



Heritage Insurance Policy

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Introduction

New Zealand's leading insurer of historic churches now has a comprehensive insurance product for your heritage building.

Although many businesses rely on the heritage aspect of their properties to attract customers, many do not protect this aspect of their property or may not have considered the impact on their business should they be unable to restore it in the event of a loss.

By insuring your heritage building with Ansvr Insurance you are working with an insurer who understands the unique complexities of heritage issues and provides you with a dedicated product and value added services.

Welcome to Ansvr Insurance

Ansvr Insurance is regarded as one of New Zealand's leading insurers of faith organisations, educational institutions, charitable organisations, community groups, care facilities and heritage buildings.

We are proud to offer an ethical and outstanding range of services – wrapped up with a social conscience garnered from over 25 years experience in New Zealand.

We possess an A- (excellent) rating for financial security from A.M. Best, emphasising a sound operating performance, adequate capital, a responsible investment profile and sound liquidity.

Our experience

As an insurer of New Zealand churches for over 25 years, many heritage listed, we have drawn on this experience to become specialists in the heritage insurance market. Unlike many insurers, we have the expertise to understand the complex and specific risks that heritage establishments face.

In fact we have global expertise. Our parent company Ecclesiastical Insurance Group has been providing insurance solutions for heritage buildings since 1887 and protects some of the most famous historic buildings in the world including Westminster Abbey, Blenheim Palace, Leeds Castle and historic public schools Eaton, Harrow and Rugby.

Our approach

As a specialist insurance company we have developed a deep understanding of the issues confronting our customers and tailored our products and services accordingly. We believe in offering more than just insurance.

Our dedicated staff are committed to helping clients protect their assets and people by providing:

- specialist heritage insurance knowledge which can provide guidance on ensuring the correct valuation so that you are not over or under insured
- flexibility in underwriting with a customised wording
- an understanding of the Historic Places Act 1993 and the guiding principles of ICOMOS, the International Council on Monuments and Sites

Ansvr Insurance believes that claims should be managed quickly and compassionately, the needs of our customers are paramount. We are always mindful of the reputation of our insured when we are managing claims made by injured parties and work in partnership on all potentially sensitive matters.

For that reason our claims service offers:

- specialist staff
- New Zealand based
- a partnership approach
- assistance in managing conflict situations minimising the potential for a claim

Supporting our Community

Central to the Ansvr Insurance brand is our desire to make a difference in the world. At a practical level, we are able to provide Community Education Grants to grass roots programs designed to assist young New Zealanders to develop a positive attitude to life. Every year we provide support to programs touching the lives of thousands of young New Zealanders.

Our community support was acknowledged by the Australian and New Zealand Institute of Insurance and Finance in 2007 when we received the award for Service to the

Community. The industry's acknowledgement of our contribution to the community through our grants is very satisfying and whilst we are proud to have won this award, we are delighted that these programs can provide such a positive impact on the lives of New Zealand youth.

About this document

The financial product offered in this policy document is provided by Ansvar Insurance Limited.

Please ensure you read and fully understand this policy document as it sets out the terms and conditions of the agreement between you and us.

If there is anything in this policy document you do not understand you should contact your insurance adviser or Ansvar Insurance representative.

Who is the insurer and how can we be contacted?

Ansvar Insurance Limited is the issuer of this insurance policy. The registered office of Ansvar Insurance is Level 6, Sofrana House, 396 Queen St, Auckland 1010.

You can contact us by:

- calling in person or writing to Ansvar Insurance
- telephoning 0800 123 344
- email to insure@ansvar.co.nz

The contract between you and Ansvar Insurance

Your insurance policy is a contract between you (the insured) and us (Ansvar Insurance Ltd). In return for payment of your premium, we will provide you with the cover set out in this policy.

This policy covers losses happening between the dates shown as the period of insurance.

This policy document, together with your insurance proposal (application) form and the statement containing your specific information called the policy schedule or renewal, gives you the details of the insurance provided by your Ansvar Insurance policy. They are to be read as one document. Together they are your contract of insurance with us.

Your duty of disclosure

You are required to tell us anything you know, or ought to know, that may affect the decision of a prudent insurer whether to accept your insurance, or renew your policy, and if so, on what terms. If you have not disclosed all material information, or if you have misrepresented that information, then we are entitled to avoid the policy retrospectively from the beginning.

Set out below are some examples of the types of information you should disclose and the types you do not need to disclose. They are a guide only. If you are unsure whether you should disclose something to us, please ask.

Types of information that should be disclosed include:

- any previous insurance claim you have made
- anything that increases the risk of a claim
- if another insurer has ever cancelled or refused to renew your insurance or has imposed special terms on it
- any criminal record

Types of information that do not need to be disclosed include:

- anything which reduces the risk of a claim
- anything which you have already told us or which in the ordinary conduct of our business we could be expected to be aware of
- anything which is common knowledge

Insurance Council membership

We are a member of the Insurance Council of New Zealand Inc (ICNZ), and this carries with it responsibilities for conducting business in a professional manner.

Fair Insurance Code

As members of the ICNZ, we are bound by the terms of the Fair Insurance Code. This can be viewed on the ICNZ website icnz.org.nz or through a brochure available from our office.

Under the Fair Insurance Code we are committed to raising standards of service to our

customers. This voluntary code sets out the minimum standards we will uphold in the services we provide to you. This means we will:

- answer your questions accurately
- explain the information you need to give us when you apply for insurance, renew your policy, or make a claim
- explain the importance of giving us information that is complete, up to date, and relevant
- give you or your broker a copy of your policy that sets out in plain English what is insured, what is not insured, and what your obligations are
- tell you about any changes to your policy

We will give you information about the best policies we can offer you. You are entitled to ask for and receive help to understand the terms, conditions, and exclusions of your insurance policy. You are entitled to ask for and receive a copy of the information you gave us when you applied for insurance.

Insurance Claim Register

The Insurance Claims Register (ICR) is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to you on the condition that you authorise us to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect.

You also authorise us to obtain from ICR Ltd personal information about you that is (in our view) relevant to this policy or any claim made against it. You have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

Claims paying rating

We are required to have a financial rating for our claims paying ability. This rating must be

declared to you before you enter into or renew a policy. Details are provided on your policy schedule or renewal.

The easy solution to a problem

Ansvar Insurance places the highest priority on providing prompt, efficient and friendly service including protecting your privacy. However, if you do not believe this has been achieved the best first step is to go back to the employee or broker with whom you were dealing to see if they can resolve the problem.

If that is not possible, then we invite you to contact the Manager for New Zealand who will review the problem. Acknowledgement of the complaint will be made within three working days from the day the complaint is received by telephone or in writing.

Your complaint will be fully investigated as quickly as possible by someone not involved in the original decision. You will be provided with the name of the person dealing with your complaint. You will receive written advice about the progress or outcome of the complaint within 10 working days from the day the complaint is received by telephone or in writing.

You will be advised within 60 days if we are unable to resolve your complaint and advise you of what further options may be available to you.

Property Insurance Policy

Policy schedule

Policy number	
The insured	
Period of insurance	<p>From:</p> <p>To:</p> <p>and any other period for which Ansvar Insurance and the insured agree to renew this insurance.</p>

Limit of our liability

Total sum insured	Indemnity value or replacement value, as declared in the schedule of insured property	\$	Any one loss and all losses during the period of insurance
Special sum insured sub-limits	Capital additions and acquisitions extension	\$	100,000
All special sum insured sub-limits are for any one loss and all losses during the period of insurance	Claims assessment extension	\$	500,000
	Claims investigation	\$	500,000
	Employees, Trustees and Directors effects	\$	100,000
	Gradual loss or damage	\$	5,000
	Landslip, erosion or subsidence	\$	500,000
	Legal expenses	\$	5,000
	Lost or stolen keys	\$	50,000
	Margin clause		115%
	Machinery breakdown/boiler explosion & resulting loss following breakdown/explosion	\$	25,000

Computer/electronic equipment breakdown & resulting loss following breakdown	\$	10,000
Spoilage of goods	\$	10,000
Reconstruction of data	\$	5,000
Additional increased cost of working Indemnity period 12 months	\$	5,000
Money extension Section A	\$	10,000
Money extension Section B	\$	5,000
Monuments, memorials and statues	\$	50,000
Protection costs extension	\$	50,000
Theft extension	\$	200,000
Transit extension	\$	25,000
Valuation expenses extension		5% of the premium subject to a Maximum Deduction \$2,000.
Archaeological costs	\$	100,000
Deductibles		
In respect of losses due to burglary (forcible entry or exit from the building)	\$	1,000
In respect of losses met under the theft extension	\$	2,500
Contract works	\$	1,000
Machinery breakdown	\$	1,000
Computer/electronic equipment breakdown	\$	1,000
Landslip, erosion or subsidence	\$	10,000
All other (non earthquake) losses	\$	500

Earthquake losses Wellington Zone	5% of site value Minimum of \$5,000
Earthquake losses All other areas	1% of site value Minimum of \$1,000

Exclusion limits

Maximum contract price	Maximum contract price referred to in the contract works exclusion	\$	500,000

Issued and signed by an authorised representative of Ansvr Insurance Limited

at _____ on the _____ day of _____ 20____

Signed

Agreement to Insure

Whereas You have paid or promised to pay the Premium for insurance specified in this Policy, We agree to provide You with that insurance subject to the terms of the Policy. This agreement is based on Your proposal for the insurance. The proposal is deemed to be fully incorporated in the Policy.

Material Damage

Indemnity Clause

If any of the Insured Property suffers Loss during the Period of Insurance, We will indemnify You for that Loss.

Limit of Our Liability

Except where otherwise provided:

- (a) Our total liability under this Policy will not exceed the Total Sum Insured specified in the Policy Schedule; and
- (b) Our liability under each item of cover specified in the Policy Schedule will not exceed the corresponding Special Sum Insured Sub-Limit.

Definitions

'Deductible' means the first amount of the Loss which You are not insured for as specified in the Policy Schedule. You must pay this amount, or it will be deducted from any cash settlement made to You.

'Employee' means a paid employee or voluntary worker in Your service.

'Event' means one event. 'Event' also means a series of related events that result from the same original cause during any period of 72 consecutive hours and for the purpose of applying the applicable Deductible, be deemed to be a single Loss.

If an **'Event'** continues for more than 72 consecutive hours it shall be considered to be two or more events but You may choose the date and time when each Loss period of 72 hours commences provided that this is not earlier than the first recorded event and the commencement date selected falls within the Period of Insurance and that no two periods of 72 hours overlap.

'Insured Machinery' means all installed electrical, electronic, mechanical or hydraulic plant at Your premises not excluded by this Policy belonging to You or for which You are responsible or assumed a responsibility to insure, including:

1. individual switchgear for starting and controlling motors and interconnecting wires or cables;
2. newly installed machinery, where the testing and commissioning has been completed and the equipment is ready for commercial operation;
3. certified boilers and unfired pressure plant, including the supporting structures of the plant (other than foundations, masonry and brickwork), such as furnace doors, access doors, external combustion chambers, smoke boxes and casings, any pressure systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the plant, including any feed water piping between such boiler and its feed pump or injector;
4. in respect of refrigeration and air-conditioning equipment, the interconnecting coils and pipe-work containing transfer media;
5. in respect of computers and electronic equipment, all electronic data processing equipment, the peripherals and support system including air-conditioning equipment.

However, the definition excludes the following:

- a) exchangeable tools of all kinds, such as drills, crushers, patterns for casting, knives, saw blades, stones, stamps cutting edges, tools, dies, engrave cylinders, moulds, patterns;
- b) expendable items such as batteries, electrical glass bulbs, tubes, x-ray tubes, contacts, fuses, heating elements, tracks or conveyor belts, sieves and hoses, exchangeable linings and bands, brushes and tyres, ropes, chains, belts, track rails, wear plates, shear pins, filters, fuses, printer tapes and ribbons, parts made of glass, porcelain, or ceramic and any other part or parts which require periodic or

- c) frequent replacement; except where the replacement of such parts is necessitated solely as a result of damage to the plant covered;
- d) foundation blocks, brick lining of furnaces, ovens and containers, foundations, brickwork and refractory materials, firing grids and burner nozzles other than as a result of damage insured against by this Policy;
- e) fuels, filter fillings, cooling media, cleaning products, lubricants, oil fillings;
- f) catalysts, chemicals, contact agents;
- g) property under warranty or covered by maintenance agreements and consequential loss therefrom for which the manufacturer, supplier, agent or engineer is responsible either by law or under contractual obligations;
- h) lighting facilities, research, diagnostic and electro medical equipment, lifts, escalators, coin operated machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, data cabling, water and gas piping;
- i) any item of plant and equipment not belonging to, leased or hired by You.

'Insured Property' means tangible property of every kind not expressly excluded from cover under this Policy, the property being Your own or held by You jointly or in trust and for which You are responsible, all while anywhere in New Zealand and all as at the commencement of the Period of Insurance. The definition includes Insured Machinery.

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

'Period of Insurance' means the period of cover specified in the Policy Schedule or Renewal. Each period of cover concludes at 4.00pm on the date shown, unless stated otherwise.

'Premium' means the consideration for this Policy. This includes the first premium and any subsequent premium.

'Policy' means the wordings set out in this policy document, the proposals, including the declaration attached to the proposal, and the Policy Schedule or Renewal issued by Us from time to time.

'Policy Schedule' means the Policy Schedule attached to this Policy which includes details of the parties insured, the Period of Insurance, the sum insured and the Premium.

'Renewal' means the notice We issue providing Our terms for the next period of insurance and details: the parties insured, the period of insurance, the sum insured and the premium.

'We, us or our' means Ansvar Insurance Limited.

'You' means each insured entity named in the Policy Schedule.

Exclusions

Note: Some of the following exclusions may be overridden by specific extensions or memoranda.

Aircraft

This Policy does not insure any kind of aircraft, or any aircraft accessory while in or on any aircraft.

Artificially Controlled Atmosphere or Temperature

This Policy does not insure Loss that arises from a change in any artificially controlled temperature or atmosphere

Breakdown

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

- a) subsequent Loss to other separable parts of the Insured Property arising from that Breakdown;
- b) Loss to any:
 - i. electric motor or starter that does not individually exceed 3.75 kW (5 HP);
 - ii. 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 from use; the result being a stoppage in or impairment in the function of the Machine; requiring repair or replacement being necessary before the Machine can resume working.

This exclusion is subject to the Machinery Breakdown Extension below.

Consequential Loss

For the avoidance of doubt, this Policy does not insure against consequential economic loss, such as loss of market or loss of profit.

Contract Works

This Policy does not insure Contract Works for which the expected final contract price exceeds the Maximum Contract Price specified in the Policy Schedule. 'Contract Works' means property in the course of installation, construction, demolition, erection, or testing following any of them in the performance of any contract.

Deductible

This Policy does not insure You in respect of the sum of the deductible shown in the Policy Schedule.

Defects

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. However, Loss occurring as a result of the defective materials, workmanship or work is not excluded from this insurance.

Deterioration

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

- a) fumes, smoke or soot;
- b) normal working, normal maintenance, wear and tear, erosion, corrosion, slowly developing deformation or distortion;
- c) action of micro-organisms, vermin or insects;
- d) the nature of the Insured Property (including shrinkage, evaporation, loss of weight, change in flavour, or colour or texture or finish), action of light;
- e) pollution;

but this exclusion will not apply to resultant Loss to other Insured Property or part of Insured Property not expressly excluded.

Disappearance

This Policy does not insure against Loss resulting solely from unexplained disappearance, shortage revealed only by the taking of an inventory, or shortage due to any clerical or accounting error.

Electronic Data

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, (except for the Terrorism exclusion), it is understood and agreed as follows:

- a) This policy does not insure:
 - i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data
 - ii. error in creating, amending, entering, deleting or using Electronic Data or
 - iii. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

'Electronic Data' means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

- b) However, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this Policy, subject to all its provisions, will insure:
 - i. Loss to Insured Property directly caused by such listed peril, and/or
 - ii. consequential loss if insured by this Policy.

Explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, 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.

- c) For the purposes of the Basis of Settlement provision in this policy, computer systems records includes Electronic Data as defined in paragraph (a) above.

Any terrorism exclusion in this Policy prevails over this endorsement. This exclusion is also subject to the Machinery Breakdown Extension below.

Interruption

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

Landslip, Erosion, Subsidence

This Policy does not insure against Loss directly or indirectly caused by landslip, subsidence or erosion.

Money

This Policy does not insure Money. '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.

Natural Disaster Damage – Residential Property

This Policy does not insure against Natural Disaster Damage to Insured Property comprising EQC Residential Property except to the extent that the cost of the Loss exceeds the amount of Natural Disaster Cover and is not otherwise excluded from this insurance. For the purpose of this clause, the amount of Natural Disaster Cover is to be determined before deduction of any 'excess' imposed by the terms of that cover.

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

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

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

'Natural Disaster Cover' means compulsory insurance cover under the Act.

Nuclear Risks

This Policy does not insure against Loss directly or indirectly caused by or resulting from nuclear weapons material; or from 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.

Order of Authorities

This Policy does not insure against Loss directly or indirectly caused by or resulting from confiscation, requisition or damage to property by lawful order of any government or local authority unless the order is given for the purpose of controlling a peril covered by this insurance.

Precious Goods

This Policy does not insure jewellery, precious stones, furs, precious metals or bullion other than as religious or ceremonial item 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 or 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 to other Insured Property arising from this that is 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).

This exclusion is subject to the Machinery Breakdown Extension below.

Production Process

This Policy does not insure against Loss happening to Insured Property as a result of its undergoing any production process where the Loss 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 Policy Schedule or declared to Us in a schedule of assets provided to Us for the purpose of this insurance:

standing timber, any growing crop, livestock, any dam, any canal, any road or railway tunnel, any railway bridge, any dock, any pier, any wharf, mining property located beneath the surface of the ground, any land including topsoil and backfill (but this exclusion does not apply to any tunnel or bridge at Your building or industrial sites, nor to any dock, pier or wharf forming part of any building, nor to any earthworks or other site improvements of any kind).

Settlement, shrinkage or expansion

This Policy does not insure against normal settlement, shrinkage or expansion of any building, foundation, wall, pavement, road or other structural improvement. However, this exclusion will not apply to resultant Loss arising from this to other Insured Property not otherwise excluded.

Terrorism

Notwithstanding any provision to the contrary within the insurance policy or any endorsement thereto, it is agreed that this Policy excludes death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An 'Act of Terrorism' includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of

persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- i) involves violence against one or more persons; or
- ii) involves damage to property; or
- iii) endangers life other than that of the person committing the action; or
- iv) creates a risk to health or safety of the public or a section of the public; or
- v) is designed to interfere with or disrupt an electronic system.

This insurance policy also excludes death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

Notwithstanding the above and subject otherwise to the terms, conditions and limitations of this Policy, in respect only of any Insured Property that is a 'residential building' or 'personal property' (both as defined in the Earthquake Commission Act 1993) this Policy will pay actual loss or damage (but not related costs or expense) caused by any Act of Terrorism provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.

Theft

Unless specified as an Extension, this Policy does not insure against theft of any kind.

Transit

Unless specified as an Extension, this Policy does not insure property in transit other than at premises that You own or occupy.

Vehicles

This Policy does not insure any mechanically or electrically propelled vehicle or any accessory in or on the vehicle, but this exclusion does not apply to stock of Your business or to any crane or other mobile plant used at Your premises and not otherwise insured.

War

This Policy does not insure against Loss directly or indirectly caused by or resulting from war, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power.

Watercraft

This Policy does not insure any kind of watercraft, or any watercraft accessory while in or on any watercraft, but this exclusion does not apply to stock of Your business.

Weather

This Policy does not insure against Loss 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.

Conditions

Claims

On becoming aware of any event giving or likely to give rise to a claim on this insurance, You must:

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

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

Margin Clause

In order for the additional benefits provided under this Margin Clause to apply, You must furnish an insurance valuation, not more than two years old as at the Policy attachment date, and the valuation must be approved in writing by Us.

- a) The basis of that valuation will be the basis of loss adjustment under this Policy for that property.
- b) Our liability under this Policy for each item of property so declared will not exceed 115% of its declared value.
- c) For the purpose of paragraph (b), the acquisition cost of property acquired after inception of the Period of Insurance will be treated as its declared value.

Notice regarding renewal

We undertake to give You at least 30 days notice of our intention to decline renewal of this Policy, or offer renewal on terms that are less favourable to You than those currently in effect. If the Policy expires in less than 30 days after We have given You that notice, We will extend the current Period of Insurance sufficiently to maintain cover for the full 30 days period.

Progress Claim Payments

Where Loss has given rise to a valid claim on this insurance, We 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, You must immediately refund the difference to Us.

Salvage

- a) We may enter any building where Insured Property has suffered Loss and, providing You have been fully indemnified, may take and keep possession of the damaged property.
- b) You are not entitled to abandon any property to Us.
- c) We may deal with the salvage in any reasonable manner, but We will not sell or otherwise dispose of salvaged branded goods without Your consent. If You decline to give consent, You 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.
- d) Where it is practical to remove brands, labels or other marks that identify the goods as supplied by You, the salvage value of the goods will be determined after such removal at Our expense.

Extensions

Alternative Residential Accommodation - Relocation Extension

Where a claim is payable under the Alternative Residential Property Extension (below), this Policy will also cover the reasonable and necessary costs of:

- a) moving the occupants and their possessions to the alternative accommodation;
- and
- b) returning the occupants and their possessions to the original accommodation following its reinstatement.

Alternative Residential Property

Where any Insured Property comprising residential accommodation 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 You or by the occupant (being an employee of Yours) 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) We may deduct a reasonable allowance for costs reduced or avoided as a result of the accommodation being uninhabitable.

Our liability under this Extension is limited to 25% of the cost incurred in reinstating the affected accommodation following its destruction or, if not destroyed, 25% of the cost that would have been incurred if the affected accommodation had been destroyed.

Archaeological Costs

In the event of an insured Loss under this Policy We will indemnify You for costs reasonably incurred under the Historic Places Act 1993 for archaeological mapping, recording and investigating subject to the Special Sum Insured Sub Limit and Deductible shown in the Policy Schedule.

Capital Additions and Acquisitions

This Policy extends to cover Loss to;

- a) alterations, additions (including additional buildings) and improvements to the Insured Property after the Period of insurance commences which fall within the defined meaning of Insured Property; and
- b) the value of the alterations, additions or improvements does not exceed the Special Sum Insured Sub Limit specified in the Policy Schedule.

You undertake to advise Us within the Period of Insurance of such capital alterations, additions or improvements and pay any additional premium required by Us.

This extension shall not apply in respect of any appreciation in value of the Insured Property which is not due to any physical alteration, addition, improvement or acquisition.

Our liability under this extension shall not exceed the Special Sum Insured Sub-Limit shown in the Policy Schedule. This Sub-Limit is included in the Total Sum Insured.

Claims Assessment

This insurance extends to cover costs reasonably incurred by You up to the Special Sum Insured Sub-Limit specified in the Policy Schedule for assessing, preparing, and presenting any valid claim under this Policy.

Claims Investigation

This insurance extends to cover You up to the Special Sum Insured Sub-Limit specified in the Policy Schedule for the reasonable costs and expenses that You incur in:

- a) searching for and assessing Loss to a water, sewerage, drainage, gas, telecommunication or electrical supply system
- b) making an inspection to find out if Loss has occurred as a result of seismic activity where Loss is found that is covered by this Policy.

Constructive Total Loss

If You are prevented from repairing or replacing any building after a Loss covered by this Policy due solely to any Law then the building will be deemed a total loss and to have been destroyed.

'Law' means any statute, regulation or code imposed by any Act of Parliament or by-law promulgated by a lawful authority.

Demolition and Other Costs

This insurance extends to cover costs necessarily incurred for any of the following purposes in consequence of Loss to which this insurance applies.

- a) Demolition, dismantling, shoring up or propping of the Insured Property.
- b) Disposal of debris, including solid, liquid and gaseous matter, 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.

The amount payable under this Extension does not include any sum that You become legally liable to pay as damages consequent upon pollution or contamination of property by any of the debris.

Expediting Costs

Where a claim is payable under this insurance for the cost of repairing or replacing any of the Insured Property, the insurance will extend to cover 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

Following Loss covered by this Policy, this insurance extends to cover General Average and Salvage charges payable according to Foreign Statement or to York Antwerp Rules if in accordance with the contract of affreightment for the Insured Property involved. This Extension of cover is not subject to any Deductible.

Glass

If Loss insured by this Policy involves glass then You are also covered for the cost of temporary shuttering, hiring security guards, the replacement of any sign writing or other ornamentation, replacement or repair of any

fixtures and fittings and installed burglar protection.

Gradual Loss or Damage

This insurance extends to include Loss during the Period of Insurance caused by gradual deterioration, mildew, mould or rot as a result of leaking of an internal water system provided that the:

- a) leak first occurred during the time that the building was occupied by You and We also insured that building during that time.
- b) total amount payable will not exceed the Special Sum Insured Sub-Limit stated in the Policy Schedule and any payment made comes within the Policy sum insured and is not in addition to it.

The benefit in this extension also includes the costs necessarily incurred in order to search for the source of the problem, provided We have accepted a claim for the Loss.

Definition – Internal Water System

Any water or waste disposal pipe, water cylinder or water storage tank (excluding swimming pool or spa pool) which is permanently connected and contained within the walls, floors or roof of the building.

Hazardous Substance Emergencies

This insurance extends to cover any charge that the New Zealand Fire Service is authorised to make against You in respect of any Hazardous Substance Emergency during the Period of Insurance arising out of or in connection with any Insured Property. 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, Erosion or Subsidence

This insurance extends to cover Loss to any of the Insured Property directly or indirectly caused by sudden and unforeseen landslip, erosion or subsidence of land beneath or adjacent to the Insured Property. For the avoidance of doubt, the Policy does not extend to cover Loss consequent upon the normal settling, shrinkage, or expansion of any building or its foundations. In respect of Loss arising out of any one Event, cover under this Extension is

subject to the Special Sum Insured Sub-Limit and Deductible shown in the Policy Schedule.

Lease Costs

This insurance extends to cover You for any costs and expenses that You are liable to pay under the terms of any lease agreement directly caused by Loss covered by this Policy.

Leased Buildings

This insurance extends to cover any Loss during the Period of Insurance caused by burglary or to glass, toilets or basins that You are responsible to repair or replace at any premises that You occupy.

Legal Expenses

Following a Loss covered by this Policy, this insurance extends to cover legal expenses necessarily incurred by You, and approved by Us, to comply with any regulations under the Historic Places Act 1993 or local government plans and regulations.

Lost or Stolen Keys

Where any key or equivalent device or combination giving access to Insured Property is:

- i) lost, or
- ii) stolen or
- iii) believed on reasonable grounds to have been duplicated without proper authority,

during the Period of Insurance, this insurance extends to cover the costs reasonably and necessarily incurred in altering or replacing locks and their keys or combinations. The insurance also extends to cover the reasonable cost of opening any safe or strong room following theft or loss of its key or combination. Cover under this extension is subject to the Special Sum Insured Sub-Limit specified in the Policy Schedule.

Machinery Breakdown

A. Insured Machinery

In the event of sudden and unforeseen physical damage to any Insured Machinery at Your premises during the Period of Insurance, including damage resulting from:

1. fortuitous working accidents such as maladjustment, loosening of parts,

failures or faults in protective devices, entry of foreign bodies;

2. tearing apart due to centrifugal forces or resulting from impact by flying fragments of surrounding plant;
3. shortage of water in, explosion, implosion and collapse of steam boilers and pressure vessels;
4. fusion, short-circuit, over-voltage or over-current in electrical equipment;
5. defects or faults in design, material or manufacturing and faults in erection;
6. faulty workmanship during dismantling of plant for the purpose of cleaning, overhauling, or while being shifted within the premises, or in the course of subsequent re-erection;
7. faulty operation, lack of skill, carelessness, malevolence of employees; any other accident not excluded hereafter.

We will, subject to the provisions of this extension including the limitation of Our liability and the Maintenance Agreement Clause below, indemnify You in accordance with the applicable basis of settlement for:

1. the cost of immediate repair or replacement to the damaged Insured Machinery item to enable ordinary working to continue, or at Our option, repair, reinstate or replace the Insured Machinery lost or damaged or pay the amount of the loss or damage in money up to the limit of liability;
- and
2. temporary repairs where such repairs constitute part of the final repairs and do not increase the total repair costs.

Indemnity does not extend to the cost of any alterations, improvements or overhauls carried out on the occasion of a repair or reinstatement.

B. Computer / Electronic Equipment Breakdown

In the event of sudden and unforeseen physical damage to Your computer or electronic equipment at Your premises during the Period of Insurance, We will, subject to the provisions of this extension including the limitation of Our

liability and the Maintenance Agreement Clause below, indemnify You for:

1. cost of immediate repair or replacement to the damaged Insured Machinery item to enable ordinary working to continue in accordance with the basis of settlement, or at Our option, repair, reinstate or replace any plant lost or damaged or pay the amount of the loss or damage in money up to the limit of liability;
2. temporary repairs where such repairs constitute part of the final repairs and do not increase the total repair costs;
3. the actual cost of replacement of lost or damaged data media.

C. Maintenance Agreement Clause

The cover provided by this extension for electrical, electronic, mechanical, hydraulic failure, malfunction or breakdown is affected by the existence and type of any maintenance agreement as follows:

1. Where an Insured Machinery item is the subject of a maintenance agreement which provides both:
 - a. preventative maintenance service; and
 - b. remedial maintenance or repair service, providing both labour and parts to correct equipment malfunctions, repair internal damage and return equipment to good working order;

this insurance will cover any repair costs which are outside the scope of the maintenance agreement because of the operation of exclusions or provisions contained in that agreement.

2. Where an Insured Machinery item is not the subject of any form of maintenance agreement or is subject to one which provides only preventative maintenance service or a promise of service availability, this insurance will only cover costs associated with the locating diagnosis or rectification of mechanical, electrical or electronic failure, malfunction or breakdown arising solely from dropping, impact or malicious damage.

D. Resulting Loss Following Breakdown/Explosion

If the normal operation of the Insured Machinery is interrupted as the direct result of any of the following:

1. physical loss or damage indemnifiable under this extension;
2. mechanical, electrical or electronic breakdown for which remedial repair service is provided under a maintenance agreement;
3. failure of the public electricity supply (subject to peril exclusions 2 and 3);
4. failure of the data transmission network operated within New Zealand by Telecom New Zealand (subject to peril exclusions 2 and 3 below);
5. prevention or hindrance of the access to or use of the items insured under this extension by the action of any lawfully constituted authority attempting to avoid or diminish the risk to life or property; or because of damage to property in the vicinity of the situation of the Insured Machinery indemnifiable under this extension.

We will, subject to the provisions of this extension including the limitation of Our liability, pay to You the amount of loss resulting from such interruption or interference in accordance with the basis of settlement;

Provided this section will not cover:

1. losses arising from breakdown of property excluded under this extension;
2. any loss resulting from shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for Your proper operation, even if as a consequence of loss or damage indemnifiable under this extension;
3. any loss resulting from the non-availability of funds to finance repairs;
4. any loss resulting from, and arising during, the first twenty four hours immediately following failure of the public electricity supply; or the Telecom New Zealand data transmission network;

5. any loss arising from failure of the public electricity supply or the Telecom New Zealand data transmission network resulting from:

- a. the deliberate act of any public authority;
- b. the exercise by any public electricity supply authority of its power to withhold or restrict supply; or
- c. shortage of power generation fuel or water.

E. Spoilage of Goods

As a result of a rise or fall in temperature in Your refrigeration plant consequent upon:

1. breakdown of the refrigeration plant where breakdown shall mean and be limited to the actual breaking or burning out of any part of the refrigeration plant whilst in use due to either mechanical or electrical or electronic defects in the plant causing sudden stoppage of the functions thereof and necessitating repair or replacement insured under this extension before it can resume work;
2. damage to the said plant by any accidental extraneous cause except by fire, lightning or explosion, flood, inundation or storm; or
3. accidental failure of the public supply of electricity to Your premises;

We will pay for the cost of refrigerated goods which are damaged or deteriorate during the Period of Insurance as a result of the accident and all expenses reasonably incurred to avoid or diminish or minimise the deterioration or putrefaction of the goods;

Provided at all times that:

1. the said goods at the time of the accident are contained either in the cold chambers of the refrigeration plant or are elsewhere on the premises and but for the occurrence of the accident would have been placed in the cold chambers;
2. We will not be liable for any loss arising from a change in temperature attributable to renewal or repair of fuses or of electrical contacts at which arcing

occurs in ordinary working, wear and tear or gradual deterioration of the refrigeration plant (unless such wear and tear or gradual deterioration results in the breakdown);

3. Our liability shall not exceed in respect of the goods eighty per cent (80%) of their market value immediately before the accident;
4. Our liability for the occurrence shall not exceed the Special Sum Insured Sub Limit for Spoilage of Goods in the Policy Schedule.

F. Reconstruction of Data

The insurance under this item is limited to additional expenditure as You shall necessarily and reasonably incur during the Period of Insurance in consequence of the damage for the purpose of reconstructing data lost as a result of damage to Insured Machinery; provided We will only be liable:

1. for loss or distortion of data information or records which arises from physical loss or damage to the data media material.
2. for expenses incurred within a period of twelve months following the occurrence of loss or damage.

G. Additional Increased Cost of Working

The insurance under this item is limited to additional expenditure as You shall necessarily and reasonably incur during the Period of Insurance in consequence of the damage for the purpose of avoiding or diminishing the reduction in revenue and/or resuming or maintaining normal business operations and/or services, including but not limited to the hire of temporary plant or the cost of effecting temporary repair or of expediting permanent repair including overtime working or the use of express or air freight, up to the Special Sum Insured Sub Limit of liability for 'Additional Increased Cost of Working' stated in the Policy Schedule.

H. Basis of Settlement

Property Damage

The basis of settlement will be the cost of repairs to the Insured Machinery necessary to

return the damaged item or part of the item to its former state of serviceability including:

1. the cost of dismantling, re-erection and removal of debris;
2. charges for overtime and work on public holidays;
3. freight charges within New Zealand including transportation as freight by any recognised airline's scheduled service;
4. customs' duties and dues (if any); and
5. replacement of insulating oil and refrigerant lost from insured items as a direct result of the damage.

In the case of a claim where loss or damage is confined to part of a machine or structure, We will be liable only for the value of that part plus the cost of any necessary dismantling and erection for which You are responsible.

No deduction will be made for depreciation in respect of parts replaced, except for expendable items, where from the replacement cost of these items will be deducted a percentage which the use up to the time of failure, represents of the normal service life expected by the manufacturer or supplier.

Where repairs to a damaged but repairable item cannot be effected because of the unavailability of replacement parts, the basis of settlement will be the estimated cost (including items 1 to 5 above) which would have been incurred for repairs necessary to return the damaged item to its former state of serviceability. Where necessary the estimated cost of unavailable parts will be based on the cost of available parts from similar equipment which is still in production.

The Deductible and the value of any salvage will be subtracted from the amount calculated above.

Reconstruction of Data

The basis of any settlement will be:

1. the actual cost of replacement of Your lost or damaged data media by new unused materials;
- and

2. any expenses incurred by You strictly for the purpose of restoring the data media by reproduction of data or information in a condition equivalent to that existing prior to the occurrence of loss or damage.

Lost data or information may be produced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form.

We will pay for the cost of extra charges for overtime and work on public holidays, cost of re-collection and preparation of data in the appropriate form including any necessary additional expense for the hire of personnel, overtime, premises or data preparation machines.

Additional Increased Cost of Working

The settlement will exclude:

1. the amount of any time deductible calculated by multiplying the actual average daily indemnifiable loss suffered by You by the number of days specified as the deductible period in the Policy Schedule;
2. any expenses incurred during:
 - a) interruption periods due to alterations additions or improvements to Your items;
 - b) interruptions due to the need for cleaning adjustment inspection maintenance or overhaul.

I. Peril Exclusions

This Machinery Breakdown extension does not cover physical loss, destruction of or damage to property and any consequential loss arising from:

1. fire, smoke or soot, lightning, aircraft or other aerial devices and/or items falling from them or pressure waves caused by their travelling at sonic or supersonic speed, impact by vehicles or watercraft, theft or attempted theft, malicious damage, earthquake, subterranean fire, volcanic eruption, seaquake, tsunami, subsidence, landslip, rock fall, earth movement, erosion, normal settling, seepage, shrinkage or expansion in

buildings or foundations, hurricane, typhoon, cyclone, windstorm, hailstorm, rainstorm, flood, inundation, water from or action by the sea, tidal wave or high water;

2. explosion other than:
 - a) the sudden and violent rending of any boiler or pressure plant or pressure pipe systems by force or internal fluid pressure or pressure of ignited flue gases, but excluding other chemical action;
 - b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear;
3. damage to a machine during testing and commissioning, breakdown caused by test, intentional overloading or experiments involving the imposition of abnormal conditions;
4. wilful act or omission, wilful negligence by You or Your management, non-compliance by You (or anyone acting on Your behalf) with the necessary permits issued by government, public or local authorities;
5. any faults or defects existing at the time of commencement of the present insurance within Your knowledge, defective tube joints or other defective joints or seams, leaking of any valve fitting, shaft seal, gland packing, joint or connection other than as a result of insured damage, defective lubrication or lack of oil or coolant;
6. wear and tear, fading, scratching or marring, corrosion, change of colour, gradual deterioration, slowly developing deformation or distortion, erosion, rust or oxidation, wasting or wearing of any part of machinery through normal use or operation or chemical reaction, undue deposits of rust, mud, boiler scale or other deposits, (other than sudden and unforeseen damage resulting therefrom);
7. wasting of materials of a boiler or other pressure vessel whether by leakage, corrosion, or by the action of the fuel, grooving or fracturing of any of the parts of a boiler including superheaters or economisers multi-tubular tubes, development of cracks blisters laminations and other flaws which has not penetrated completely through the entire thickness of the material of the plant;
8. loss or damage to computer equipment caused by atmospheric moisture or temperature unless directly resulting from damage to or malfunction of air-conditioning equipment;
9. normal maintenance, preventative maintenance, upkeep or making good, the tightening of loose parts, damage caused by the application of any tool or process to plant or any insured item in the course of maintenance, inspection, repair, alteration, modification or overhaul, recalibration or adjustments or replacement of refrigerant or brine other than as a result of insured damage;
10. loss, damage or disappearance of any kind occurring to an insured item during any period when it is out of Your possession on hire, rental, lease or loan;
11. loss, distortion or corruption of data or programs arising from computer virus or in connection with damage to computer equipment, other than as provided in this extension;
12. damage arising out of any raising or lowering operation in which a single load is shared between any item of lifting and handling plant and any other lifting equipment, whether insured by this extension or not.
13.
 - a. cessation of work whether total or partial;
 - b. cessation, interruption or retarding of any process or operation;as a result of strikes, labour disturbances or locked out workers.
1. pollution or contamination of any kind
2. any legal liability of whatsoever nature other than as herein provided.

3. consequential loss of any kind, including consequential loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, other than as provided in this extension.

J. Hire of Temporary Plant and Cost of Temporary Repairs

Where a claim for damage to Insured Machinery has been admitted under this extension, the cost of hire of temporary plant and the cost of temporary repairs shall not exceed forty per cent (40%) of the cost of the repairs to the Insured Machinery payable under this policy.

K. Obsolete Equipment

If the manufacture of any item insured under this extension has been discontinued, We will not be liable for a period of interruption greater than the period of time necessary to put into operation a current model item of equivalent function, performance and capacity.

Money

Subject to the definitions and additional exclusions set out below, this insurance extends to cover the Loss of Money during the Period of Insurance as follows:

Section A

Money in transit anywhere in New Zealand; Money at Your premises or sites of contract during Normal Working Hours; Money in a securely locked safe or strong room outside Normal Working Hours.

Section B

Money at Your premises outside Normal Working Hours and not in a securely locked safe or strong room; Money at a residence or other place whilst in the possession of Your trustees, directors, executives or employees.

'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.

'Normal Working Hours' means any hours during which You, or any of your trustees, directors, executives, employees entrusted with

Money, are on the premises for the purpose of Your business.

Additional Exclusions

This Extension 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 You, any of Your trustees, directors, executives, employees or agents, or any professional Money carrier, or any courier.
3. Loss directly resulting from theft or fraud by any of Your employees. However, this exclusion does not apply to loss discovered within 72 hours (excluding the hours of any Saturday, Sunday or public holiday) of the act of theft or fraud.
4. Loss covered under any valid and collectable Fidelity Guarantee (or equivalent) insurance.

In respect of loss arising out of any one Event, cover under this Extension is subject to the Special Sum Insured Sub-Limit and Deductible shown in the Policy Schedule.

In regard to Loss that takes place before a church offering has been counted the amount payable to You will be the average of the value of offerings during the previous 12 months including adjustments for trends or other special identified circumstances.

Monuments, Memorials and Statues

This insurance extends to cover Loss during the Period of Insurance to monuments, memorials and statues that are sited in the grounds of Insured Property subject to the Special Sum Insured Sub-Limit and Deductible shown in the Policy Schedule.

Other Interests

Where You agree to insure the interest of any person or corporation having an insurable interest in any of the Insured Property, We will indemnify You and that person or corporation as if a separate Policy had been issued to each. However:

- a) We will not be liable to indemnify any person or corporation whose interest has not been declared to Us by the time indemnity becomes payable; and
- b) Our liability will not be increased beyond the amount that would be payable if this Extension had not been incorporated in the Policy.
- c) that person or corporation is insured on the same terms as We insure You.

Personal Effects

Personal effects of employees', trustees, directors', visitors and consultants (including Money as defined in the Money Extension, if included in this insurance) are deemed to be included in the description of Insured Property as if they were owned by You, but only while the effects are in or about premises that You own or occupy, or elsewhere while being worn, kept, carried or used by such persons acting in the course of their duties to You.

Special Provisions

- a) The insurance under this Extension will not operate to the benefit of any person who has a valid and collectible claim for the personal effects under his or her own insurance.
- b) Any Transit exclusion will not apply to insurance under this Extension.
- c) In respect of Loss incurred by any one person and arising out of any one Event, cover under this Extension is subject to the Special Sum Insured Sub-Limit and Deductible shown in the Policy Schedule.

Professional Fees

This insurance extends to cover 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 Extension does not cover fees for preparing claims made under the Policy.

Protection Costs

This insurance extends to cover costs reasonably incurred by You for the purpose of, and for Loss directly resulting from, fighting or controlling any insured peril that involves or threatens to involve Insured Property. In respect of Loss arising out of any one Event,

the Extension is subject to the Special Sum Insured Sub-Limit and Deductible shown in the Policy Schedule.

Recovery

If We recover all or any part of the amount of the Loss that We have paid under this Policy from another party We will apportion the amount as follows:

- a) You will be fully reimbursed for any uninsured part of the Loss but excluding that amount that is uninsured because of a Deductible.
- b) The remaining amount will be apportioned in the same ratio of Our respective payments; Your payment will be that portion that is uninsured by reason of any Deductible, and our payment being the amount that We have paid out under this Policy.

The expenses involved in the recovery will be apportioned in the same ratio as in (b) above and if no recovery is made then the costs involved in the attempted recovery will be for Our sole account.

Records

The Insured Property is deemed to include all documents, manuscripts, magnetic media, business books, microfilm, technical drawings, and other business records (excluding Electronic Data) 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 Loss 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 for the purpose of claims on this insurance. 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 to any plant covered by this insurance, any undamaged or salvaged:

- a) plant in the same interdependent system or line; and
- 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 peril that caused the physical loss or damage. Claims payable under this Extension will be net of any realisable salvage value of the redundant plant and parts.

Redundant Stock

The insurance by this Policy extends to cover You for any reduction in value of undamaged stock that has deteriorated or become unusable by You for any reason due to a loss or damage event caused by an insured peril to any other property.

Reinstatement

In so far as it can, this Extension applies to all Insured Property other than stock, Insured Machinery, and Machinery and Pressure Vessels where Breakdown is the cause of Loss, unless otherwise provided.

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

Definitions

In this Extension, and unless the context requires otherwise:

- a) 'Reinstatement' means:
 - i. where property is lost or Destroyed, its replacement by an Equivalent Building or by Equivalent Plant as the case may require.
 - ii. 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, but including any alterations that may be necessary to comply with any Regulations.

b) 'Equivalent Building' means:

- i. 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 Regulations.
- ii. 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.
- iii. where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph (b) 1) or 2) is suitable to your 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.

- 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 that you own or occupy.
- f) 'Regulations' 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 insured peril.

than the original location, our 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, our liability will not exceed the amount that we could have been called upon to pay for Reinstatement if the property had been Destroyed.
- c) our liability under this Extension in respect of any item of Insured Property will not exceed the sum insured in respect of that item.

Special Provisions

1. Compliance With Regulations

The amount payable under this Extension will include the cost incurred in Reinstatement that is necessary to comply with any Regulations, including any such cost necessarily incurred in respect of any Undamaged portion of the damaged building, structure, plant or equipment.

However, in respect to the damaged portion of the building, structure, plant or equipment, the amount payable will not include any such cost to the extent to which the work had already been required of You by notice served prior to the happening of the loss or damage.

2. Site of Reinstatement

Where property is Destroyed, the work of Reinstatement must be carried out on the same Site unless:

- a) Reinstatement on the same Site is not permissible by reason of any Regulations; or
- b) Reinstatement on the same Site is not suitable to your reasonable requirement; in which case the work may be carried out upon any other Site.

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

4. Circumstances Where This Extension Does Not Apply

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

- a) if You elect not to Reinststate 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 Regulation, 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 Extension had not been incorporated in the Policy, Your rights and liabilities and our rights and liabilities in respect of the loss or damage will be the same as if this Extension had not been incorporated in the Policy.

5. Rates, Tax and Other Charges

The amount payable under this Extension 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 Regulations.

Rewards

This insurance extends to cover the cost of any reward paid by You 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) We have agreed to the terms of the reward before it is offered;
- c) Our liability is not increased beyond the sum insured on that property.

We will not unreasonably withhold Our 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 Your employees, is deemed to be included in the description of Insured Property as if You owned it. Any claim under this Extension will be payable to You for passing on to the owners of the property.

Theft

Notwithstanding the exclusion this insurance extends to cover theft up to the limit in sum insured shown as the Special Sum Insured Sub Limit in the Policy Schedule but cover will not apply to:

- a) theft by any of Your employees unless the loss is discovered within 72 hours (excluding Saturdays, Sundays and public holidays) of its occurrence;
- b) theft by any fraudulent scheme or device or false pretence practised on You or on any other person having care of the Insured Property.
- c) stock shoplifted or stolen from any retail or wholesale operation.

If theft is accompanied by violence or threat of violence to persons, or forcible entry into or exit from the premises then the Theft Extension limit shown in the Policy Schedule will not apply.

Transit

This insurance extends to cover the Insured Property, subject to the Policy terms, while in transit anywhere in New Zealand and while in transit between New Zealand ports. In respect of goods destined for transit beyond New Zealand, cover under this insurance 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 your interest in the goods has ceased at a point of sale, whichever is the earlier.

Special Provisions

- a) This Extension does not cover theft from an unlocked and unattended vehicle.
- b) In respect of Loss arising out of any one Event, cover under this Extension is subject to the Special Sum Insured Sub-Limit shown in the Policy Schedule.

Undamaged Stock

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

Unharmful 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 unharmful by that peril, We will indemnify You for the cost of doing so. We will also indemnify You 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 Extension will not increase our liability beyond the sum insured on the property damaged by the insured peril.

Valuation Expenses

It is agreed that You may deduct from the Premium payable to Us the cost of obtaining an approved insurance valuation for the buildings insured under this policy. The deduction can only be made when We require such a valuation for the Period of Insurance. The maximum Premium deduction is set out in the Policy Schedule.

General Conditions

Application of Extensions

The terms of each Extension attaching to this Policy prevail over anything in the Policy to the contrary. Where the terms of any Extension are inconsistent with the terms of any other Extension, the terms most favourable to You will prevail. However, the terms of an Extension will not apply to any Loss that would fall within the scope of the Policy without the benefit of the Extension.

Cancellation

a) By You

You may cancel this Policy at any time with immediate effect by giving Us written notice. We 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 You.

b) By Us

We may cancel this Policy at any time by giving You written notice. The notice must be delivered personally or posted to Your last known address by a method that requires acknowledgement of receipt. The cancellation will take effect at 4pm on the 30th day after the notice has been delivered or posted. We will then refund a pro rata proportion of the Premium to you, subject to any adjustment required by the terms of this Policy.

Deductible

All Loss arising out of any 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 Policy Schedule will be deducted.

Disclaimers and Release

Where You have waived any right of recovery that You may have against any party that has caused Loss to Insured Property, then, providing You waived the right before the Loss, this insurance will not be prejudiced by it.

Fraud

If You or anyone acting on Your behalf 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 You (if more than one) will be treated as having been issued with a separate Policy.

Goods and Services Tax

Where you are liable to pay GST on receiving any indemnity payment under this Policy, We will reimburse You 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 Our liability. For the purpose of this clause, 'GST' means tax payable under Section 5(13) of the New Zealand 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 Your knowledge or consent, the risk of Loss to property that you do not occupy is increased.

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

More Than One Insured

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

- a) the insured first named in the Policy Schedule will be responsible for payment, on behalf of all insured's, of any Premium due or that may become due in terms of this Policy;
- b) Our obligation to make any payment to You in terms of this Policy will be discharged on making that payment to the insured first named in the Policy Schedule;
- c) any notice, for which provision is made in this Policy, given by or given to the insured first named in the Policy

Schedule will be deemed sufficient notice by or to all insureds.

Mutually Acceptable Adjusters

Where We wish to appoint any loss adjuster or assessor in respect of any claim under this Policy, the appointee must be mutually acceptable to You and Us.

Observance

Your 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 You in writing, are conditions precedent to our liability under this Policy. For the purpose of this condition, each of You (if more than one) will be treated as having been issued with a separate Policy. Breach of this condition without Your knowledge will not invalidate the Policy, but Your Insurance Manager (or equivalent) must advise Us immediately upon becoming aware of it. You agree 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

You 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 as insured under this Policy.

Reinstatement of Sum Insured

In the event of Loss for which a claim is payable under this Policy, and in the absence of written notice by Us or by You to the contrary, any amount of insurance cancelled by the Loss will be automatically reinstated. You agree to pay

such pro rata Premium at the applicable rate as may be required by Us for the reinstatement.

Subrogation

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

You must comply with this condition when required, whether before or after having been indemnified by Us. We will not exercise subrogation against any person or corporation entitled to indemnity under this Policy, or against any of Your employees unless an employee has caused the Loss wilfully.

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