



ComputerPlan
Computer



For the insurance of computers
and / or electronic equipment.

Please read this policy
carefully and see that it
meets your requirements

welcome to
ComputerPlan

This policy shall not be in force unless it has been initialled by
an authorised official of the Company.

Initialled:

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Important notice

1. This policy contains a provision making it "subject to average".
2. Such provision will have effect only if the property insured under the policy is underinsured at the time of loss in which case the following rules apply:
 - (a) if you suffer a total loss in respect of property the provision will have no effect;
 - (b) if you suffer a partial loss in respect of property the maximum amount that you may recover will bear in the same proportion to your actual loss as the amount for which the property is insured bears to the full value of the property; and
 - (c) whatever your loss, in no case will you be entitled to recover more than the amount for which the property is insured.

Example:

Your property is worth \$20,000. You insure it for \$10,000. You suffer a loss of \$5,000. If the policy is "subject to average", the maximum amount that you may recover is \$2,500.

Fair Insurance Code

As members of the Insurance Council of New Zealand, we are committed to complying with the Council's Fair Insurance Code. This means we will:

1. provide insurance contracts which are understandable and show the legal rights and obligations of both *us* and the policyholder;
2. explain the meaning of legal or technical words or phrases;
3. explain the special meanings of particular words or phrases as they apply in the policy;
4. settle all valid claims fairly and promptly;
5. clearly explain the reason(s) why a claim has been declined;
6. provide policyholders with a written summary of *our* complaints procedure as soon as disputes arise and advise them how to lodge a complaint and tell them about the Insurance and Savings Ombudsman Scheme;

Note: The Insurance and Savings Ombudsman Scheme extends to "Small Businesses" which have no more than 5 staff and an annual turnover not exceeding \$400,000.

If *you* would like a brochure detailing the Fair Insurance Code or the Insurance and Savings Ombudsman Scheme, please ask *your* Broker, Adviser or Vero office.

Privacy act and the insurance claims register (icr)

The 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), P O Box 474, Wellington.

This policy is issued to *you* conditional upon *you* authorising *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 the 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.

Introduction

In consideration of the insured named in the policy schedule having paid or promised to pay the required premium, Vero Insurance New Zealand Limited (hereinafter referred to as "the Company") agrees subject to the terms, conditions and exclusions of the policy to indemnify the insured to the extent set out in the policy.

In issuing this policy, the Company relies upon the information contained in the proposal and any statements or representations made by the insured or anyone acting on behalf of the insured.

The policy and the policy schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this policy or of the policy schedule shall bear such meaning wherever it may appear. The cover provided by this policy only attaches to those items shown in the attached policy schedule against which a sum insured has been shown.

Where an item is not shown in the policy schedule or there is no sum insured, or the number "0", or the word "Nil" is shown, there shall be no cover unless specifically endorsed on to the policy schedule or policy.

Definitions

Words or expressions defined in this policy shall have the same meaning wherever they appear throughout this policy. Wherever used, the singular shall include the plural and vice versa.

Damage

Sudden and unforeseen loss or damage to the insured *property* not otherwise excluded which necessitates immediate repair or replacement to enable normal operations to resume.

Property

may comprise:

Computer(s)

1. Electronic data processing equipment; each system having at least one central processing unit and flexible programming ability.

Associated peripheral equipment

2. Machines and devices directly connected to the insured computer(s) such as visual display units, printers, disc drive units including read/write heads, modems and information storage machines.

Other peripheral computerised or electronic equipment

3. These may be insured but this policy only insures such items when they are individually specified with their sum(s) insured in the policy schedule. Equipment specified under this category may include items such as:
 - (a) laptop computers and notebooks with flexible programming ability;
 - (b) reproduction devices such as facsimile machines;
 - (c) imaging machines used in hospitals, medical centres, or laboratories;
 - (d) bar code readers or equipment forming part of similar systems;
 - (e) computer controls attached to production or goods handling machinery provided such computerised controls do not form an integral part of the production or goods handling machine; and
 - (f) air conditioning equipment provided such equipment forms an integral part of a dedicated computer suite.

Situation

Shown in the policy schedule shall be the "premises" at which the *Computer* controlling the main functions of the business is situated. The premises also includes other buildings within New Zealand occupied by the insured and at which the *property* is installed for the purpose of the business.

Computer systems records

Software and business records stored on electronic media storage devices belonging to the insured or for which the insured is responsible including the cost of replacing tapes, discs or other electronic media storage devices, whether as used or unused material.

Excess

The first portion of each and every claim occurrence which shall be deducted by the Company in any settlement. The excess may be shown as a:

1. monetary amount;
2. percentage of the claim; or
3. time exclusion.

Indemnity period

The period beginning immediately after the occurrence of *damage* and ending no later than the number of months thereafter specified in the policy schedule during which the business is affected.

Section 1 – insured property

the cover

If, during the period of insurance, *damage* occurs to the *property* at the premises, the Company will indemnify the insured to the extent provided herein against such *damage*.

exclusions

The Company will not be liable for:

1. the *excess(es)* specified against the *property* insured in the policy schedule;
2. the cost of adjustment or rectification of derangement unless accompanied by *damage* otherwise insured by this section;
3. (a) chipping or scratching of painted or polished surfaces, or damage to a device designed for safety or protection when it operates for that purpose;
(b) wasting, wearing away or wearing out of any part caused by, or naturally resulting from ordinary use or working; or
(c) gradual deterioration including damage caused by or naturally resulting from rust, corrosion or oxidation, atmospheric conditions or any other gradually occurring cause.

This exclusion is limited to that part of the *property* immediately affected. The Company will be liable for other insured *damage* to the *property* arising from such causes;

4. loss or *damage* which the manufacturer, supplier, agent or other service engineers are responsible for under the terms of maintenance or service contract or warranty agreement;
5. costs incurred in respect of any alternation, additions, improvements, cleaning, adjustments, inspections or maintenance;
6. provisional repairs unless such repairs constitute part of the final repairs and do not increase the total repair cost;
7. extra charges incurred for work performed on public holidays unless otherwise agreed to by endorsement;
8. loss or *damage* directly or indirectly caused by earthquake, hydrothermal activity or volcanic eruption; or
9. consequential loss or *damage* of any kind including *computer systems records* other than that specifically provided for and insured elsewhere in this policy.

memorandum

Transit

The Company will indemnify the insured whilst the insured *property* is in transit, including any temporary utilisation elsewhere in New Zealand.

However:

1. the Company shall not be liable if the sum insured on any one conveyance of such *property* exceeds \$25,000;
2. an additional excess of \$500 will apply in the event of theft when such *property* is temporarily away from the insured's premises;
3. if the insured *property* is carried in the storage area or hold of any vessel or aircraft, the Company shall not be liable unless the *property* is adequately packed in purpose designed boxes or cases; and
4. *damage* arising out of the utilisation of any instrument in a river, lake or the sea; or of computers or electronic equipment for the navigation of any waterborne vessel or aircraft is excluded.

conditions

Sum insured

1. The sum insured for *property* at the commencement of this insurance or any subsequent period of insurance must not be less than the new replacement value of each item, which shall mean the cost of replacement of each insured item by a new item of the same type and capacity including freight, customs duties and dues if any, and installation charges.
2. If at the time of *damage* the sum insured is less than the new replacement value as required in paragraph 1 above, then the amount recoverable by the insured shall be reduced in such proportion as the sum insured bears to the new replacement value.
3. The Company's liability will not exceed in respect of each item of *property* the sum insured allocated to that item, and the aggregate of such amounts shall be the total sum insured applicable to insured *property*.
4. If *property* of the same type and model is not available, the insured shall declare a new replacement value for such item(s) commensurate with obtainable item(s) of a similar capacity.

Basis of indemnity

1. In cases where *damage* to an item of *property* or part thereof can be repaired, the basis of indemnity shall be expenses necessarily incurred to restore the damaged item to its former state of serviceability. Where damaged parts are replaced

the Company will apply depreciation to those parts on the basis provided for in item 3 of this condition. The Company will also pay for the cost of dismantling for the purpose of effecting the repairs and re-installation, as well as freight to and from the repairer provided such freight is within New Zealand by a recognised carrier at their normal rates of carriage.

If the cost of repairs equals or exceeds the value of the *property* immediately before the occurrence of *damage*, the item shall be deemed to be a total loss and settlement shall be made on the basis provided for in item 2 of this condition.

2. Where *damage* to an item of *property* results in a total loss, which term shall include *damage* to the extent that repair is impracticable, the Company will at its own option either:
 - (a) supply a replacement item of the same type, model, capacity and condition to the damaged item immediately before the occurrence of the loss; or
 - (b) if a replacement item of the same type, model, capacity and condition is not available the Company will indemnify the insured on the basis of item 3 of this condition.

The Company will also pay costs incurred for freight within New Zealand by a recognised carrier at their normal rates of carriage and installation costs.

3. Where an item of *property* or part thereof is replaced in the event of either a partial or total loss:
 - (a) depreciation shall not be deducted from the sum insured applicable if the *property* is less than 2 years old; or
 - (b) in respect of older item(s) of *property* depreciation shall be deducted from the sum insured applicable at the rate of 15% per annum for each year (or part thereof) elapsed in excess of two years. Notwithstanding this the maximum deduction shall not exceed 80% of the applicable sum insured.

In no case will the indemnity exceed the cost of purchasing property of equivalent capacity to the item(s) lost or damaged.

Maintenance

Unless otherwise agreed and stated in the policy schedule, this insurance is subject to a maintenance agreement being kept in force during the period of insurance. However, if *damage* arising from internal causes occurs, and it is discovered that the maintenance agreement does not include provision for that portion of the insured *property* so damaged, then provided that the aggregate new replacement value of all such damaged *property* does not exceed \$50,000, the claim will be settled, but an additional penalty excess, amounting to 25% of the insured loss will be deducted from the amount of settlement, after deduction of the excess shown in the policy schedule.

Section 2 – computer systems records

the cover

If, during the period of insurance, *damage* occurs to *computer system records* due to a peril for which indemnity is provided under section 1 of this policy, the Company will indemnify the Insured for the costs incurred in reinstating such records. The insurance operates whilst the *computer systems records* are at the premises, in transit or at other premises within New Zealand for processing purposes.

exclusions

The Company will not be liable for:

1. the excess specified against this item in the policy schedule;
2. loss or distortion of information on *computer systems records*:
 - (a) while mounted in or on any machine for use or processing unless due to *damage* to *property* which would be indemnified by section 1 of this policy;
 - (b) due to the presence of magnetic flux; or
 - (c) arising from other gradually occurring defects or deterioration including damage caused through exposure to high humidity, dust, sunlight or excessive heat.
3. costs and expenses incurred as the result of corruption, distortion or erasure of software or business records on electronic storage devices unless directly resulting from *damage* which would be indemnified by section 1 of this policy provided such corruption or erasure is due to an identifiable event; or
4. consequential loss or *damage* of any kind or description.

conditions

Sum insured

The sum insured for *computer systems records* must not be less than the cost of reinstating such records including any costs incurred in collecting and preparing the lost information.

Updated records

Information may be reinstated in an updated form provided that the cost of doing so is no greater than the cost of reinstatement in the original form.

Back-up of records

A back-up of current records must be created at least every seven working days in addition to any other precautions, existing or agreed to at the inception of this policy for the protection of such records.

Section 3 – consequential loss

the cover

If, during the period of insurance, *damage* occurs to *property* for which indemnity is provided under section 1 of this policy which results in an interruption to the business, the Company will indemnify the insured for:

1. increase in cost of working which term shall mean the additional expenditure necessarily and reasonably incurred during the *indemnity period* in consequence of *damage* in order to prevent or minimise any interruption or interference to the business by the use of alternative facilities or by other means of performing the functions of the damaged *property*, less any sum saved during the *indemnity period* in respect of such charges and expenses of the business as may cease or be reduced in consequence of the *damage*; and
2. claims preparation costs up to the amount specified against this item in the policy schedule which have been reasonably incurred by the insured for the preparation of claims for which indemnity is provided under this section of the policy.

exclusions

The Company will not be liable for:

1. the excess specified in the policy schedule;
2. interruption of the normal functions of any part of the *property* due solely to
 - (a) additions, or other alterations; or
 - (b) the need to adjust or rectify an operational malfunction such as derangement; or
3. fines or damages for breach of contract arising from late or non-completion of orders, including any penalties of whatever nature or any other consequential loss.

conditions

Limitation of liability

The Company's liability under this item will not exceed in any one period of insurance the sum insured specified in the policy schedule.

Computer records

The insurance under this item does not cover the cost of reinstating *computer systems records*.

Due diligence

The insured shall use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption or interference with the business or to avoid or diminish any circumstances which may result in a loss.

If the Company is prejudiced by the insured not complying with this condition and general condition 5, the Company shall have the right to decline liability under this section.

General exclusions – applicable to all sections

1. This policy does not insure any loss or *damage* directly or indirectly caused by or arising from:
 - (a) war, invasion, act of foreign enemy, warlike operations (whether war is declared or not) civil war, mutiny, rebellion, revolution, insurrection, military or usurped power;
 - (b) confiscation, requisition, or destruction of or *damage* to *property* by order of government or local authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this policy;
 - (c) nuclear weapons material; or
 - (d) ionising radiations or contamination by radioactivity from any nuclear fuel or from nuclear waste from the combustion of nuclear fuel. (For the purpose of this exclusion, combustion includes any self sustaining process of nuclear fission.)
2. This policy does not insure loss or damage directly or indirectly caused by or arising from the deliberate or reckless acts of the insured.

General conditions – applicable to all sections

1. Observance of terms and conditions

The due observance and fulfilment of the terms and conditions of this policy by the insured in so far as they relate to anything to be done or complied with by the insured, and the correctness of any statements made to the Company (whether made by the insured or not), are conditions precedent to any liability of the Company to provide any indemnity under this policy.

2. Misdescription

This policy is voidable in the event of any misrepresentation, misdescription, or non-disclosure of any material fact.

However, the insurance will not be prejudiced by:

- (a) any innocent alteration of risk or inadvertent misdescription of *property* or occupancy in the proposal; or
- (b) any act whereby the risk of loss or *damage* to *property* is increased without the authority or knowledge of the insured;

provided that notice is given to the Company immediately when the insured becomes aware of any of the above happenings. The insured agrees to pay an appropriate additional premium if required.

3. Cancellation

(a) By the insured

The policy may be cancelled by the insured at any time, and with immediate effect, by written notice delivered to the Company. In the event of such cancellation, the Company will be entitled to 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.

(b) By the Company

This policy may be cancelled by the Company at any time by sending a letter to the insured at the insured's last recorded postal address on the Company's records. The cancellation will take effect at 4 p.m. on the 30th day after the letter has been sent. In the event of such cancellation, the Company will refund to the Insured a pro-rata proportion of the premium, subject to any adjustment required by the terms of this policy.

4. Alteration of risk

If any change occurs involving a material alteration in the risk accepted by the Company, the insured shall as soon as possible give notice in writing to the Company. The insured shall at their own expense take prudent precautions to minimise the risk of any claim arising under the policy because of the alteration of risk and shall comply with any reasonable directions or requirements of the Company. The terms and premium required for this insurance may be increased by the Company due to the alteration in risk.

5. Diligence

The insured shall make reasonable endeavours to ensure that:

- (a) the insured *property* is in good working order, and any protective devices installed to prevent *damage* to the insured *property* are operative;
- (b) statutory or other regulations relating to the premises and the operation of insured *property* are observed;
- (c) any automatic fire protection sprinkler system or automatic fire detection system and/or portable fire appliances installed are maintained in good order; and
- (d) any security protection is maintained in efficient working order.

If the Company is prejudiced by the insured not complying with this condition, the Company shall have the right to decline the claim.

6. Claims

Upon becoming aware of any event giving rise, or likely to give rise, to a claim under this policy, the insured must:

- (a) take prompt steps to minimise the *damage*;
- (b) take reasonable steps to protect the *property* from further loss or *damage*;
- (c) immediately notify the Company;
- (d) if a criminal act is suspected, inform the Police;
- (e) within 30 days or as soon as practicable thereafter, submit full particulars of the claim in writing to the Company; and
- (f) at the insured's expense, provide the Company with any reasonably required proof and information in respect of the claim.

7. Reinstatement of amount of insurance

In the event of *damage* for which a claim is payable under any section of this policy, and in the absence of written notice by the Company or the insured to the contrary, the amount of insurance cancelled by such *damage* will be automatically reinstated from the date of occurrence. The insured undertakes to pay such pro rata premium at the applicable rate as may be required following such reinstatement of any of the sums insured.

8. Salvage

Where *property* insured by this policy is damaged, the Company may:

- (a) enter any premises where the *damage* has occurred and take and keep possession of the damaged *property*; and
- (b) deal with the salvage in any reasonable manner;

provided that the insured is not entitled to abandon any *property* to the Company.

9. Inspection

The insured shall allow authorised representatives of the Company to inspect the *property* at any reasonable time and shall provide such information as may reasonably be required. If at the time of inspection, any new facts of a nature likely to increase the risk of *damage* are observed, the Insured shall at the request of the Company restore the risk to normal in the least possible time, failing which the Company reserves the right to suspend the insurance in respect of the *property* concerned, making a proportionate return of premium.

10. Subrogation

Where, upon accepting liability for a claim under this policy, the Company is entitled to become subrogated to the insured's right of recovery or indemnity from any other person or corporation, the insured must, at the Company's expense do and concur in doing and permit to be done anything reasonably required by the Company for the purpose of enforcing that right. The insured must comply with this condition when required, whether before or after having been indemnified by the Company.

11. 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.

12. Fraud

If any claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the insured or anyone acting on behalf of the insured to obtain any benefit under this policy, all benefit under this policy in respect of that claim will be forfeited.

13. Words defined

Where words are given special meaning in the schedule of this policy, those words will, unless the context otherwise requires, have that same meaning wherever they may appear in the policy.

14. Goods and Services Tax

Provided that Goods and Services Tax (GST) is recoverable by the Company, the sum or sums insured are exclusive of GST to the extent that in the event of a claim the Company will indemnify the insured to the maximum of the sum insured or limit of liability under each item plus additional GST to a maximum of the current rate of GST applied to such amount.

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