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SiteCover Policy



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The online version of this document is interactive

Click a section on the index page, or any page number in this document, to go straight there. To search for a keyword, type Ctrl + F on a PC or Command + F on a Mac.



As part of our commitment to you, this document meets the WriteMark Plain Language Standard. The WriteMark is a quality mark awarded to documents that achieve a high standard of plain language.

Welcome to your SiteCover Policy – insurance for your contract works



In this policy wording, we set out what's covered and what's not covered under your policy, your responsibilities, and how we work together with you at claim time.

Who we mean by 'you'

When we say 'you' or 'your', we mean everyone insured by the policy, which is:

- the principal
- the head or main contractor, who may also be the principal
- sub-contractors working on the *contract site*, unless otherwise stated on your *schedule*.

Who we mean by 'we'

When we say 'we', 'us', or 'our', we mean Vero Insurance New Zealand Limited.

The documents that make up your insurance policy

Your insurance policy is made up of three parts.

1. This policy wording. It explains what we do and don't cover, the responsibilities you have under the policy, and how to make a claim.
2. Your *schedule*. It gives details specific to you, including who and what is insured, when cover starts and ends, and the *premium* you've agreed to pay. The *schedule* also includes any special terms that might apply, which might also detail things that we do and don't cover.
3. The information in your quote offer, application, proposal, or declaration.

Read your policy wording, so you know what we do and don't cover

We agree to give you insurance cover as outlined in this policy wording and your *schedule*, as long as your *premium* payment is up to date.

Read your insurance policy documents carefully, so you know what you are, and are not, covered for. Keep them together in a safe place.

Once you've read this policy wording, contact your broker or insurance adviser if you would like more information.

Headings in this policy wording are only for reference

The headings used in this policy wording are only for reference – they're to help you find information. They're not part of the terms and conditions, so you can't rely on them to interpret the policy's meaning.

Words in italics have specific meanings

When words are in *italics*, they have specific meanings that we've defined in the 'Definitions' section on page 22. When we use these words, we mean the definitions we give in the 'Definitions' section.

What this SiteCover Policy covers

We'll cover you for *loss to insured property*.

Your cover also includes the optional benefits over the page if the circumstances they outline apply. You must choose these benefits, agree to pay an extra *premium*, and they must be listed on your *schedule*.

Your cover, including the benefits, is subject to the terms, limitations, exclusions, conditions, and cover limits that apply to this policy.

We cover your contract works if they are listed on your schedule

This policy covers the following works, goods, and materials as *insured property* if they are listed on your *schedule*:

- the *contract works* during the *period of insurance*
- all goods and materials that will be incorporated into the *contract works* during the *period of insurance*, that belong to you or that you are responsible for while they are at the *contract site*.

We cover materials and goods that the principal supplies

This policy also covers other goods, materials, plant, and other items as *insured property* if:

- they are listed on your *schedule*
- the principal has supplied them to the contractor free of charge to include in the *contract works* during the *period of insurance*
- they will be permanently incorporated in the *contract works* during the *period of insurance*.

The sum insured must match the replacement value

The *sum insured* for *contract works* must be at least the estimated value of replacing the *contract works* when the work is completed.

The replacement value must include all materials, wages, freight, customs duties and dues, including the value of any goods or items supplied by the principal.

The replacement value may include subcontractors' works, as long as its value is included in the sum or sums insured.

We will pay no more than what's on the schedule

If you claim for any *insured property*, we will pay no more than the *sum insured* that's on the *schedule* for that *insured property*.

Benefits we include in your cover

This section explains in detail the benefits we provide, and what we'll pay for each.

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Removal of debris – we'll pay the cost of removing debris and other measures so work can continue

If there is a *loss* which this policy covers, we will cover the cost of the following measures at the *contract site*. We will only cover these measures if you have to take them due to the *loss* so that the *contract works* can continue:

- removal of debris from the *contract site*
- demolition and removal of undamaged *insured property* necessary for the *contract works* to be restored or replaced
- temporary shoring up, propping up, or supporting undamaged parts of the *insured property*
- making temporary repairs and taking other measures to protect the *insured property* against further *loss* or to allow the *insured contract* to continue.

For any one *loss*, we'll pay up to the figure that's in the *schedule*.

+ Any amount we pay under this benefit, we'll pay in addition to your *contract works sum insured*.

Professional fees – we'll pay professional fees for reinstating a loss

If there is a *loss* which this policy covers, we will cover professional fees you have had to pay to reinstate the *contract works* due to the *loss*. We will cover reasonable and necessary fees for:

- architects
- surveyors
- consulting engineers.

The fees must not be more than levels that applied at the time of the *loss*, and authorised by the institutions which regulate these fees.

For any one *loss*, we'll pay up to 5% of the contract value or the figure that's in the *schedule*, whichever is greater.

We do not cover any fees you pay to prepare a claim.

- + Any amount we pay under this benefit, we'll pay in addition to your *contract works sum insured*.

Increased costs during construction – we'll pay if the costs in the agreed price change

If there is a *loss* which this policy covers, we will cover the increased costs incurred due to variations to the contract price that was agreed between the main contractor and the principal. We'll also cover increases to the cost of labour, goods, and materials during the period of construction.

For any one *loss*, we'll pay up to 5% of the contract value or the figure that's in the *schedule*, whichever is greater.

- + Any amount we pay under this benefit, we'll pay in addition to your *contract works sum insured*.

Increased costs during reconstruction – we'll pay you if the costs of reconstruction exceed the insured value

If there is a *loss* which this policy covers and you're reconstructing after the *loss*, we will cover the additional cost of the reconstruction that exceeds the original replacement value for the *contract works*. To be covered, you must complete the reconstruction without delay.

For any one *loss*, we'll pay up to 5% of the contract value or the figure that's in the *schedule*, whichever is greater.

- + Any amount we pay under this benefit, we'll pay in addition to your *contract works sum insured*.

Expediting expenses – we'll pay extra costs for you to remedy a loss quickly

If there is a *loss* which this policy covers and we agree to the need for urgent repairs, we'll cover you for expediting expenses incurred.

Expediting expenses are extra reasonable costs you pay to repair *loss* as quickly and efficiently as possible. They include:

- overtime, holiday, and penal rates of pay
- express delivery and airfreight charges within New Zealand (but not overseas airfreight unless we agree beforehand).

For any one *loss*, we'll pay up to 5% of the contract value or the figure that's in the *schedule*, whichever is greater.

- + Any amount we pay under this benefit, we'll pay in addition to your *contract works sum insured*.

Transit of goods and materials including temporary storage – we'll cover your goods and materials in transit from suppliers

We'll cover you for *loss* to goods and materials for use in the *contract works* while they are in transit from suppliers in New Zealand to the *contract site*. This includes any transit time at temporary storage premises within New Zealand, other than at manufacturers' premises.

The following two conditions apply:

1. You must be contractually responsible for the property while it is in transit.
2. The period of temporary storage is not more than 180 days.

For any one *loss*, we'll pay up to \$250,000.

- ✓ Any amount we pay under this benefit, we'll pay out of your *contract works sum insured*.

Defects liability period (also known as Maintenance Period) – we'll cover liability to rectify loss during the defects liability period if that's on the schedule

We will cover your legal liability to rectify *loss* to the *contract works* according to the conditions of the *insured contract*. You are covered if all these four requirements are met:

1. Your *schedule* shows a *defects liability period*.
2. The *loss* must have been discovered during the *defects liability period*.
3. The *loss* results from your work as a contractor, performed for one of these two purposes.
 - Towards completing the *insured contract* during the *period of insurance*
 - On site under the requirements of the maintenance (or defects liability) clauses of the *insured contract*, during the *defects liability period*
4. This insurance policy must have been in place with us for the entire duration of the *contract works* through to *practical completion*. Otherwise, this benefit does not apply, even if it's on the *schedule*.

✓ Any amount we pay under this benefit, we'll pay out of your *sum insured*.

Reinstatement of sum insured – only if we agree to your written request

After we pay a claim under this policy, we will reinstate the *sum insured*. We will only reinstate the *sum insured* if you pay any additional *premium* that we ask you to pay.

Extension of construction period – we can extend if completion is delayed

We agree to extend the *construction period* so works can be completed. The following limits apply:

- automatic cover is limited to 45 days
- this cover only applies once
- you will pay an extra *premium*, pro rata, and also any applicable government taxes and levies
- you must pay the *premium*, and we must receive it, within the extension period.

Natural disaster – we will cover natural disasters

We will cover you for *loss* to *insured property* caused by *natural disaster*, if a *natural disaster sum insured* is shown on your *schedule*. This includes provisions for professional fees and for removal of debris.

We won't cover you for *loss* to any *existing structures* under this benefit.

Excess

The *excess* for each region will apply as below;

Region	Excess
Auckland and Northland	2.5% of the value at risk at the time of <i>loss</i> or \$2,500, whichever is larger.
Rest of New Zealand	5% of the value at risk at the time of <i>loss</i> or \$5,000, whichever is larger.

All other policy terms and conditions apply to this benefit, along with the basis for settling claims.

✓ Any amount we pay under this benefit, we'll pay out of your *sum insured*.

Post-completion cover — we can continue cover after completion

We will extend your *period of insurance* for up to 30 days in either of these cases.

- After the *policy* expires.
- After *practical completion*.

You must meet all of these five requirements:

- the principal hasn't taken control or occupation of the *contract works* (unless we've agreed before expiry)
- you have no other insurance in place
- you pay an extra *excess* of \$5,000
- cover is subject to pro-rata additional *premium* and appropriate government taxes and levies
- you pay the *premium*, and we receive it, within the extension period.

Post-loss land reinstatement — we will restore land that's damaged

If there is a *loss* which this policy covers, we will cover costs to reinstate damaged land as long as all these requirements are met:

- the land belongs to *you*
- the land is part of the *contract site*
- the work is necessary to enable the *contract works* to continue
- cover is limited to \$25,000 for each *loss*, and to a maximum total value of \$50,000 during the policy period.

✓ Any *amount* we pay under this extension, we'll pay out of your *contract works sum insured*.

Protection costs – we'll pay for the cost of protecting against damage

We will pay for protection costs which are reasonably incurred by you to fight or control any cause of *loss* that involves or threatens to involve insured items.

+ Any *amount* we pay under this benefit, we'll pay in addition to your *contract works sum insured*.

Site security equipment — we'll cover security equipment on site that you own

We cover the following site security equipment alarms, cameras, and motion-sensing equipment. We only cover site security equipment if:

- you own the equipment
- you have no other insurance for the equipment
- the *loss* isn't excluded by the policy.

We will pay up to \$5,000 for each *loss*, up to a maximum of \$10,000 for each *period of insurance*.

✓ Any *amount* we pay under this extension, we'll pay out of your *contract works sum insured*.

Exclusions – things we don't cover

We don't cover you in these situations or for these things.

Alterations, upgrades and compliance

We won't cover any cost or expense of any kind for or connected with:

- alterations, additions or improvements made to the *insured property* after the *loss*
- upgrade work needed to comply with statutory, regulatory, or local authority requirements
- statutory, regulatory, or local authority compliance work that was always required regardless of the *loss*.

Asbestos

We won't cover any *loss* caused by, arising from, or in any way connected to asbestos. We also won't cover legal liability resulting from any direct, indirect, or potential exposure to asbestos.

Building defects – Deterioration and aesthetic defects

We won't cover any *loss*, liability, cost, or expense of any kind directly or indirectly caused by, arising from or in any way connected with:

- wasting or wearing away
- corrosion
- erosion
- delamination
- discolouration or staining
- aesthetic defects
- action of micro-organisms, mould, mildew, rot, or fungus
- gradual deterioration of any kind.

Building defects – Entry of water

We won't cover any *loss*, liability, cost, or expense of any kind directly or indirectly caused by, arising from or in any way connected with moisture or water. This includes water or moisture entering, remaining at, or in any way affecting the *contract site* or any *insured property*.

This exclusion does not apply to moisture or water entry that happens as a result of:

- fire, lightning, or explosion
- sudden impact by vehicles, aircraft and other aerial or spatial devices, and articles dropped from them
- sudden impact by animals
- a sudden rise in level of rivers, lakes, or the sea that exceeds normal banks or boundaries
- blocked, broken, or overflowing stormwater drains
- broken or burst water pipes
- overflowing water tanks or systems
- storm, windstorm, rain, hail, snow, ice, or frost where all three factors below apply:
 - external moisture or water has penetrated into any *insured property*
 - that penetration is discovered within 72 hours from when it started
 - your claim is for *loss* which happens within those 72 hours.

However, this exclusion does not apply to *loss* directly caused by fire resulting from any of the above factors.

Communicable disease

We won't cover any *loss, damage*, interruption, liability, claim, cost, expense, or any other sum of any kind that arises directly or indirectly out of, is contributed to by, or is in connection with any of the following.

1. Communicable disease.
2. The actual, or perceived, fear or threat of identifiable communicable disease.
3. Actions by any person, entity, or public authority to respond to, control, prevent, or suppress communicable disease.

Any other sum of any kind also includes any increased or additional costs or expenses of a claim that this exclusion does not otherwise apply to.

This exclusion:

- takes priority over any other term in this policy or any *endorsement* (including any that might contradict it)
- applies regardless of any other cause or event contributing at the same time or in any other order to 1–3 above.

When we say communicable disease, we mean any of these things.

- Any human, animal, plant or other disease that can be transmitted directly or indirectly from any organism to another organism by means of any substance or agent, including without limitation, any:
 - virus
 - bacterium
 - parasite
 - other organism
 - any variation of any of the above, whether living or not.
- Any Infectious Disease or Quarantinable Disease as defined in or declared under the Health Act 1956.

Computer systems

We won't cover any *computer system* for:

- *loss*
- alteration
- damage
- reduction in functionality, availability or operation.

However, this exclusion doesn't apply to physical *loss* or physical damage to insured property and resulting interruption or interference to the insured business, if:

- it wasn't caused by, contributed to by, or in any way connected to a *cyber act*
- it wasn't caused by, contributed to by, or in any way connected to action to prevent, suppress, control or remedy a *cyber act*.

Consequential Loss

We won't cover any consequential *loss*, including loss of use, *loss* because of delay, penalties, fines, liquidated damages, aggravated, punitive or exemplary damages, or liability of any kind.

Construction plant and equipment

We won't cover *loss* to any item listed below that's owned, hired, or borrowed by you or your contractor:

- plant
- equipment
- tools
- hoardings
- site offices
- huts and encampments
- scaffolding and building wrap and membrane
- falsework
- reusable formwork.

Correcting defects

We won't cover *loss* arising from you correcting existing or worsening defects that aren't part of the *insured contract*.

Criminal or reckless acts

We won't cover any *loss*, damage, liability, or cost in any way connected with:

- criminal activity involving anything this policy covers, unless you prove that you had no reason to suspect that criminal activity was happening
- any deliberate, intentional, knowing, wilful or reckless act, or failure to act, whether criminal or otherwise, committed by you, or anyone this policy covers.

Damage during lifting or repiling

While lifting or repiling is being done, we won't cover:

- cracking or settlement of floors, internal wall and ceilings, or glass
- *loss* to fixtures, fittings, and contents at the *contract site*.

How we define 'contents'

Contents are:

- items within, but not part of, the structure
- goods and materials intended to become part of the structure.

Data

We won't cover any *loss*, damage, liability, cost, or expense of any kind in any way connected to:

- *data* being totally or partially destroyed, distorted, erased, corrupted, altered, misinterpreted, or misappropriated
- errors in creating, amending, entering, deleting, or using *data*
- total or partial inability or failure to receive, send, access, or use *data*
- loss of use of *data*
- reduction in functionality of *data*
- *data* being repaired, replaced, restored, or reproduced
- the value of any *data*.

This exclusion applies whether any other causes or events contribute to the *loss*.

Defective workmanship, materials or designs

We won't cover any *loss*, liability, or cost in any way connected to defective, faulty, erroneous, omitted or inadequate:

- workmanship
- materials
- designs, drawings, specifications, sequencing, procedures or plans.

However, if property containing any defect, fault, error, omission or inadequacy suffers a *loss* from a cause that we do cover, the following conditions apply.

We also won't cover any cost of repairing, replacing or rectifying any of the above.

This exclusion does not apply to sudden and unexpected *loss* to other parts of the *contract works* that are both:

- physically separate from the parts affected by any of the above; and
- in a condition that is entirely free from any such defects, faults, errors, or omissions or inadequacies.

Dewatering

We won't cover any of the following:

- additional dewatering costs because the *contract site* has more water than expected
- costs for extra installations and facilities to discharge run-off, or groundwater
- costs to remedy water leaking into excavations and basements.

Employees' tools and equipment

We won't cover *loss* to any employees' plant, tools, and equipment unless we've agreed to and this is *endorsed* on your *schedule*.

Extra charges, unless under the Expediting Expenses extension

We won't cover extra charges for overtime, holiday rates of pay, express delivery or airfreight, and accommodation expenses, except under the Expediting Expenses benefit.

Hydrostatic pressure

We won't cover any *loss* to any swimming pool, spa pool or tank incorporated into the *contract works* caused by hydrostatic pressure.

Illegal drug contamination

We won't cover *loss* or liability arising from anyone making, supplying, storing, possessing, or using any illegal drugs or substances in or near any *insured property*.

This exclusion also applies to any precursor chemicals or materials used in the making, supplying, storing, possessing, or use of illegal drugs or substances.

However, this exclusion doesn't apply to any *loss* to the *contract works* from fire or explosion and cover is available.

Loss not linked to a specific event

We won't cover *loss* of any property by disappearance or shortage that is not traceable to any specific event and where the *loss* is only identified by periodic stocktake or review of inventory.

Loss to existing structures

We won't cover *loss* to any *existing structure* at or around the *contract site* unless it is agreed and noted on the *schedule*.

Mechanical and electrical breakdown

We won't cover mechanical or electrical breakdown of items to be incorporated into or forming part of the *contract works*.

Misalignment of piles and retaining walls

We won't cover replacing or rectifying piles or retaining wall elements which:

- have become misplaced or misaligned or jammed during construction
- are lost or abandoned or damaged during driving or extraction
- have been obstructed by jammed or damaged piling equipment or casings.

We also won't cover rectifying disconnected or declutched sheet piles that result from piles or foundation elements:

- failing a load bearing test
- not reaching their designed load bearing capacity for any other reasons.

This exclusion doesn't apply and cover is available if *loss* is caused directly or indirectly by *natural disaster*.

Money and valuables

We won't cover *loss* of any kind to accounts, bills, bonds, cheques, credit cards, currency, computer software, deeds, drawings, evidence of debt, files, notes, money, plans, stamps, or securities.

Natural disaster

We won't cover *loss* directly or indirectly caused by *natural disaster*, unless we've agreed to include it on your *schedule*. This exclusion does not limit cover under the natural disaster benefit.

Nuclear weapons and radioactivity

We won't cover *loss*, damage, or liability in any way connected with nuclear weapons, ionising radiation, or contamination by radioactivity from nuclear fuel, or the combustion of waste from nuclear fuel.

Principal's occupation or use

We won't cover *loss* to the *contract works* or any part of it that the principal is using or has occupied, unless we've agreed to in writing before the occupation. However, this exclusion does not apply during the *defects liability period*.

Sanctions

This policy will not provide cover, service, or benefit, or pay anything in connection with your policy, including any *premium* refund, if doing so may breach or risk exposure to any of the following:

1. Penalties, sanctions, prohibitions, proscriptions, preventions, or restrictions under United Nations resolutions.
2. Sanctions, proscriptions, preventions, laws or regulations of New Zealand, Australia, the United Kingdom, the United States of America, or the European Union.

Scratching, cracking or marring

We won't cover any *loss*, liability, cost, or expense that's in any way connected with any kind of scratching, abrading, marking, cracking, or marring of the appearance, finish, or view from, or visible surroundings of any property.

Seepage, pollution, and contamination

We won't cover *loss* in any way connected with seepage, pollution, or contamination.

Seismic upgrade costs

We won't cover you for any costs you have to pay in connection with seismically strengthening the insured items, or any *insured property* under any benefit, to a higher level than before the *loss*.

Seizure of property

We won't cover *loss*, damage, or liability in any way connected with confiscation, acquisition, designation, destruction or decision by government or local authorities.

Terrorism

We won't cover *loss*, damage, or liability in any way connected with any act of terrorism. This includes any act of terrorism in any way connected to pollution, contamination, or explosion that is:

- biological
- chemical
- radioactive
- nuclear.

An act of terrorism means any act that:

- may include the use of force or violence, or the threat of its use; and
- is carried out or arranged by any person or group(s) of people, whether acting alone or on behalf of or in connection with organisation(s) or government(s).

From its nature or context, the act:

- is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes; and
- may include the intention to influence any government or to put fear in the public or any section of the public.

Testing and commissioning

We won't cover *loss* to any item of machinery or plant, that has been installed as part of the *insured contract*, directly caused to that item by its testing or commissioning.

This exclusion does not apply to new building services plant that forms an integral part of new buildings being constructed and insured by this policy

However, if such plant is more specifically insured by the contractors or sub-contractors, then their insurance applies, and not this policy.

War

We do not cover *loss*, damage or liability in any way connected with:

- war
- invasion
- acts of foreign enemies
- hostilities or warlike operations (whether war is declared or not)
- civil war
- civil commotion assuming proportions of or amounting to an uprising
- military uprising
- popular uprising
- rebellion
- revolution
- insurrection
- military or usurped power.

Waterborne and airborne craft

We won't cover *loss* arising from you or anyone on your behalf owning, possessing, using, or controlling:

- a vessel or craft or anything else made or intended to be waterborne or airborne
- anything mounted, carried by or suspended on this kind of vessel or craft.

Work stoppage – cessation of work

We won't cover *loss* directly or indirectly caused by work stopping, whether totally or partially, for more than 90 continuous days.

Making a claim

If something happens and you think you may need to make a claim, first make sure everyone is safe. Then, contact your broker or insurance adviser or us as soon as possible. Once we have all the information we need, we'll decide the best way to advance your claim.

What you must do if something happens that might lead to a claim

As soon as you know about anything that will, or is likely to, lead to a claim under this policy you must do all the following.

- Tell your broker or insurance adviser or us about what's happened
- Take all reasonable steps to minimise the *loss* and prevent further *loss*
- Send us any communications you get about any event that might lead to a claim
- Tell the police if you suspect a crime
- Send us a copy of the relevant construction contract as soon as you can.

If you wish to make a claim on this policy

To make a claim on this policy, you must do all the following.

- Fully complete our claim form as soon as you can.
- Let us inspect any damaged property.
- Provide any other information and help that we need.
- Send on to us immediately any letter of demand or court documents.
- If we ask, provide a statutory declaration to confirm the *loss*.
- Attend interviews if we ask.
- Pay the *excess* to us or to the repairer, unless we are deducting it from a claim settlement that we're giving you
- Send us a copy of the relevant construction contract as soon as you can

After you have made a claim

After you have made a claim on this policy, we have the right to act in your name and on your behalf. In your name, we can:

- take any proceedings necessary to use your legal right of recovery from anyone else
- take over, defend, negotiate and settle any claim against you.

If we act in your name, we'll do so at our expense. You must provide all reasonable help and cooperation, at your expense.

After your claim is accepted

If we accept your claim, we may take any of the following actions, and ask you to take action too.

We can take over legal right of recovery

After we have paid or accepted a claim on this policy, partly or wholly, we can choose to fully take over any legal right of recovery or indemnity that you have.

We may exercise this right for our own benefit, at our expense. You must co-operate with us and let us do anything reasonably necessary to enforce our right.

If you do not co-operate with us, you must repay anything we have paid to you or anyone else for your claim.

When a third party is liable

You must not voluntarily and knowingly release any third party from liability that arises from *loss* insured by this policy, unless you've told us in advance and we've agreed in writing.

Tell us if you find missing property

If we paid a claim for any lost or stolen property and it's later found or recovered you must:

- tell us immediately
- hand the property over to us if we ask.

We have the right to keep property

We have the right to keep property, or proceeds from its sale, if we've paid a claim for it under this policy. If we haven't paid you the full amount of your claim, we may be able to pay you some kind of reimbursement.

You must pay us any reparation if we've paid a claim

If we pay a claim under this policy for *loss* to property, and anyone makes reparation for it to you (or is ordered to), you must reimburse us for that payment immediately. If we haven't paid you the full amount of your claim, we may be able to pay you some kind of reimbursement.

What to do if you don't agree with our claims decision

If you do not agree with our decision on your claim, contact your broker or adviser.

If you are still not satisfied and think our decision is incorrect, contact us.

- Ring Vero's head office on 0800 808 508
- Write to us at Private Bag 92 120, Auckland
- Email us at complaints@vero.co.nz

Excess – you will have to pay an excess

The *excess* is the amount you must pay towards the cost of any claim.

The *excess* forms the first part of any *loss* you're claiming.

We'll take the *excess* away from the amount of your claim, not from any policy limit.

If *loss* arises from multiple incidents, occasions, or events, the *excess* (or each relevant *excess*) applies to each incident, occasion, or event that causes *loss*.

The *excess* that applies to *contract works* also applies to professional fees and removal of debris.

If a *loss* involving more than one of these items arises from the same original cause, you will only pay one *excess*— for the item that carries the highest *excess*.

You'll pay a single excess for multiple events in these situations

If a series of events arises from one of these situations below during a period of 72 consecutive hours, we will treat it as one single event and you will pay one *excess*.

- Cyclone
- Erosion
- Flood
- Inundation
- Landslip
- Storm
- Tempest
- Subsidence

How we'll settle your claim

If there is a *loss* which is covered under this policy, we may choose to settle your claim in one of the following ways. No matter what we choose, the following requirements apply:

We'll only pay up to the sum insured

We'll only pay up to the *sum insured*. Any amount that we pay, or is payable under this policy, will reduce the *sum insured* by that amount.

You are not covered for any costs that are not included in the sum insured

You are not covered for any costs that you did not include in the *sum insured* or if you did not include an adequate amount.

The maximum we'll pay for your claim

The most we'll pay under this policy is the following list, added together.

- The sum insured shown on your *schedule* (including benefits paid from within it)
- Any GST that you've paid or is payable on the sum insured
- Any amounts we are required to pay under these benefits:
 - Removal of debris
 - Professional fees
 - Increased costs during construction
 - Post-loss land reinstatement – we will restore land that's damaged
 - Protection costs
 - Site security equipment

Get our consent before you start repairs

For any *loss* requiring repair or replacement work which exceeds \$5,000, you must get our written consent before starting the work. Even if the work is valued at less than that amount, you must still comply with all policy requirements, including letting us inspect the *loss* before you start the work.

How we make payments

We will make progress payments to you at reasonable intervals for amounts that you have spent on repair or replacement work that meets the policy requirements. Progress payments are preliminary only, and not final. The amounts you have spent are still subject to final *loss* adjustment to determine the final amount we'll pay for your claim. We will deduct all progress payments in the final *loss* adjustment.

You must have spent any amounts that you claim

You must have actually spent any amounts claimed. Before we make any progress payments or final payments, you must give us all invoices, receipts, and any other relevant documents that satisfy us about what you have spent and what repair or replacement work has been done.

Damage which can be repaired

If the *loss* can be repaired, we'll pay:

- the cost of repairs needed to restore physically lost or damaged parts to a condition that's substantially the same as, but not better than, immediately before the *loss*
- minus any salvage costs and any excess.

If any parts for the repair cannot be reasonably obtained from usual suppliers of those parts, then we may pay for both these amounts below:

- the repairs, as far as they're possible on the basis of the two bullet points above
- the cost that you would have spent buying any unavailable parts – if they could have been reasonably obtained, in the same condition to the lost or damaged part immediately before the *loss*.

We will pay for any provisional repairs on the basis that's above, but only if they form part of the final repairs and do not increase the total repair costs.

Damage which can't be repaired – total loss

If the *loss* can't be repaired, or if the cost of repairs equals or exceeds the cost of replacement, we call it a total loss. We'll pay the cost to replace the physically lost or damaged part with a replacement of equivalent condition to that part immediately before the *loss*, minus any salvage and *excess*.

Policy conditions and other important information

You have a duty of disclosure

You have a duty of disclosure, which means you must tell us everything we'd consider material to decide:

- whether to issue or change this policy
- the terms on which we'd issue or change this policy, including the *premium* we charge.

Your duty of disclosure applies each time you change this policy. If you don't meet your duty of disclosure, we can refuse a claim, reduce any claim payment, or avoid the policy.

! If we avoid your policy

If we avoid your policy, we treat it as though it never existed. You will have to pay back any claim payments we have made to you, and we will refund you any *premium* you have paid to us.

This might mean you find it difficult to get other insurance in the future.

Tell us if anything changes

If the risk we've accepted to insure your *contract site* changes, you must tell us in writing as soon as possible.

Examples of change that you need to tell us about include change:

- of main contractor
- in *period of insurance*
- in fundamental materials – say from timber to steel.

You must take precautions and pay for them to minimise the risk of a claim arising because of the change in risk. You must follow our directions and requirements.

We may change the terms and increase your *premium* for this insurance because of the change in risk.

You can't pass on your rights or interests under this policy

Without our prior written agreement, you can't assign, or attempt to assign, either of the following to any other party:

- this policy or your interest in it
- your rights to any claims proceeds under this policy.

You must declare the final cost of the contract you've insured

Within a reasonable time of completion, you must give us a declaration of the total final cost of the *insured contract* that's on the *schedule*.

If that amount is more than the *sum insured* for the *contract works* on the *schedule*, you must pay us a proportionate amount for the increase in *sum insured*.

But if the amount is less than the *sum insured* for the *contract works*, we can refund you a proportion of the *premium* you've paid. We will refund up to 50% of the original *premium*, – as long as you have made no claims.

Information given to us must be correct

Your proposal, application, or declaration form is the basis of this contract.

All statements and information you give us, or anyone gives us on your behalf, must be complete and correct. This includes statements and information:

- that support this policy or any claim
- in any proposal, application, or declaration – whether we get the statements and information verbally, electronically, or in printed form.

If you give incorrect or false information in relation to your claim, or if your claim is fraudulent in any way, we won't pay the claim. If your claim is fraudulent, your policy automatically ends – we will cancel your policy from the date you made the claim or gave us the false information.

If you give us incorrect or incomplete information, or if information is withheld, and your claim is declined or we avoid your policy, you have difficulty getting insurance in the future.

We may change the terms of this policy for natural disaster cover

If we can no longer get or retain full reinsurance protection from any *natural disaster* that this policy covers, we may change the terms of this policy, including the *excess*.

We'll send a letter or email to the latest address we have for you, or to your insurance adviser or broker.

The change takes effect at 4.00 pm on the 14th day after we send the letter.

New Zealand law applies to this policy

This policy is governed by New Zealand law and New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

When this policy mentions an Act of New Zealand Parliament, this includes any substitution, amendment, or replacement of the Act. If the Act has been repealed and there is no substitution or replacement, we mean any part of an Act with substantially the same purpose and function. It includes the regulations under the Act.

Premium Payment

You must pay all *premiums*, levies and tax to us or your insurance adviser or broker within 90 days of the start of the policy, or any subsequent extension. We will only pay a valid claim once we have received the *premium* in full.

Sanctions

We will not provide any cover, service, or benefit, or pay anything in connection with your policy, including any *premium* refund, if doing so may breach or risk exposure to any of the following.

1. Penalties, sanctions, prohibitions, proscriptions, preventions, or restrictions under United Nations resolutions.
2. Sanctions, proscriptions, preventions, laws or regulations of New Zealand, Australia, the United Kingdom, the United States of America, or the European Union.

How GST applies when we pay a claim

The *sum insured*, dollar figures for benefits, and limits to items in this policy exclude GST. Where we are able to recover GST under the Goods and Services Tax Act 1985 GST will be added, where applicable, to claim payments.

Make sure descriptions and facts are accurate

Your cover will be affected if you do any of these things.

- Incorrectly describe any of the *insured property*, or any building or place where it's contained.
- Misrepresent any fact that's material for estimating the risk.
- Leave out any fact that's material for estimating the risk.

We will not cover any claim that results from an incorrect description, misrepresentation or leaving anything out.

We don't cover you if you breach these terms

To be covered under this policy, you must comply with the terms and conditions outlined in this policy wording.

If we find that you have breached any of these terms or conditions, we can decline your claim or limit your claim.

However, nothing in this policy wording affects our rights under common law, including our right to avoid your policy for not making full disclosure in accordance with your duty of disclosure.

We don't cover you if you have other insurance

We won't cover you for *loss* or liability where insurance cover is provided by another insurer for the same *loss* or liability. We won't contribute towards any claim under any other policy.

You must take all reasonable steps to prevent loss

You must, at your cost or expense, take all reasonable steps to prevent *loss*. In particular, you must take all reasonable care to:

- protect the *contract works* and all *insured property*
- engage appropriately qualified and trained labour to carry out the *contract works*
- maintain all plant, tools, machinery and appliances used in the *contract works* in efficient working order and condition
- comply with all relevant laws, bylaws, building codes, and local authority requirements
- prevent any *loss* that is covered by this policy.

You must minimise the risks of undertaking hot work

"Hot work" means work like grinding, cutting, or welding operations, using blow lamps and torches, applying hot bitumen, and any other operation that produces heat.

If you fail to follow reasonable process for hot work, we will invalidate your claim.

You must make all contractors aware that when their employees or sub-contractors do hot work, they must follow these requirements.

- Only do hot work under the supervision of the site foreman, or someone of equal standing responsible for performing the *insured contract*.
- Adequately protect any other parts of the *contract works*, as necessary.
- Keep hose reels or adequate portable firefighting equipment ready and at hand near any hot work operations.
- Remove waste material from the *contract site* at least once weekly. At the end of each working day, clear any combustible waste from nearby any hot work performed that day.
- Carefully check the area where any hot work has been done, one hour after the work is finished.

You must protect the site with tarpaulins

You must securely fasten tarpaulins over any part of the roof or other exposed openings:

- at the end of each day's work
- when work is stopped by bad weather.

We'll put details of your claims on the Insurance Claims Register (ICR)

In buying this policy, you allow us to put details of any claims you make on the Insurance Claims Register (ICR) so other insurers can see them. You also allow us to obtain personal information and details of claims you've made from the ICR.

The ICR is a database of insurance claims. It helps prevent insurance fraud by enabling insurance companies to share details of claims. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington 6140.

You also allow us to obtain from ICR Ltd personal information about you we consider relevant to this policy, or any claim made against it. You have the right to access and correct this information under the Privacy Act 2020.

Definitions

This section defines words and phrases that have specific meanings in this policy wording. When we use the words or phrases below, we use italics, and we mean the definition we give in this section.

Accidental

A sudden and unforeseen event not intended or expected by you.

Contract site

The location on your *schedule* where the *contract works* are to be carried out.

Contract works

All permanent and temporary works to be carried out to complete the *insured contract*.

Computer system

Any of the following in any configuration:

- computers, hardware, and software
- communications systems
- electronic devices, including smart phones, laptops, tablets, and wearable devices
- electronically controlled equipment, including *data* processing equipment
- server, cloud, or microcontroller equipment
- any similar system, input, output, *data* storage device, networking equipment or back-up facility.

Cyber act

One or more unauthorized, malicious, or criminal acts involving accessing, processing, using, or operating any *computer system*. *Cyber act* also includes the threat or hoax of these acts.

Data

Any kind of information, including facts, concepts, or code.

In this definition, we mean information that is converted, recorded, or transmitted in a form that a *computer system* can access, communicate, display, distribute, interpret, process, transmit, store or use.

Endorsement, endorsed

An amendment to the policy that changes one or more terms or conditions of the policy.

Defects liability period (also known as maintenance period)

If shown on the *schedule*, the period starting when the *practical completion certificate* was issued and finishing on the earliest of either of these dates.

- The *defects liability period* that's specified on the *schedule*
- The *defects liability period* that's specified in the contract documents for the *insured contract*.

Excess

The amount you must pay towards the cost of any claim.

Existing Structures

Structures and/or property that existed at the *contract site* prior to the commencement of the *contract works* and which are included in the *sum insured* in the *schedule* and which will be worked upon as part of the *contract works*.

Insured contract

The *contract works* described on the *schedule*. When this policy is issued with an annual turnover or declaration clause, this definition applies to each allowable contract.

Insured property

The following works, goods, and materials if they are listed on your *schedule*:

- the *contract works* during the *period of insurance*
- all goods and materials that will be incorporated into the *contract works* during the *period of insurance*, that belong to you or that you are responsible for while they are at the *contract site*.

Insured property also includes other goods, materials, plant, and other items if:

- they are listed on your *schedule*
- the principal has supplied them to the contractor free of charge to include in the *contract works* during the *period of insurance*
- they will be permanently incorporated in the *contract works* during the *period of insurance*.

Loss

Accidental physical loss of, or *accidental* physical damage to, any *insured property*. It doesn't include prevention of use or loss of functionality or usefulness.

Natural Disaster

An earthquake, natural landslip, volcanic eruption, tsunami, or hydrothermal activity — or fire resulting from any of these. It does not include a gradual or slow-moving natural landslip.

Period of insurance

The period starting on the date that's either on the *schedule*, or when the head contractor takes possession of the *contract site* (whichever is later) and ending on the expiry date that's on the *schedule* or when the *contract works* have reached *practical completion* (whichever is earlier) — unless we agree to a different period.

With our agreement, the *period of insurance* may be extended specifically to complete the *contract works*, as long as you agree to pay the additional *premium*.

The *period of insurance* will extend to include a *defects liability period* (also known as maintenance period).

Practical completion

Practical completion can occur at one of these three times, whichever is the earliest.

- When the principal moves into the *contract works*
- When a code of compliance certificate is issued
- When everything has been done to execute the *contract works* except for minor omissions and defects which do not prevent the building from being used for its intended purpose

Premium

The amount you must pay us to ensure cover commences or remains in force. This means the first *premium* or any subsequent *premium* and includes government or other levies and taxes.

Schedule

The latest current policy *schedule*, *endorsement*, or expiry notice we issued to you or your insurance broker or adviser.

