grounding will be deemed to commence on the date of an Occurrence which discloses such condition or on the date an Aircraft is first withdrawn from service on account of such condition, whichever occurs first.
Hovercraft	means any vessel, craft or device made to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Incidental Contracts	means: a) Any written agreement for lease of real or personal property which does not impose upon the Named Insured: i) An obligation to insure such property; or ii) Any liability regardless of fault; b) Any written contract with any entity for the supply of water, gas or electricity but only to the extent of indemnifying any such entity in respect of liability arising out of the Business other than contracts for the performance of work or provision of services by the Named Insured.
Infringement	means an unintentional infringement of any intellectual property right of any Third Party , other than patents and Trade Secrets .
Injury	means an injury which occurs fortuitously to an Executive of the Association during the Policy Period and which results solely and directly and independently of any other cause including any known or unknown pre-existing physical or congenital condition (except Sickness directly resulting from medical or surgical treatment rendered necessary by such Injury) in death within one year to the date of occurrence of such Injury . Injury does not include any Sexually Transmitted Disease, Acquired Immune Deficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) infection, or any intentional self-inflicted injury or suicide by an Executive of the Association .
Insured	means the Association or an Insured Person . For the General Liability Insuring Clause only, Insured also means: a) Any person or organisation to whom the Named Insured is obligated by a written Insured Contract to provide insurance such as is afforded by this Policy, but only with respect to their liability arising out of operations conducted by the Named Insured or on their behalf and not to any greater extent than required by the contract or agreement; and b) Any office bearer or member of social and/or sporting clubs formed with the written consent of the Named Insured in respect of Claims arising from duties connected with activities of any such club. Cover shall not apply to Personal Injury to or Property Damage of any participants of any game, match, race, practice or trial.
Insured Contract	means that part of any contract or agreement pertaining to the Named Insured's Business under which the Named Insured assumes the tort liability of another party to pay for Personal Injury or Property Damage to a third person or organisation. However, the Personal Injury or Property Damage must arise out of an Occurrence that takes place subsequent to the execution of the Insured Contract . Tort liability means a liability that would be imposed by law upon the other party in the absence of any contract or agreement.

Insured Person	means any Executive, Employee , committee member, independent contractor or volunteer under day to day management control of the Association and any Outside Director .
Insured's Products	means any goods or products (after they have ceased to be in the Insured's possession or under the Insured's control) which is or is deemed (whether by law or otherwise) to have been manufactured, constructed, grown, extracted, treated, imported, exported, produced, processed, assembled, erected, installed, repaired, serviced, sold, supplied or distributed by the Insured . Insured Products includes any packaging or containers, designs, formulae or specifications thereof, directions, instructions or advice given or omitted to be given in connection with such things other than a Vehicle or vending machine.
Investigation	means any investigation, examination or inquiry by a government authority into the affairs of an Association or conduct of an Insured Person as an Executive or Employee of an Association or an Outside Director .
Legal Proceeding	means litigation, arbitration, mediation, adjudication or any other process of dispute resolution.
Loss	means: (i) compensatory damages; and (ii) legal costs and expenses of a plaintiff; and (iii) Penalties; that any Insured Person is legally obligated to pay under the terms of: (a) a final judgment entered against any Insured; or (b) a settlement negotiated by or pre-approved in writing by the Insurer. Loss includes Defence Costs and Crisis Loss. Loss does not include: (i) fines or penalties (with the exception of any Penalties under iii) above); (ii) taxes; (iii) employment-related compensation or benefits; (iv) internal or overhead expenses of any Insured Person or any Association; (v) the cost of complying with non-monetary damages or relief; (vi) matters which may be deemed uninsurable under applicable law; or (vii) punitive and exemplary damages.
Management Liability	means: (i) in the case of any Insured Person, any: (a) Executive Liability; (b) Outside Executive Liability; (c) Employment Liability; and (d) Statutory Liability; (ii) in the case of any Association, any: (a) liability for any Wrongful Act of the Association; (b) Employment Liability; and (c) Statutory Liability.
Medical Persons	means any medical doctor, medical nurse, dentist and first aid attendant.
Misleading or Deceptive Conduct	means any actual or alleged misleading or deceptive conduct at law or under the Fair Trading Act 1986.
Named Insured	means the Association specified as the Policyholder in the Schedule.
Occurrence	means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended from the Insured's standpoint. All events of a series consequent on or attributable to one source or original cause shall be deemed one Occurrence.
Outside Entity	means any (i) not-for-profit entity; or (ii) any entity listed as an Outside Entity in an endorsement attached to this policy.

Outside Executive	means any: (i) Employee or Executive of any Association who is or was acting at the specific written request or direction of an Association as an Executive of an Outside Entity ; or (ii) other person listed as an Outside Executive in an endorsement attached to this policy.
Outside Executive Liability	liability: (i) for any Wrongful Act of any Outside Executive ; or (ii) arising solely from an Insured Person's status as an Outside Executive .
Penalties	means any fine or other monetary penalty or costs assessed or reparation order made by a Court for which the Insured may be liable following a Court determination that the Insured should be convicted of any offence, or should pay any Penalty to the Crown, under a Statute in connection with an Event , except (i) for any fine or infringement fee under the Health and Safety in Employment Act 1992; and / or (ii) where it has been established the Insured has knowingly, wilfully or intentionally committed the Event .
Personal Injury (Employers Liability)	means, for the Employers Liability Insuring Clause: (i) bodily injury, sickness or disease including death resulting from bodily injury, sickness or disease; and (ii) disability shock, mental anguish or injury; sustained by an Employee arising out of or in the course of their employment with the Association . For the purposes of this policy disease shall be sustained when the Employee is first exposed to conditions in New Zealand out of which the disease being the subject of the Claim arose.
Personal Injury (General & Products Liability)	means, for the General Liability Insuring Clause: a) Bodily Injury; b) False arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution and humiliation; c) Libel, slander, defamation of character or invasion of privacy; and d) Assault and battery not committed by or at the direction of the Insured unless committed for the purpose of preventing or eliminating danger to persons or property.
Pollutant	means but is not limited to any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including but not limited to, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids or alkalis of any sort, chemicals and waste. Waste includes but is not limited to, material to be recycled, reconditioned or reclaimed.
Products Hazard	means Personal Injury or Property Damage arising out of the Insured's Products or reliance upon a representation or warranty made at any time with respect thereto, but only if the Personal Injury or Property Damage occurs away from premises owned by, leased to, rented to or occupied by the Insured and after physical possession of such products has been relinquished to others.
Professional Liability	means liability for any Breach of Duty of any Insured .
Professional Services	means the professional services of the Association as disclosed in the Proposal form and accompanying documentation.
Property Damage	means: (i) Physical injury to or destruction of or loss of tangible property including the loss of use thereof at any time resulting therefrom; or (ii) Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical injury to or destruction of other tangible property.
Registered Person	means a person registered by the Association as a member of a professional body as part of the Association's Professional Services .
Sickness	means sickness or disease contracted by an Executive of the Association as a result of Injury and which results solely and directly and independently of any other cause in death within one year to the date of occurrence of such Injury .
Statute	means an Act of the New Zealand Parliament and any subordinate legislation thereto.
Statutory Liability	means liability for Penalties for an Event .
Territorial Limits	means anywhere in New Zealand.

Third Party	means any entity or natural person; provided, however, Third Party does not mean: (a) any Insured ; or (b) any other entity or natural person having a financial interest in the operation of the Association or an Executive of the Association .
Tool of Trade	means any Vehicle which has attached as an integral part of such Vehicle any equipment for mechanical digging, scraping, grading, slashing, mowing, drilling, lifting or leveling, whilst such equipment is being used for the purpose for which it was designed.
Trade Secret	means information that derives independent economic value, actual or potential, from not being generally known and not being readily ascertainable through proper means by other persons who can obtain economic advantage from its disclosure or use.
Vehicle	means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.
Watercraft	means any vessel or watercraft made to or intended to float on or in or travel on or through or under water.
Wrongful Act	means any actual or alleged wrongful act, error or omission by any: (i) Executive of an Association; (ii) Employee of an Association; or (iii) Association.

EXCLUSIONS

This policy shall not cover **Loss** or make any payment in connection with any **Claim** arising out of, based upon or attributable to any:

Aircraft	Executive being a pilot or crew member of any aircraft or an Executive engaging in any aerial activity except as a passenger in any properly licensed aircraft;
Aircraft, Hovercraft and Watercraft (General Liability)	ownership, possession, maintenance, operation or use by or on behalf of the Insured: a) Of any Aircraft or Hovercraft; or b) Any Watercraft or vessel exceeding eight (8) metres in length. Provided that this Exclusion shall not apply with respect to: i) Watercraft owned by others and used by the Insured for Business entertainment; or ii) Hand propelled or sailing craft. This proviso i) and ii) shall only apply where such Watercraft are sailing or operating in New Zealand territorial or inland waters.
Asbestos	mesothelioma, asbestosis or for any death, disease, loss of use of property, damage to property (including consequential loss) arising directly or indirectly out of or in connection with or in consequence of: a) Inhaling, ingesting or physical exposure to asbestos or goods or products containing asbestos; or b) The use of asbestos in constructing or manufacturing any good, product or structure; or c) The removal of asbestos from any good, product or structure; or d) The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos; or e) The presence of asbestos in any building.
Assault and Battery	assault or assault and battery, provided that this exclusion does not apply to the Accidental Death Benefit ;
Conduct	(i) improper use of position or information to gain any profit or advantage or cause any detriment to the Association; (ii) remuneration illegally paid to or received by an Insured; or (iii) criminal, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of law; but only if: (a) the foregoing have been established by any judgment, other adjudication or arbitration; or (b) such Insured admits in writing to (i), (ii) or (iii) above;
Contractual Liability	Personal Injury or Property Damage: a) Where the Insured assumes liability under any contract or agreement. But this Exclusion a) shall not apply to those written contracts: i) designated in the Policy Schedule; ii) where liability would have been implied by law; iii) where the Insured assumes liability under a warranty of fitness or quality as regards the Insured's Products; iv) to Incidental Contracts entered into by the Named Insured; v) to Insured Contracts entered into by the Named Insured where the Named Insured is obligated to provide insurance as is afforded by this Policy, to any person or organisation, but only with respect to their liability arising out of operations conducted by the Named Insured or on their behalf and not to any greater extent than required by the contract or agreement;

	b) Where the Insured has waived any rights, which but for the existence of such waiver would accrue to the Insured.
Expected or Intended	For Personal Injury or Property Damage expected or intended from the standpoint of the Insured. However, this exclusion does not apply to: a) Personal Injury or Property Damage resulting from the use of reasonable force to protect persons or property; or b) Liability of the Insured for compensation as the result of an act committed by the Insured's Employee(s) which results in Personal Injury or Property Damage expected or intended from the standpoint of the Insured's Employee(s), provided such act was not committed at the direction of the Insured.
Financial Loss	Under the General Liability Insuring Clause for Financial Loss, unless such loss is a direct result of Personal Injury or Property Damage for which indemnity is provided by this Policy.
Fine, Penalties, Punitive, Aggravated, Exemplary Damages & Taxes	Subject to the Statutory Liability Insuring Clause and the Punitive and Exemplary Damages Extension (if applicable): a) fines, penalties (civil or criminal), liquidated, punitive, aggravated or exemplary damages; b) Taxes; c) Non-pecuniary relief; d) Matters which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.
Hazardous Materials	engagement by the Insured of any contractor to dispose of or handle materials unless the Insured has taken reasonable steps to ensure that the materials will be disposed of or handled lawfully;
Intangible Rights	actual or alleged Trade Secret, or intellectual property or privacy right except as provided for under the Professional Liability Insuring Clause;
Internet Operations	Personal Injury or Property Damage arising directly or indirectly out of or caused by or in connection with the Insured's internet operations, including but not limited to business conducted and/or transacted via the internet, intranet, extranet and/or via the Insured's own website, internet site, web address and/or via the transmission of electronic mail or documents by electronic means.
Known Facts/ Circumstances	actual or alleged fact or circumstance that, prior to the Continuity Date, may reasonably have been expected by an Insured to give rise to a Claim;
Libel / Slander	For the General Liability Insuring Clause only: libel or slander: a) Made prior to the Policy Period; or b) Made by or at the Insured's direction with knowledge of the falsity or defamatory character thereof; or c) Related to advertising, broadcasting, publishing or telecasting activities including internet activity, conducted by the Insured or on the Insured's behalf.
Loss of Use	loss of use of any tangible property which has not been physically injured or destroyed resulting from: a) A delay in or lack of performance by the Insured or on the Insured's behalf of any contract or agreement; or b) The failure of the Insured's Products to meet the level of performance, quality, fitness or durability express or implied, warranted or represented by the Insured. Provided that this Exclusion b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Insured's Products after such products have been put to use by any person or organisation other than the Insured.

Liability for any **Personal Injury** or **Property Damage** or any other loss, injury, damage, cost or expense, including , but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- (a) Any **Fungus(i)**, **Moulds(s)**, mildew or yeast, or
- (b) Any **Spore(s)** or toxins created or produced by or emanating from such **Fungus(i)**, **Mould(s)**, mildew or yeast, or
- (c) Any substance, vapour , gas, or other emission or organic or inorganic body or substance produced by or arising out of any **Fungus(i)**, **Mould(s)**, mildew or yeast, or
- (d) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbours, nurtures or acts as a medium for any **Fungus(i)**, **Mould(s)**, mildew, yeast, or **Spore(s)** or toxins emanating therefrom,

Regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, damage, cost or expense.

For the purposes of this exclusion, the following definitions are added to the Policy:

Fungus(i) includes, but is not limited to, Any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including moulds, rusts, mildews, smuts and mushrooms.

Mould(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce moulds.

Spore(s) means any dormant or reproductive body produced by or arising or emanating out of any **Fungus(i)**, **Mould(s)**, mildew, plants, organisms or micro-organisms

Non Compliance

Event which has resulted from the **Insured's** intentional, knowing or reckless failure to comply with any lawful abatement notice or enforcement order, improvement notice, prohibition notice or suspension notice, building notice, Notice to Rectify, Compliance Schedule, Gazetted Notice, or order made by a Commission, Tribunal, or Standards Review Board;

Nuclear

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

Pensions

actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any employee pension plans, employee welfare plans, employee retirement savings plans, employee profit sharing or employee benefits programme;

Pollution

- a) the discharge, dispersal, release or escape of **Pollutants** into or upon land the atmosphere or any watercourse or body of water;
- b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralizing, nullifying or cleaning up **Pollutants** or **Pollutants** discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;
- c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above.
- d) the cost of preventing the escape of **Pollutants**.

For General Liability Exclusions (a) and (b) shall not apply where the **Claim** or **Legal Proceeding** arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of North America. This Exclusion shall not apply to cover for **Statutory Liability** under this policy.

Prior Claims/ Circumstances	(i) as of the policy inception, prior or pending Claims or circumstance reported under any policy of which this policy is a renewal or replacement, or the same, continuous, repeated or related facts as those alleged in such prior or pending Claim or such circumstance; (ii) as at the Continuity Date , any pending or prior: a) litigation; or b) administrative or regulatory proceeding or official investigation of which an Insured Person had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or official investigation;
Product Defect	Property Damage to the Insured's Products;
Product Recall	For any cost or expense incurred or claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Insured's Products or of any property of which such products form a part, if such products, or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.
Property Owned or in the Insured's Physical or Legal Control	Property Damage to: a) Property owned by, leased or rented to the Insured; or b) Property belonging to the Insured or in the care, custody or control of the Insured or any Employee of the Insured; c) That particular part of any real property on which the Insured or any contractors working directly or indirectly on the Insured's behalf are performing operations if the loss or Property Damage arises out of those operations.
Racing	driving or riding in any kind of race;
Radiation	Liability from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or the radioactive toxic explosive or other hazardous properties or any explosive nuclear assembly or nuclear component thereof;
Redundancy	obligation of any kind under any source in respect of redundancy or severance, or any breach or non-observance of such obligation;
Retroactive Date	Injury, Fidelity Loss, Management Liability, Professional Liability, Statutory Liability, Personal Injury, or Property Damage committed or allegedly committed prior to the Retroactive Date ;
Sexual Molestation	actual or alleged sexual molestation or abuse, including any alleged direct sexual activity and any allegation that an Insured negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy and including without limitation, any allegation that the violation of a civil right caused or contributed to such a Claim , however, this Exclusion does not apply to any Claim made against the Association for Employment Liability ;
Silica	presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form, or to any obligation of the Insured to indemnify any party because of Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form;
Statutory Liability	of the following excluded Statutes : Arms Act 1983; Aviation Crimes Act 1972; Crimes Act 1961; Land Transport Act 1988; Proceeds of Crime Act 1991; Summary Offences Act 1981; Transport Act 1962; Transport (Vehicle and Driver Registration and Licensing) Act 1986 and any other Act of Parliament specified by endorsement as an excluded Act;
Territorial Limits	Fidelity Loss, Management Liability, Professional Liability, Personal Injury or Occurrence, Claim, Legal Proceeding or litigation brought in a court outside New Zealand; except for liability in respect of Personal Injury or Property Damage incurred by Insured Persons attending a conference outside New Zealand on behalf of the Association ;
Terrorism	For Personal Injury or Property Damage arising directly or indirectly as a result of or in connection with terrorism including, but not limited to, any contemporaneous or ensuing Personal Injury or Property Damage caused by fire, looting or theft.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism shall also include any act which is verified or recognised by the government of any country in which the **Insured** operates or exports products into, as an act of terrorism.

**Trade Debts /
Insolvency**

(i) trading debt incurred by an **Insured** or arising from a trading debt incurred by a business managed by or carried on by or on behalf of the **Insured**, or (ii) guarantee given by an **Insured** for a debt; or (iii) insolvency, administration or receivership of the **Insured** or its actual or alleged inability to meet any or all of its debts as and when they fall due;

Vehicles

Personal Injury or **Property Damage** caused by or arising out of the ownership, possession, use of or operation by the **Insured** of any **Vehicle** which is registered or in respect of which insurance is required by virtue of any legislation.

Provided that this Exclusion shall not apply to the **Insured's** liability for **Personal Injury** or **Property Damage** arising from:

- a) The actual loading, unloading, delivery or collection of goods to or from any **Vehicle**;
- b) The use of any **Tool of Trade** either on any site where the **Insured** is undertaking work or at the **Insured's** premises.

This proviso b) does not extend cover to the use of any **Tool of Trade**, whilst in transit or whilst being used for transport or haulage;

War

Personal Injury, Property Damage or **Loss** directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (with or without the declaration of war), civil war, civil commotion, factional civil commotion, rebellion, revolution, insurrection, military or usurped power.

**Workers
Compensation and
Employers Liability**

a) In respect of **Bodily Injury** sustained by an **Employee** which arises out of or in the course of their employment by the **Insured**;

Provided that this Exclusion a) does not apply to the Employers Liability Insuring Clause;

- b) Imposed by the provisions of any:
 - i) Workers' compensation legislation or under any similar legislation;
 - ii) Accident compensation legislation or under any similar legislation;
 - iii) Industrial award, agreement or determination.
- c) For any obligation for which the **Insured** may be held liable under any Worker's Compensation Law or under any similar law.

In addition, this policy shall not cover Loss or make any payment in connection with any Claim:

Additional Penalties

for a **Penalty** imposed on the **Insureds** in relation to: (i) a daily or ongoing **Event** or offence to the extent that the **Penalty** relates to the period of time after the **Insured** first received notice of the prosecution or of the intention to commence the prosecution; or (ii) the cost or payment of any enforcement order, remedial order or compliance order; or (iii) the cost or payment of any tax (**Penalty** or otherwise), interest, compliance costs, duty or other monetary obligation to the Inland Revenue Department; or (iv) any damages or compensation, not part of a **Penalty**, imposed by a tribunal or court of competent jurisdiction;

**Anticompetitive
Practices**

for any violation of any law applicable to: business competition, unfair trade practices or tortious interference with any business or contractual relationships except as provided for cover to an **Insured Person** under the Professional Liability Insuring Clause;

Benefits

for any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance benefit, retirement benefits, social security benefits or any similar or obligation;

Bodily Injury	for bodily injury, sickness, disease, or death of any person, or infliction of emotional distress; provided that this exclusion does not apply to cover for Claims made under the Employers, General & Products Liability, or Accidental Death Benefit Insuring Clauses and extensions thereto;
Failure to Maintain Insurance	for Loss (excluding Defence Costs) for an actual or alleged failure to effect or maintain any insurance, reinsurance or bond;
Indirect Activities	for any Employee engaged in any activity or occupation not directly part of the business of the Company unless the Insured gives prior written notice of such engagement to the Insurer who signifies its agreement to cover being extended by way of endorsement to the policy and the payment by the Insured of such additional Premium as the Insurer may require;
Insured v. Insured	brought or maintained by, on behalf of or in the right of the Association or any Insured Person unless such Claim is brought and maintained: (a) in the name of the Association by any legally authorised individual or entity, other than the Association itself, without the assistance, intervention, solicitation or active participation of the Association or any Insured Person ; or (b) by an Insured Person in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from a Claim that is covered by this policy; or (c) for Employment Liability ; or (d) by any former director, secretary or Officer who has not served as a director, secretary or Officer of the Association for at least 2 years prior to the Claim first being made against an Insured Person .
Return of Fees	for the return of fees, charges, commissions or any other form of remuneration or consideration for Professional Services by the Insured ;

CONDITIONS: LIMIT AND RETENTION

Limit of Liability	The total amount payable by the Insurer under this policy shall not, in the aggregate, exceed the Limit of Liability except where the Limit of Liability for Professional Liability has been reinstated pursuant to the Reinstatement Extension. Sub-limits of Liability, Extensions and Defence Costs are part of that amount and are <u>not</u> payable in addition to the Limit of Liability except for payments under the General Liability Defence Payments extension. The total amounts payable by the Insurer under any Extensions subject to a Sub-limit of Liability shall not exceed the applicable amount specified as such for that Extension. The inclusion of more than one Insured under this policy does not increase the total amount payable by the Insurer under this policy.
Retention	The Insurer shall only pay for the amount of any Crisis Loss, Fidelity Loss, Loss or payments under the General Liability Insuring Clause or any applicable Extension which, after any applicable allocation, are in excess of the Retention. Nevertheless, the Retention shall not apply to Loss of an Insured Person that cannot be indemnified by the Association. The Retention applies to Defence Costs and must be borne by the Association and shall remain uninsured. A single Retention shall apply to Loss arising from all Claims alleging the same Crisis Loss, Fidelity Loss, Management Liability, Professional Liability, Personal Injury, or Property Damage. The Insurer will not defend any Claim or Legal Proceeding or investigate any Claim or Legal Proceeding arising from an Occurrence after the exhaustion of the applicable Limits of Liability by the payment of loss.
Non-Compliance	The amount of indemnity under this Policy shall be reduced where the Insured's breach of, or non-compliance with, the terms and conditions of this Policy prejudices the settlement or handling of a Loss or Claim , to such sum which in the opinion of the Insurer would have been payable by them without such prejudice

CONDITIONS: CLAIMS

Advance Payment of Defence Costs	The Insurer may not refuse to advance Defence Costs for Management Liability by reason only that the Insurer considers that conduct referred to in paragraphs (i) to (iii) of the Conduct Exclusion has occurred, until such time as there is an admission, or, a judgment, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of Defence Costs for which it is ultimately established the Insurer is not liable must be repaid by the Insured Persons and/or the Association .
Bankruptcy or Insolvency	The bankruptcy of any Insured Person or insolvency of the Association shall not relieve the Insurer of any obligations under this policy.
Circumstances	Any Insured may, during the Policy Period , notify the Insurer at the address provided in the Schedule of any circumstance reasonably expected to give rise to a Claim . The notice must include the reasons for anticipating that Claim , and full particulars as to dates, acts and persons involved. Mere notice of a Crisis Loss as required by the Crisis Loss Insuring Clause will not satisfy the notice requirements of this clause.
Claims Made & Reported	Cover under this policy for all Insuring Clauses and Extensions other than for General Liability is afforded solely with respect to Claims first made against an Insured and Crisis Events during the Policy Period that are reported to the Insurer as soon as practicable during the Policy Period or the Discovery Period, if applicable. All notifications must be addressed as required in the Claims Notice Item in the Schedule and reference the Policy Number. Cover under the General Liability Insuring Clause is afforded solely with respect to an Occurrence happening during the Policy Period within the Territorial Limits which arises from and within the course of the Business and provided that the action for damages is brought against an Insured within the Territorial Limits.

Duties in Event of General Liability Claim	Upon the happening of an Occurrence which may give rise to a Claim or Legal Proceeding under this Policy the Insured must: 1. as soon as reasonably practicable- 1.1. notify the Insurer of such Occurrence; 1.2. provide in writing as required all particulars and information as the Insurer may request; 2. immediately- 2.1. on receipt forward to the Insurer every letter, Claim, writ of Legal Proceedings or other document served on the Insured or their representative; 2.2. notify the Insurer of any impending prosecution, inquest, fatal inquiry or proceedings in any court; 3. as the Insurer may require- 3.1. retain anything connected therewith; provide all assistance; 4. promptly take at the Insured's own expense, all reasonable steps to prevent other Personal Injury or Property Damage arising out of the same conditions, but such expense shall not be recoverable under this Policy. The Insured shall not: a) make any admission of liability; b) take any action which may be construed as an admission of liability; c) repudiate or settle any Claim or Legal Proceeding; or d) waive any rights of recovery without our prior written consent. The Insurer has the right to: a) Defend any Claim or Legal Proceeding against the Insured; i) take over and conduct the defence or settlement of any Claim or Legal Proceeding; ii) prosecute for its own benefit any Claim or Legal Proceeding for indemnity or damages or otherwise in the name of the Insured; b) Have subrogation of all the Insured's rights of recovery against any person or organisation, whether before or after, indemnification by the Insurer; c) Exercise full discretion in the conduct of any Legal Proceedings and in the settlement of any Claim or Legal Proceeding, whether before or after indemnification by the Insurer.
Consent: Insured	The Insurer may settle any Claim with respect to any Insured , subject to such Insured's or the Policyholder's written consent.
Consent: Insurer	No Insured shall admit or assume any liability, enter into any settlement agreement, or consent to any judgment without the prior written consent of the Insurer . Only judgments resulting from Claims defended in accordance with this policy shall be recoverable as a Fidelity Loss or Loss under this policy.
Continuity	Notwithstanding the Known or Prior Exclusion, cover is provided under this policy for any Claim , or circumstance, which could or should have been notified under any earlier policy, provided always: (i) the Claim , or circumstance, could and should have been notified after the Continuity Date ; and (ii) the cover provided under this Condition shall be in accordance with the provisions of the policy under which the Claim , or circumstance, could and should have been notified. This Condition applies to all Insuring Clauses other than the General Liability Insuring Clause.
Defence/ Settlement	The Insured must, at its own cost, render all reasonable assistance to the Insurer and take all reasonable measures to mitigate Loss . The Insured shall defend and contest any Claim made against them. The Insurer shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the Insurer . The Insurer may undertake investigations, conduct negotiations and with the written consent of the Insured settle any Claim or Legal Proceedings where

	settlement has been agreed to by the parties being indemnified or has been recommended by a Senior Counsel.
Determination of Whether Insurer's Settlement Recommendations are Reasonable	Should any Insured wish to contest any legal proceedings which the Insurer wants to settle, then the Insurer agrees to the appointment, at the Insureds' request, of a Senior Lawyer (to be mutually agreed upon by the Insured and the Insurer , or in the absence of mutual agreement to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the legal proceedings were first served) to determine whether the Insurer's settlement recommendation is reasonable. The Senior Lawyer shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the Insured successfully defending the action. The costs of the Senior Lawyer's opinion shall be borne by the Insurer .
Loss Allocation	Where any Loss is incurred in respect of any Claim which arises from both covered matters and matters not covered by this policy, the Insurer's liability under this policy is limited to the proportion of the Loss which represents a fair and equitable allocation between the Insureds and the Insurer , taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this policy.
Allocation Disputes	If the parties are unable to agree, then the fair and equitable allocation is to be determined by a Senior Lawyer (to be mutually agreed upon by the Policyholder and the Insurer, or in the absence of agreement, to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the Loss was incurred). The Senior Lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. The Policyholder (or its designee) and the Insurer may make submissions to the Senior Lawyer. The Senior Lawyer is to take account of the parties' submissions, but the Senior Lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. The Senior Lawyer's determination shall be final and binding. The costs of the Senior Lawyer's determination are to be borne by the Insurer. For so long as the proportion of Defence Costs to be advanced under the policy remains not agreed and undetermined, the Insurer shall advance the proportion of the Defence Costs which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any Defence Costs incurred prior to agreement or determination.
Preservation of Right to Indemnity	In the event and to the extent that the Association is permitted or required to indemnify any Insured Person in respect of a Claim , but for whatever reason fails or refuses to do so, then the Insurer shall pay on behalf of the Insured Person any Loss arising from such Claim . In such event the Retention applicable to Association Reimbursement Cover shall be paid by the Association to the Insurer . In the event of the Association being placed in liquidation (other than voluntary liquidation) no Retention shall apply.
Recovery	This policy and any rights under it may not be assigned without the prior written consent of the Insurer . Upon payment, the Insurer shall be subrogated to all rights of recovery of the Insured even if the Insured has not been fully compensated for its loss and be entitled to pursue and enforce such rights in the name of the Insured .
Related Claims	If notice of a Claim or circumstance is given as required by this policy, then any subsequent Claim alleging, arising out of, based upon or attributable to the facts alleged in that Claim or described in that circumstance notice shall be deemed first made against an Insured and reported to the Insurer at the time the required notices were first provided. Any Claim arising out of, based upon or attributable to continuous, repeated or related Crisis Loss, Fidelity Loss, Management Liability, Professional Liability, Statutory Liability, Personal Injury, or Property Damage shall be considered a single Claim .

CONDITIONS: GENERAL

Alteration of Risk	The Named Insured shall notify the Insurer in writing within thirty (30) days of any material changes to the Business description as stated in the Policy Schedule. The Insurer reserves the right to accept or deny coverage at the time of such notification and to establish a separate rate and premium for any such change in description of Business as set forth in the Policy Schedule.
Assignment	This policy and any rights hereunder cannot be assigned without the Insurer's prior written consent.
Authority	It is agreed that the Policyholder acts on behalf of all Insureds with respect to; a) the giving of notice of a Claim or circumstance or Occurrence ; b) the giving and receiving of any notice of cancellation; c) the payment of premium and the receipt of any refund of premium that may become due; d) the payment of the Retention ; e) the negotiation and receipt of any Endorsement; or f) the election of any right under the Discovery Extension.
Cancellation	The Policy may be cancelled at any time at the written request of the Named Insured in which case the Insurer shall retain the customary short rate proportion of the premium. The Insurer may cancel the Policy as and in the manner permitted by law who in which case shall be entitled to retain the pro-rata proportion of the premium. However, if any Claims, Legal Proceedings or Losses have been notified to the Insurer during the relevant Policy Period and prior to the date of cancellation, no refund of premium shall be made to the Named Insured .
Compliance	The Insured shall comply with all statutory requirements concerning the inspection of passenger lifts and steam pressure apparatus.
Currency	All premiums and payments made on Claims or Losses (if any) are payable in New Zealand and in New Zealand dollars.
Governing Law	Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of New Zealand. The parties agree to submit to the exclusive jurisdiction of the New Zealand courts.
GST	All amounts indicated in this Policy and the attached Schedule are exclusive of Goods and Services Tax where payable by law.
Headings and Titles	The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this policy. Words in bold typeface have special meaning and are defined or listed in the Schedule. Words and expressions in the singular shall include the plural and vice versa. Words that are not specifically defined in this policy have the meaning normally attributed to them.
Inspection	The Insurer may audit and examine the Named Insured's books and records as they relate to this policy at any time during the Policy Period or anytime after the expiration or termination of this policy. The Insurer has the right, but is not obligated, to inspect the Insured's premises and operations at any time without prior notice to the Insured subject to which we will use reasonable endeavours to give the Insured reasonable notice of any intended inspection. The Insurer's inspections are not safety inspections. They relate only to the insurability of the Insured's premises and operations and the premiums to be charged. The Insured will allow us, our agents, representatives, Employees or consultants (hereinafter referred as the "Surveyor"): a) access to its premises and other places of Business; and b) to conduct such enquiries as the Surveyor deems necessary, including (without limitation) by way of interviews with employees; and generally

c) provide all reasonable cooperation and assistance as we or the **Surveyor** may require in a conduct of the Survey.

The **Insurer** may give the **Insured** reports on the conditions that we find. We may also recommend changes. We do not, however, undertake to perform the duty of any person or organisation to provide for the health or safety of the **Insured's Employees** or the public. We do not warrant the health and safety conditions of the **Insured** or **Insured's** premises or operations or represent that the **Insured** or **Insured's** premises or operations comply with laws, regulations, codes or standards.

Observance	By accepting this policy the Named Insured agrees that the statements in the proposal, broker submission, and any attachments are accurate and complete and acknowledges that we have issued this policy in reliance upon those representations
Other Insurance/ Indemnification	Cover under this policy is specifically provided only as excess over any self-insurance or other applicable insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this policy. Nothing contained herein shall be construed to increase the Limit of Liability of this policy. If another insurance policy imposes upon an insurer a duty to defend a Claim , this policy shall not cover Defence Costs arising out of that Claim .
Policy Purchase	In granting cover to the Insured , the Insurer has relied upon all the information and documentation submitted to the Insurer in connection with the underwriting of this policy or any prior policy of which this policy is a renewal or a replacement or which it succeeds in time. Those documents and information form the basis of cover and shall be considered incorporated into and a part of this policy.
Reasonable Care	The Insured shall take all reasonable care to prevent injury or loss or damage and to maintain the premises, plant and all other business assets in good repair, and to comply with all statutory obligations and regulations. The Insured shall make good or remedy any defect or danger and take such additional precautions as may be required as soon as possible after discovery, but such expenses shall not be recoverable under this policy.
Severability (Proposal)	The proposal form shall be fully severable, so that the knowledge of one Insured shall not be not imputed to any another Insured .
Severability (Conduct)	the Wrongful Acts of or knowledge possessed by any Insured Person shall not be imputed to any other Insured Person and only knowledge possessed by any past, present or future Chairman of the Board of Directors or Trustees, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of an Association shall be imputed to that Association , for each of the preceding exclusions.
Subrogation	If any payment is made under this policy in respect of a Claim , then the Insurer shall be subrogated to all rights of recovery of the Named Insured and shall be entitled to pursue and enforce such rights in the name of the Named Insured who shall provide the Insurer with all reasonable assistance and co-operation including the execution of any necessary instruments and papers. The Named Insured shall do nothing to prejudice these rights. Any amount recovered in excess of the Insurer's total payment shall be restored to the Named Insured less the cost to the Insurer of such recovery. The Insurer however waives all rights of subrogation against any Insured Person unless the Insured Person has been held liable for a breach of the Conduct Exclusion.
Validity	This policy shall not be binding upon the Insurer unless it is countersigned on the Schedule by an authorised representative of the Insurer .

IMPOSED TERMS

Territory Restriction Endorsement

It is hereby understood and agreed that this policy is amended as follows:

Notwithstanding anything to the contrary in this policy, or any appendix or endorsement added to this policy, there shall be no coverage afforded or benefit provided by this policy for any:

- i. entity organized or incorporated pursuant to local law of the **Specified Area**, or headquartered in a **Specified Area**;
- ii. natural person during the time such natural person is located in a **Specified Area**;
- iii. part of a claim, action, suit or proceeding made, brought or maintained in a **Specified Area**; or
- iv. loss of, theft of, damage to, loss of use of, encryption of, interruption to the operations or availability of, or destruction of any part of any property (tangible or intangible) located in a **Specified Area**, including, but not limited to, any computer system, data, digital assets, money or securities located in a **Specified Area**.

For purposes of this endorsement, "**Specified Area**" means:

- a. The Republic of Belarus; or
- b. The Russian Federation (as recognized by the United Nations) or their territories, including territorial waters, or protectorates where they have legal control (legal control shall mean where recognized by the United Nations).

Where there is any conflict between the terms of this endorsement and the terms of the policy, the terms of this endorsement shall apply, subject at all times to the application of any Sanctions clause.

[1223]

Cyber Exclusion

The following exclusion is added to this policy:

The **Insurer** shall not be liable to make any payment for a **Claim**, **Loss** or **Financial Loss** and or any other amount to or on behalf of any **Association** or **Subsidiary** arising out of, based upon, or attributable to or in connection with any actual or alleged **Privacy Event** or **Security Failure**.

The following definitions are added to the Definitions and apply to the endorsement only:

Breach of Confidential Information means the loss or unauthorised access to, modification, disclosure or transmission of Confidential Information.

Computer System means

- (a) any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet or an intranet or that are connected through data storage or other peripheral devices which are owned, operated, controlled or leased by an **Association** or **Subsidiary**;
- (b) any of the foregoing computer hardware, software or components thereof which is part of an industrial control system, including a supervisory control and data acquisition (SCADA) system;
- (c) any employee "Bring Your Own Device" used to access any of the foregoing computer; hardware, software or components thereof or **Data** contained therein;
- (d) any cloud service or other hosted computer resources, used by an **Association** or **Subsidiary** and operated by a **Third Party** service provider under a written contract between such **Third Party** service provider and an **Association** or **Subsidiary**; and
- (e) any networked computer hardware or software under the operation or ownership, or that is leased or hired by, an **Association** or **Subsidiary**.

Confidential Information means **Corporate Information** and **Personal Information** in an **Association's**, **Subsidiary** or **Information Holder's** care, custody or control or for which an Association or Subsidiary is legally responsible.

Corporate Information means:

- (a) any **Third Party** business secrets, including but not limited to any budgets, customer lists, share prospectus, marketing plans and other information, where the release of which would be advantageous to a competitor or information which is otherwise not available to the general public;
- (b) a **Third Party** items of information that are not available to the public (including trade secrets, data, designs, forecasts, formulas, practices, processes, records, reports and documents) which are subject to contractual or legal protection; and
- (c) any **Third Party** professional information, including but not limited to any information supplied to a solicitors, accountant or other professional advisor in the course of his or her professional duties, which is otherwise not available to the general public.

Data

- (a) means any personal data which relates to any **Data Subject** held by the **Insured** which is collected for a legitimate and specific purpose and that enables the **Data Subject's** identification.
- (b) means any electronically stored digital or digitised information or media. For the purposes of this endorsement, **Data** is not tangible property.

Data Protection Legislation means the Privacy Act 2020 and any subsequent legislation that alters, repeals or replaces such legislation and all other equivalent laws and regulations relating to the regulation and enforcement of data protection and data privacy in any country.

Data Subject means any natural person whose Personal Information has been either collected, stored, or processed by or on behalf of an Association or Subsidiary.

Information Holder means a **Third Party** that:

- (a) an **Association** or **Subsidiary** has provided **Personal Information** or **Corporate Information** to; or
- (b) has received **Personal Information** or **Corporate Information** on behalf of an **Association** or **Subsidiary**.

Personal Information

- (a) means any information relating to an identified or identifiable natural person; and
- (b) includes a natural person's name, online identifier, telephone number, credit card or debit card number, account and other banking information, tax file number, medical information, or any other information about a natural person protected under **Data Protection Legislation**, including but not limited to "personal information" or "sensitive information" within the meaning of the Privacy Act 2020 and any previous or subsequent legislation that alters, repeals or replaces such legislation.

Privacy Event means

- (a) a **Breach of Confidential Information** by an Insured or an **Information Holder**;
- (b) a failure by an **Association** or **Subsidiary** to notify a **Data Subject** or any **Regulator** of an unauthorised disclosure or transmission of **Personal Information** for which the **Insured** is responsible in accordance with the requirements of any Data Protection Legislation; or
- (c) a **Privacy Breach**.

Regulator means an information or privacy commissioner or other statutory or government body established pursuant to **Data Protection Legislation** in any jurisdiction and which is authorised to enforce statutory obligations in relation to the handling, use and disclosure of **Personal Information** (or, where relevant, **Corporate Information**).

Security Failure means

- (a) any intrusion of, unauthorised access (including an unauthorised person using authorised credentials) to, or unauthorised use of (including by a person with authorised access) a **Computer System**, including that which results in or fails to mitigate any:
 - (i) denial of service attack or denial of access; or,

- (ii) receipt or transmission of a malicious code, malicious software or virus;
- (b) the loss of **Data** arising from the physical theft or loss of hardware controlled by an **Association** or **Subsidiary**; or
- (c) the unauthorised reprogramming or corruption of software (including firmware) which renders a **Computer System** or any component thereof non-functional or useless for its intended purpose.

Third Party means any entity or natural person except;

- (a) any **Insured**; and
- (b) any other entity or natural person having a financial interest in the operation of an **Association** or **Subsidiary**.

Privacy Breach means breach of confidentiality or infringement of any right to privacy, including any alleged breach of the terms of the Privacy Act 2020 and any subsequent legislation that alters, repeals or replaces such legislation.

Sanctions Exclusion

The **Insurer** will not be liable to provide any coverage or make any payment hereunder if to do so would be in violation of any sanctions law or regulation which would expose the **Insurer**, its parent company or its ultimate controlling entity to any penalty under any sanctions law or regulation.

Insurers and Ratings

The ratings of the insurance companies with whom your insurance is placed with, or may be placed with, are as below.

Name of Insurer	Financial Strength Rating	Rating Agency
AIG Insurance New Zealand Limited	A	Standard & Poor's

Financial strength rating scales

Standard & Poor's			
AAA (Extremely Strong)	AA (Very Strong)	A (Strong)	
BBB (Good)	BB (Marginal)	B (Weak)	
CCC (Very Weak)	CC (Extremely Weak)	SD (Selective Default)	
D (Default)	R (Regulatory Supervision)	NR (Not Rated)	
The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories. The rating scale above is in summary form. A full description can be obtained from www.standardandpoors.com			
AM Best			
A++, A+ (Superior)	A, A- (Excellent)	B++, B+ (Good)	B, B- (Fair)
C++, C+ (Marginal)	C, C- (Weak)	D Poor	
E Under Regulatory Supervision		F In Liquidation	S Suspended
Further information on these ratings is available at www.ambest.com			
Fitch			
AAA (Extremely Strong)	AA (Very Strong)	A (Strong)	
BBB (Good)	BB (Marginal)	B (Weak)	
CCC (Very Weak)	CC (Extremely Weak)	SD (Selective Default)	
D (Default)	R (Regulatory Supervision)	NR (Not Rated)	
Note: "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the AAA category or to ratings below the CCC category.			

Please note:

- Marsh's Market Information Group has established minimum financial guidelines for the insurance companies we use to help provide a relative framework and highlight insurer solvency. While Marsh does not guarantee the solvency of any insuring entity, we attempt to keep our clients informed about changes in the insurance marketplace.
- Some insurers may be rated by more than one rating agency.

Premium Funding

The cost of purchasing insurance has led many businesses to look for ways to improve cash flow.

Marsh's usual terms are that our invoices are payable in full on receipt. We realise these terms do not suit every client and that maintaining cash flow in your business is of great importance.

Marsh offers an alternative way to spread the cost of insurance – Premium Funding. Marsh can help you borrow the cost of insurance from a third party lender who is repaid over time.

If the terms are acceptable to you, the Marsh Payment Solutions team will prepare a formal finance agreement based on your actual premium.

Benefits of Premium Funding

Premium Funding provides the following benefits:

- Improves cash flow to meet day-to-day expenses
- Avoiding lump sum premium payments
- Releases working capital for alternative investments
- Tax deductibility of credit costs
- Assists financial planning and budgets as repayments are spaced throughout the year
- No deposit required other than the first instalment
- Cash flow advantages in respect of the GST component of the insurance premium*
- A fixed interest loan at competitive rates
- A concise two page agreement to read and sign
- No 'bricks & mortar' security required

How Premium Funding works

A specialist premium financier provides a loan facility to the insured by making payments of the premiums. The insured then repays the loan. The security for the loan is the policy itself and its proceeds – there's no other fixed or floating security.

*Subject to compliance with New Zealand GST legislation.

Schedule of Available Insurances

The following are types of insurance that are commonly available, and we have indicated which of these are currently part of your programme. Many of these types of insurance may have no application to your current risk profile; however, they may have some application in the future. In other cases you have elected to self-insure the risks. Please let us know if we can assist with a detailed review of your uninsured risks.

Property and Casualty Risks	Insured	Not Insured
Advance Profits To cover loss of future income where completion of a construction project is delayed by damage.	☐	☒
Boiler Explosion To cover boilers and other pressure vessels against risk of explosion; this risk is commonly excluded from cover under Material Damage insurance.	☐	☒
Book Debts To cover loss resulting from inability to recover debts because of damage to records.	☐	☒
Business Interruption To cover loss of income and increased costs resulting from damage to assets; sometimes referred to as 'Loss of Profits' or 'Consequential Loss' insurance.	☒	☐
Computer / Computer Consequential Loss To cover computers and computer media against a wider variety of risks than those covered under a Material Damage policy. Cover can be extended to include financial losses and extra costs, including data reconstruction, following damage covered under a computer policy.	☐	☒
Contract Works To cover contract works against physical loss or damage and, as an option, to cover general legal liability arising in connection with the contract works.	☐	☒
Deductible Buy-Down To cover all or part of a deductible imposed under insurance arranged by the company, contractors or subcontractors under which the company is covered.	☐	☒

Property and Casualty Risks	Insured	Not Insured
Fidelity / Computer Crime To cover theft by employees; this risk is commonly excluded from cover under Material damage insurance.	☐	☒
Machinery / Machinery Breakdown To cover breakdown risks. These risks are commonly excluded from cover under Material Damage insurance. Cover can be extended to include loss of income and increased costs resulting from damage by a peril insured under a Machinery policy.	☐	☒
Material Damage A general form of policy covering property such as buildings, plant and stock.	☒	☐
Money To cover cash and other forms of money against loss or damage while it is at your premises or in transit.	☒	☐
Stock Deterioration Deterioration following accidental stoppage of refrigeration equipment for chilled or frozen goods. Usually only available in conjunction with Machinery Breakdown insurance.	☐	☒
Terrorism To cover terrorism risks. This risk is commonly excluded from cover under Material Damage insurance.	☐	☒

Liability Risks	Insured	Not Insured
Associations Liability To cover entities such as professional bodies, sporting associations, not-for-profit organisations and trade industries, for legal liability incurred through advice or services provided to their members or the general public. Cover is available for the association, its officers, board of management, board of trustees or management committee members.	☒	☐
Bailees Liability To cover liability for damage to property held under bailment, or in your custody and / or control.	☒	☐
Cyber and Privacy Risk Specialised cover for protection of internet and network exposures some of which are excluded from traditional Material Damage and Business Interruption policies. Also covers liability to third parties as a result of the use of your IT systems as well as damage or destruction of your own systems and records. Cover is also available to protect the company's reputation should a breach of cyber privacy occur.	☐	☒

Liability Risks	Insured	Not Insured
Directors and Officers Liability To cover directors, executives and employees against liability they might incur in carrying out the duties of a company director. The insurance will also reimburse the company where it has already indemnified its directors for any such liability. Cover includes associated defence costs.	☐	☒
Employers Liability Covers claims made by employees against employers for injury or illness occurring in the workplace where cover falls outside the scope of accident compensation legislation. Cover includes associated defence costs.	☐	☒
Employment Disputes Liability To cover damages and costs arising out of certain employment related disputes such as wrongful termination, harassment and discrimination. Cover includes associated defence costs.	☐	☒
Exemplary Damages (also called Punitive Damages) To cover damages arising out of bodily injury in New Zealand where the law otherwise prevents legal action for compensatory damages.	☒	☐
General Liability To cover claims from third parties for property damage or bodily injury arising out of the business activities of the insured (sometimes referred to as 'Public Liability' insurance). Cover includes associated defence costs.	☒	☐
Liability – Consequential Loss To partially cover loss of gross profit and increased costs arising from an event that also gives rise to a valid claim on a liability policy. This limited form of cover is only available where the liability insurance is provided by the same insurer.	☐	☒
Libel & Slander / Defamation To cover legal liability arising out of defamatory remarks made in either written or oral form. Cover includes associated defence costs.	☐	☒
Private Legal Aid To cover private persons and their families for private legal aid costs for defending a variety of criminal, traffic and civil actions.	☐	☒
Product Guarantee To cover liability for correcting defects in products or for replacing defective products.	☐	☒
Products Liability To cover liability for damage arising out of products supplied. Cover includes associated defence costs.	☒	☐

Liability Risks	Insured	Not Insured
Product Recall To cover liability for the cost of recalling products which are defective or suspected of being defective.	☐	☒
Professional Indemnity To cover legal liability incurred by giving negligent advice or through a breach of professional duty. Cover includes associated defence costs.	☐	☒
Prospectus Liability To cover the company, its directors and senior executives for liabilities arising from the issue of a prospectus, information memorandum or other sale/ purchase documents. This liability is generally excluded from Directors and Officers Liability policies unless they are specifically extended to cover it. Cover includes associated defence costs.	☐	☒
Statutory Liability To cover fines or penalties imposed for unintentional breaches of certain statutes. Cover includes associated defence costs.	☒	☐
Trustees Indemnity To cover trustees for personal liability arising from alleged wrongful acts in performing their duties as trustees and to reimburse the trust when it has provided an indemnity to the trustees. Cover includes associated defence costs.	☐	☒
Warranties & Representations Liability To cover liability arising from specific representations or warranties made in an agreement between parties.	☐	☒
People Risks	Insured	Not Insured
Accident Compensation Supplementary Benefits To supplement the limited cover available under Accident Compensation legislation.	☐	☒
Buy Sell Agreements The agreement formalises the procedure for the disposal of shares where the agreed purchase value of those shares is funded by insurance proceeds. Agreements of this nature should be formalised in every co-owned organisation	☐	☒
Group Employee Benefits This includes a variety of individual and group insurance including life insurance, total and permanent disablement insurance, long-term income protection, medical expenses and accident plans.	☐	☒
Key Person Indemnity To provide cash benefits to the company in the event of death or disablement of key personnel.	☐	☒

People Risks	Insured	Not Insured
Personal Insurance Complimentary assessments of personal insurance needs for staff members by Marsh risk advisers.	☐	☒
Shareholder Protection The commercial arrangement of insurance to fund the buy-out of shares of a deceased or disabled shareholder in a privately held business.	☐	☒
Transport Risks	Insured	Not Insured
Aviation Hulls To cover aircraft against physical loss or damage.	☐	☒
Aviation Liabilities To cover public liability arising out of the use of aircraft. (Public Liability insurance does not cover liability arising out of the use of aircraft).	☐	☒
Carriers Liability To cover liability under the Carriage of Goods Act. Cover can be extended to include consequential losses and legal expenses arising from the Carriage of Goods Act.	☐	☒
Charterers Liability (Aviation / Marine Hull) Protection tailored to meet the conditions of a Marine or Aviation charter agreement for hull and/or liabilities.	☐	☒
Marine Cargo To cover shipments of goods by land, sea or air.	☐	☒
Marine Hulls To cover watercraft against physical loss or damage.	☐	☒
Marine Liabilities To cover public liability arising out of the use of watercraft (also known as 'Protection and Indemnity' or P & I insurance). Public Liability insurance generally does not cover liability arising out of the use of watercraft greater than 8m in length. 'Towcon' or Towhire' Conditions cover is recommended in the event a vessel suffers a breakdown and requires towage from another vessel.	☐	☒
Motor Vehicle To cover direct loss or damage to vehicles and public liability ('third party' liability) in connection with the vehicles.	☐	☒

Miscellaneous Risks	Insured	Not Insured
Accidental & Malicious Produce Damage / Tamper Crisis Management providing cover for Product Recall, Restoration Costs, Loss of Income and Incident Response Costs following product tamper.	☐	☒
Bonds Financial devices (rather than insurance policies) designed to avoid the need to provide a bond in cash.	☐	☒
Credit Insurance & Trade Debtors To cover the risk of trade debtors failing to pay debts due to their insolvency or protracted default.	☐	☒
Environmental Impairment A special form of pollution liability insurance.	☐	☒
Extortion Insurance in this category includes kidnap, ransom and product tampering.	☐	☒
Forest A special form of insurance for forests. This risk is commonly excluded from cover under Material Damage insurance.	☐	☒
Growing Crops A special form of insurance for crops. This risk is commonly excluded from cover under Material Damage insurance.	☐	☒
Legal Expenses To cover legal expenses incurred in civil actions.	☐	☒
Livestock A special form of cover for livestock. This risk is commonly excluded from cover under Material Damage insurance.	☐	☒
Political Risk To cover overseas assets and contracts against confiscation, expropriation or nationalisation. The insurance can also include cover against frustration or repudiation of a contract.	☐	☒
Travel To cover baggage, medical costs and other travel related risks.	☐	☒

Appendices

Appendix A

Important Notices

Duty of Disclosure

You have a common law duty to disclose all material facts before entering into, renewing or altering a contract of insurance. If you fail to do so, or if any material facts are misrepresented, the insurance could be made void.

The Insurance Law Reform Act defines a material fact as one that would influence a prudent insurer in accepting or rating a risk. Your common law duty of disclosure applies only before each contract is entered into, renewed or changed, but some policies have a condition that extends the duty throughout the period of insurance.

Your duty of disclosure does not include facts which are common knowledge. Nor does it include facts already known to your insurer, or which ought to have been known to your insurer in the ordinary course of business. If in doubt, it is safer to disclose information than to conceal it.

Utmost Good Faith

Every insurance contract is subject to the doctrine of utmost good faith, which requires that parties to the contract should act toward each other honestly and fairly, avoiding any attempt to deceive in assuming and performing contractual obligations.

Failure to do so on the part of the insured may permit the insurer to refuse to pay a claim or to cancel the policy or both.

Essential Reading of Policy Wording

We will provide you with a full copy of your policy as soon as it is received from the insurer.

It is essential that you read this document without delay and advise Marsh in writing of any aspects which are not clear or where the cover does not meet with your requirements.

Marsh & McLennan Agency Placement System

Your insurance may be placed with insurer(s) through Marsh & McLennan Agency Limited (MMA), a related party of Marsh Limited, using an internet based placement system that allows for the efficient transfer of underwriting information and issuing of policy documentation. MMA is remunerated by insurers who use the placement platform and this is separate from the remuneration paid to Marsh for placing this insurance. Marsh discloses its wider compensation arrangements in a document entitled "Compensation Guide for New Zealand clients" available at www.marsh.co.nz.

Claims Made Policies

Your insurance programme may include covers which are "claims made" contracts such as Directors & Officers Liability, Statutory Liability, Employer's Liability and Professional Indemnity. It is essential that insurers are made aware of all claims or potential claim circumstances of which you, or your organisation, have become aware of during the current insurance period. A "claims made" contract is a policy which only applies with regard to claims made and notified to insurers during the policy period, subject to the act, error or omission giving rise to the claim occurring after any policy retroactive date.

Any claims or potential claims which arise subsequent to your completion of the proposal form or renewal declaration must be reported to insurers prior to the expiration of the current policy. If you are in any doubt as to whether a matter would be deemed to be a notifiable circumstance, we strongly recommend that you report the matter. Insurers do not usually penalise an Insured for reporting matters "out of an abundance of caution".

Changes and Disclosure

It is important that you advise us immediately of any changes or developments to your business that would be material to your insurance programme. Examples include:

- Acquisition of or merger with another company, newly created or acquired subsidiaries.
- Any new claim, or potential claims incident, that has not been reported to your insurers.
- Business undertaken that is outside the scope of the description in your policies.
- The purchase, construction or occupancy of new premises.
- Alteration, vacancy, unoccupancy, extension or demolition of premises.
- Increase in values beyond the insured limits on property.
- Significant removal of stock or equipment to different locations.
- Assumption of liability or waiver of recovery rights under the terms of any agreement or contract.
- Hiring, leasing or borrowing of vehicles, plant or equipment.
- Charter of aircraft or watercraft.
- Substantial change in processing methods, occupancy of premises, or products.
- Development of new export markets, particularly in North America.
- Alteration to or disconnection of your fire or burglary protection systems.
- Proposed installation or modification of pressure plant, refrigeration plant or key machines.
- Issue of a prospectus, information memorandum or other documents in connection with the sale of the company's own securities.
- New outside directorships undertaken during the policy period.
- Changes to the Indemnity or Insurance clauses in the Company's Constitution.

This list is not exhaustive. Generally, you should let us know about any matter that might have an effect on the adequacy or validity of your insurance.

Many policies contain an express condition requiring notification of any changes that materially increase the risk as originally proposed to the insurer. Breach of such a condition could invalidate cover.

Hold Harmless Agreement

If you sign a contract that has a clause preventing or limiting your right to sue another party for recovery of a loss, your insurers will be unable to exercise subrogation. The clause might therefore be deemed a material fact which, if not disclosed to your insurers, could result in your insurance being rendered void.

Some policies contain a clause that permits certain kinds of waiver without having to disclose them. Before signing a contract that contains any kind of waiver, please check with your Client Executive. This applies in particular to the kind of waiver that relieves other parties of liability for their own negligence.

Subrogation

Some policies contain provisions that either exclude or reduce the insurer's liability for a claim if you waive or limit your rights to recover damages from another party in relation to any loss.

You may prejudice your rights with regard to a claim if, without the prior agreement from your insurers, you make any agreement with a third party that will prevent the insurer from recovering the loss from that, or another party.

If you have such agreements, we may be able to negotiate with the insurer to permit them and therefore we request you advise Marsh of their existence.

Examples of such agreements are the "hold harmless" clauses which are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. If you are in doubt, please consult Marsh.

Trade Sanctions

Marsh is unable to provide insurance or reinsurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose Marsh or its affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, laws or regulations.

Average / Co Insurance (other than Business Interruption Insurance)

It is common practice in many countries for insurance contracts to be subject to "Average", although this is unusual in the New Zealand insurance market. If your policy has an Average clause contained in it, this means that if the "full value" of the property insured exceeds the sum insured, you would be required to contribute proportionally to each loss. The calculations of "full value" vary from one policy to another, depending on the basis of valuation contained in the policy. Policies that may contain an average clause include Fire, Material Damage, Business Interruption, Home Buildings and Contents. A simple example is:

Full Value at policy commencement date	\$1,000,000
Sum Insured at policy commencement date	\$700,000
\$700K/\$1M - insurer pays 70% of any insured loss & insured retains balance of 30%	
Amount of Claim, say	\$100,000
Amount payable by Insurers as a result of the application of Average/Co-Insurance (being 70% of \$100,000)	\$70,000

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