

# Important changes to BusinessPlan

**We've made changes to the BusinessPlan insurance policy, including new cover and higher limits.**

These changes will come into effect for policies that renew on or after 16 August 2020. Refer to your policy schedule for cover types you have selected.

We understand you're busy running your business, which is why we've provided a summary of the changes we've made to the BusinessPlan policy. When you've got a minute you should also review the updated policy wording for the full details of your cover, including any conditions and exclusions that apply. You can find the full policy wording at [vero.co.nz/insurance-documents](http://vero.co.nz/insurance-documents). If you have any questions reach out to your broker or adviser who'll be able to assist.

## Material Damage

### New cover

Your policy now covers you for:

- **Burglary** – from shipping containers, portable sheds and non-portable containers on your vehicle, in addition to the burglary cover already provided by your policy.
- **Change in temperature** – if your insured property is damaged due to a change in temperature which is not caused by mechanical or electrical breakdown. We'll also cover the cost of removal and storage elsewhere if required.
- **Firefighting equipment** – replenishing portable hand-held firefighting equipment if it was used to protect your insured property, up to \$5,000.
- **Salvage costs** – for any insured property that you're shipping between ports within New Zealand.
- **Gradual damage** – resulting from micro-organisms, mould, mildew, rot, fungi or gradual deterioration, caused by water leaking or overflowing from any internal water system anywhere within your insured building, up to \$5,000.
- **Landscaping** – where there has been an accepted claim under this policy for the building. We'll cover up to \$20,000 or 5% of your sum insured for landscaping, whichever is lesser.
- **Stock** – if your stock deteriorates or becomes redundant due to a loss of other insured property covered by this policy.
- **Restoration and reproduction of proof materials** – where proof materials have been damaged, we'll cover restoration or reproduction of the material to a similar condition, up to \$100,000.
- **Contents/stock at an unspecified location** – up to \$25,000 or the sum insured (whichever is lesser) for items at an unspecified location within New Zealand. This does not cover items that are temporarily removed, portable electronic equipment or portable tools of trade.
- **Sustainable rebuilding costs** – if your insured building is destroyed, you have the option to incorporate sustainable products in the replacement building. We'll provide up to 5% of the reinstatement costs or \$250,000 (whichever is less) provided it's within your sum insured.

- **Portable equipment** – now includes office equipment at your employees home, and while in transit between their home and your business premises.

### Changes to limits

Your policy now covers you for:

- **Electric motors** – up to 5Kw. Previously cover ceased at 3.75Kw.
- **Hazardous substance emergencies** – cover up to \$25,000, previously the limit was \$10,000.
- **Money A** – money in transit, at your business premise during business hours, and in securely locked safe onsite outside of business hours, is now covered up to \$10,000, an increase from \$5,000.
- **Money B** – at your business premise outside of business hours not in a securely locked safe, or at your residential premise, is now covered up to \$2,500, an increase from \$1,000.
- **Items damaged while in transit** – up to \$25,000, previously this was limited to \$5,000.
- **Landslip** – landslip and subsidence cover has increased to \$500,000 from \$250,000. The excess is now \$15,000 on these claims. This applies to both commercial property and residential multi-units.
- **Residential Multi Unit extension (MD698)** – if you have this extension we have increased the alternative accommodation benefit to \$35,000 (previously \$25,000) and the loss of rent benefit to \$35,000 (previously \$25,000).

### Other changes

- **Temporary removal** – your insured property is still covered if it's damaged while it's temporarily relocated. It must be in New Zealand, and doesn't include stock, but insured property in transit to the place of temporary removal is no longer covered under the temporary removal extension.
- **Unlawful substance – Methamphetamine cover** – eligibility has changed and now you will be covered for methamphetamine contamination if the amount present is more than 15µg/100cm<sup>2</sup>. These changes are in line with recommendations from the Prime Minister's Chief Science Advisor report into methamphetamine contamination and its health effects.
- **Deep frying equipment** – we have updated the type of fire extinguisher required to be on site when deep fat frying to align with New Zealand Standard NZS 4503 to a fully charged wet chemical, or similar F-rated extinguisher.

**Note:** We would like to clarify that this policy does not cover claims resulting from or arising out of communicable diseases.

## Business Interruption

### New cover

Your policy now covers you for:

- **Contractual commitments** – for purchases you are not able to use due to damage, but you're still legally required to pay for. Cover is up to \$100,000 less any sum received through salvage or resale.

- **Loss of lease goodwill / Key money** – if the building you're leasing is damaged and the damage to the building cannot or is not being repaired, or your landlord terminates your lease because of the damage, we will pay your loss of lease goodwill.
- **Purchase from joint insureds** – if you purchase goods or services from someone that is jointly covered by the policy, we will assess your claim based on the reasonable full price you paid for these items.
- **Reduced margins** – if your gross profit is reduced to preserve your turnover following a material damage claim under this policy, we'll make an equitable allowance for the loss of gross profit. Refer to your policy wording for how this is calculated.
- **Use of accountants or auditors** – your accountants or auditors can produce and certify details contained in your accounts that are needed by us to support or verify your claim.

## Changes to limits

Your policy now covers you for:

- **Extraneous perils** – interruption to your business caused by burning out of electric motors up to 5Kw. Previously cover was only provided for motors up to 3.75Kw.

**Note:** We would like to clarify that this policy does not cover claims resulting from or arising out of communicable diseases.

## Commercial Motor

### New cover

Your policy now covers you for:

- **Expediting expenses** – we'll cover express freight for parts to expedite repairs to your insured vehicle.
- **Loss of use commercial motor vehicle** – if you are unable to hire a similar rental vehicle while your insured vehicle is being repaired, you have the option of a cash settlement up to the specified daily limit.

### Changes to limits

Your policy now covers you for:

- **Additions & deletions** – cover will automatically extend to any vehicle you purchase provided we are notified within 30 days and the purchase price for the vehicle is less than \$300,000. Previously this limit was \$100,000.
- **Emergency accommodation and travel** – cover for accommodation and travel costs when your journey cannot be continued due to a car accident covered by your policy. This has increased to \$10,000, previously it was \$5,000.
- **Funeral costs** – funeral costs for the driver of an insured vehicle. We'll pay \$10,000. Previously this was \$5,000.
- **Goods in transit** – goods in the insured vehicle that are damaged by fire, collision, overturning or impact are covered up to \$10,000. Previously this was \$5,000. Standard excess applies.
- **Hoists** – cover for mechanical breakdown of hoists up to \$10,000, previously this was \$5,000.
- **Modifying vehicle** – cover for modifications to your vehicle to accommodate permanent disabilities that result from an accepted claim. There is now cover for \$10,000, up from \$5,000.
- **New replacement vehicle** – we have extended the eligibility criteria for this cover. If you have a total loss, your vehicle is less than 12 months old and has travelled less than 40,000kms, we'll replace it with a new one. Previously you were only eligible for a new replacement vehicle where you had travelled less than 20,000 kms.

- **Road clearing/load recovery** – costs to clear road or recover your load following an accident up to \$40,000. This has increased from \$20,000.
- **Rental vehicles** (if additional extension has been purchased) – cover for damage to rental vehicles has increased to \$100,000 (previously \$50,000) and consequential losses resulting from this is now \$75,000, previously \$25,000.

## Other changes

To provide clarity and ease of access we have included the following information in the BusinessPlan policy wording.

- **Description of use** – your vehicle is covered if it is used for private social or domestic purposes, as long as the vehicle is used mostly in connection with your business, unless you have otherwise notified us.
- **Additional extensions** – the wording now includes a number of additional extensions which only apply to specific circumstances/occupations. If these extensions apply to you they will be noted on your policy schedule. There has been no change to the cover or requirements of these underwriting clauses.

## Broadform Liability

The following changes have been made to your policy:

- **Exemplary damages** – automatic cover for your legal liability up to \$1,000,000 for personal injury sustained in New Zealand is now automatically covered by Broadform liability cover. Previously this was an additional benefit that could be purchased.
- **Motor and watercraft repair** – increase in the size of watercraft covered to 10 metres, previously it was 8 metres.
- **Forest & Rural Fires Act** – to comply with recent rural fires legislation we're not able to provide insurance cover for liability for rural fires arising under that legislation so this cover has not been included in your policy. The Forest & Rural Fires Act (FRFA) 1977 was repealed and replaced by the Fire and Emergency New Zealand Act 2017, effective 1 July 2017 and therefore liability under the FRFA is no longer applicable. You will continue to be covered for civil liability for damage to other people's property or bodily injury to others caused by fire in accordance with the legal liability cover under your amended policy wording.

## General Conditions

We have made the following changes to the General Conditions section of your policy.

- **Recovery apportionment** – if we recover money from a third party, we will reimburse you for any uninsured part of your loss and your excess, or part of it, if enough funds are recovered. If we make a recovery from the third party which results in a payment to you, you will also need to contribute to the recovery costs.
- **Renewal terms** – we'll give you a minimum of 15 days notice if we're offering less favourable renewal terms, or not offering renewal of the policy.
- **Tenant** – we have added a definition for tenant.
- **Communicable diseases** – we have added a definition for communicable diseases.
- **Change of terms** – we reserve the right to change the terms of your policy during the period of insurance in some circumstances. This includes, if we are no longer able to obtain full reinsurance in relation to a natural disaster, or as a result of a change in legislation. Refer to the policy wording for full details.