



# Vero Residential Home Policy

## Welcome to Vero Residential Home Policy – insurance for your home.

We would like to make sure *you* are aware of all *your* entitlements under this policy, so please read this document carefully. After *you* have read it, please contact *your* insurance adviser or Vero office if *you* would like further information.

### HELP service – emergency assistance

HELP is a 24-hour, 7 day a week emergency assistance service which Vero offers as part of *your* insurance policy – at no extra cost.

With just one phone call *you* can sort out all the hassles that arise if *you* have an *accident* or disaster anywhere in New Zealand – even if no insurance claim is involved. Whatever the problem, ring HELP for practical advice, and they will locate the trades people or services *you* need. The toll free number is 0800 800 786.

Ringling HELP costs *you* nothing. The assistance is free, but *you* will have to pay if *you* ask for a tradesperson to call or for other services. Where the services are covered by *your* policy, *you* can claim back any bills paid, subject to the policy excess.

#### How HELP can help *you* Convenience

Instead of looking through the Yellow Pages for a plumber at 11 o'clock at night, HELP can organise (without prejudice) a call-out.

#### Responsiveness

*Our* systems ensure that someone will actually arrive.

#### How do *you* qualify for HELP?

HELP is automatically provided to all Vero home, contents, or private motor vehicle policyholders (but not business cars or motorcycles). HELP is also available to members of *your* immediate family who live with *you*.

No matter which policy *you* have (of those listed above), *you* can use any of the HELP services provided.

#### Service available

HELP provides a 24-hour referral to a comprehensive nationwide network of recommended service organisations and trades people.

So if *you* have got a problem with plumbing, a leaking roof, broken glass, replacement of locks or electrical faults, *our* operators can provide rapid assistance.

Advice is also available on *our* claims procedures, including the appointment of assessors and tips on how to minimise damage.

HELP provides free access to a service that will advise and act on all of these concerns.

HELP also offers to arrange a host of other services for *you* (while *you* are in New Zealand) even when no insurance claim is involved:

1. emergency call-out service – for problems like flat batteries or keys locked in *your* car;
2. medical referral service – if *you* are away and want the name of a recommended local doctor, out of hours;
3. replacement of personal effects following loss or theft away from *home*.

Remember, HELP is always available whether *you* are at *home* or miles away.

HELP – a valuable addition to *your* policy from Vero.

### 30-Day Money-back Guarantee

If *you* are not satisfied with the cover provided by this policy, *you* may return the policy within 30 days of receiving it.

If *you* have made no claims during this period, we will give *you* a full refund of any *premium* paid.

### 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), 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.

### Definitions

Words that are shown in italics are explained in 'Definitions' at the end of this document.

### Headings

Where headings are used in this policy, the headings or references are purely descriptive in nature and are not to be used for interpretative purposes.

### Introduction

We will provide the cover set out in this policy during the *period of insurance* shown on the *schedule*, provided *you* have paid the *premium* and *you* remain subject to the policy's terms, limits, exclusions, and conditions. *Your* insurance contract consists of:

1. this policy document;
2. the personalised *schedule* with details of the cover which applies to *you*; and
3. the information in the proposal, application, or declaration;

whether *you* have received or provided this information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form.

### What *you* are insured for

The cover provided to *you* under this policy is dependent upon the **Cover Option** shown on the *schedule*.

#### Cover Option – Maxi

When shown on the *schedule* that *you* are insured for Cover Option – Maxi, we will insure *you* for *loss* to the *home* during the *period of insurance* at the *situation address* shown on the *schedule*.

#### How we may settle *your* claim

Where *your home* sustains a *loss* which we accept under this policy, we may elect to:

1. repair or rebuild the *home* to the *replacement condition*;
2. allow *you* to repair or rebuild the *home* and pay up to the *replacement cost* after *you* have incurred that cost. If we choose this option, we reserve the right to inspect the building works at any time, to be fully informed about the works, and to inspect any relevant documentation;
3. pay up to the *replacement cost* that we are satisfied *you* will incur within 12 months. Before we choose this option *you* must agree with *us* on the terms with which *you* will secure *our* payment until the cost is incurred;
4. pay up to the *replacement cost* to allow *you* to build a *home* at a different location, but we will not pay for any additional costs associated with building at that location. If we choose this option, building must be completed within 12 months unless we agree to extend the time period, and we reserve the right to inspect the building works at any time, to be fully informed about the works, and to inspect any relevant documentation;
5. pay up to the *replacement cost* to allow *you* to purchase an established *home* elsewhere within 12 months provided we can agree with *you* on the terms with which *you* will secure *our* payment until such time as the cost is incurred;
6. pay the *indemnity value* where *you* do not intend to repair or rebuild within 12 months, unless we agree to extend that time; or
7. pay any part of the *replacement cost* to any mortgagee or other party with a secured financial interest in the *home*, and settle *your* claim by choosing one of the options above.

Regardless of the election which we make, *our* liability will be limited to the applicable *sum insured*.

### Limits on what we will pay

1. The maximum amount we will pay under this policy is:
  - a. the *sum insured*, plus
  - b. any GST you have paid or that is payable on the *sum insured*, plus
  - c. any amounts we may be liable to pay under the following benefits:
    - i. benefit 1 – Alternative Accommodation;
    - ii. benefit 4 – Forest and Rural Fires Act;
    - iii. benefit 6 – Landscaping;
    - iv. benefit 7 – Property Owner's Liability;
    - v. benefit 16 – Stress Payment;
    - vi. benefit 17 – SumExtra; and
    - vii. Optional Additional Benefit – Landlord's Extension (if shown on the *schedule* as being included).

Payment in respect of all other benefits not listed here will not increase payment to you beyond the *sum insured*.
2. The *sum insured* shall be reduced from the sum stated on the *schedule* by the amount required to repair, replace, or rebuild any *loss* which occurred in any previous *period of insurance*, and which has not been repaired, replaced, or rebuilt at the commencement of the current *period of insurance*.
3. The most that we will pay for *loss* to any private road, lane, right-of-way, access way or bridge (including associated guttering, drains, piping, cables, and lighting), including a bridge within the *residential boundaries* of the property on which the *home* is situated, or that provides access to the driveway owned by you or shared by you with other residential property owners and for which you are responsible, is \$50,000. This limit applies to your share of the incurred costs during any one *period of insurance*.
4. Where any *similar items* forming part of the *home* suffer *loss* we will not pay more than the value of or cost to replace the particular item which suffers *loss*. We are not obliged to exactly replace, repair, or rebuild any items that have suffered *loss*. We will not replace *similar items* which have not sustained *loss*.
5. We will only replace damaged wallpaper, floor coverings, drapes, curtains and blinds in the *room* where the *loss* occurred.
6. Where the *home* is registered with the New Zealand Historic Places Trust, we will not pay for any additional costs or fees required to comply with any heritage covenant(s) that apply to the *home*.
7. We will only pay to repair the base and/or top layer of the damaged area of a driveway, not the land beneath.
8. Our liability to you, under all liability benefits (the Forest and Rural Fires Act benefit and the Property Owner's Liability benefit), will be limited to \$2,000,000 in total during the *period of insurance*, plus your legal costs and expenses incurred with our consent.
9. We will only pay the *indemnity value* for any fixed floor coverings (glued, tacked or smooth-edged) over 5 years of age if anyone other than you occupies the *home*.
10. We will only pay the *indemnity value* for outdoor shade cloth or fabric (shade sails) over 5 years of age.

### Benefits included in your cover

We will cover or pay for the following benefits numbered 1 to 20, which are subject to the policy definitions, clauses, exclusions, conditions and limits.

#### 1. Alternative Accommodation

Where you own and occupy the *home*, we will reimburse you for the reasonable additional cost of temporary accommodation (of a similar standard to the *home*) for you, including the boarding of your *domestic pets* and the temporary storage of your *contents* (including the removal and return of the *contents* from storage or temporary accommodation), incurred by you while:

- a. the *home* is *uninhabitable* due to *loss* covered by this policy; or
- b. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* covered entirely by the Earthquake Commission; or

- c. there is prevention of access to the *home* by government or local authorities which is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*.

We will pay the Alternative Accommodation benefit for the period the *home* is *uninhabitable* up to a maximum of 12 months.

In the event of a widespread *natural disaster* we may at our sole discretion remove the 12 month limit.

We will not reimburse costs for travel, consumables, phone charges, electricity, gas, or water supply services, or other costs that would otherwise be paid by you if the *home* was undamaged or still habitable. We will not pay for any increase in these costs associated with the temporary accommodation.

This benefit does not cover the costs of providing alternative accommodation for any home office or healthcare practice.

This benefit will not apply in any case where:

- the *home* is not *uninhabitable* (other than where provided under c. above); or
- you choose to or are encouraged to move out of your *home* while repair or rebuilding is undertaken, unless we agree in writing that vacating the *home* is necessary.

This benefit will not apply where the *loss* covered by the Earthquake Commission is *loss* only to land.

Our liability under this benefit will be limited to 5% of the *sum insured* shown on the *schedule* or \$30,000 whichever is the greater, for any one event.

**If you, or a member of your household, have an Alternative Accommodation benefit with us under any other policy, you are only entitled to payment of this benefit under one policy or section of a policy per event.**

#### 2. Authorities Damage

We will, within the *sum insured*, pay for physical damage to the *home* caused by government or local authorities in order to prevent *loss* covered by this policy.

#### 3. Fees and Clearance Costs

We will, within the *sum insured*, pay:

- a. the costs incurred in demolishing and clearing the building site of the damaged portion of the *home* and the removal of debris from the *home*, and;
- b. architects, surveyors, consultants, legal and council fees incurred with our prior consent, directly required to enable the repair or rebuild of the *home* following any *loss* insured by this policy. This does not include costs which would not usually be required to enable building work of the type required for the repair or rebuild to proceed.

#### 4. Forest and Rural Fires Act

We will cover you for your liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus your legal costs and expenses incurred with our consent) for:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and
- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover where your liability arises directly or indirectly from any fire you lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

We will not cover you for any punitive or exemplary damages and/or any reparation orders awarded against you. We will not cover you for any legal costs incurred by any other party that you may be ordered or agree to pay.

**If you, or a member of your household, have home, contents, motor, or boat insurance with us, you are only entitled to payment of this benefit under one policy or section of a policy per event.**

## 5. Home Office or Healthcare Practice

This policy extends to include, within the *sum insured*, any part of the *home* used as a home office or healthcare practice.

Healthcare practice, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by *you* for the carrying on of the business of a health practitioner as defined by the Health Practitioners Competence Assurance Act 2003; or
- b. used by customers for access to that part of the *home*.

Home office, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by *you* to conduct business of an administrative, clerical, or professional nature; or
- b. used by customers for access to that part of the *home*.

## 6. Landscaping

We will pay for *loss* to *your* gardens (including hedges, trees, shrubs, and plants), garden edging, and lawns where:

- a. the *home* was also damaged in the same event and *we* have agreed to pay a claim for *loss* to the *home*; or
- b. a vehicle not belonging to *you* and/or not in *your* control causes damage by impact during the *period of insurance*, without causing any damage to the *home*.

*Our* liability under this benefit will be limited to \$5,000 for any one event.

## 7. Property Owner's Liability

We will cover *you* up to a maximum of \$2,000,000 (plus *your* legal costs and expenses incurred with *our* consent), for *your* legal liability arising out of an event that occurs in New Zealand and results in *accidental* physical damage to property during the *period of insurance*. In order for this benefit to apply, *your* liability must arise out of *your* ownership of the *home*.

But *we* will not pay for:

- a. liability for damage to property belonging to *you* or under *your* control; and
- b. liability arising out of:
  - i. any business, profession, or employment;
  - ii. the ownership, possession, or use of any mechanically propelled vehicle, trailer, aircraft or boat;
  - iii. the ownership and/or possession of any animals other than *domestic pets*;
  - iv. or assumed by agreement (unless *you* would have been liable anyway), except liability normally agreed to by a landlord under a tenancy or lease agreement.

We will not cover *you* for any punitive or exemplary damages and/or any reparation orders awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

**If *you*, or a member of *your* household, have home, contents, motor, or boat insurance with us, *you* are only entitled to payment of this benefit under one policy or section of a policy per event.**

## 8. Statutory Requirements

If *we* pay to repair or rebuild the *home*, *we* will, within the *sum insured*, pay the costs required to repair or rebuild the damaged portion of the *home* needed solely to comply with government or local authority statutes, bylaws, or regulations, provided that:

- a. *you* were not aware of, or *you* had not been served with notice of, the failure of the *home* to comply with such statutes, bylaws, or regulations prior to any *loss*;
- b. there has not been an entry made on *your* Certificate of Title as required by section 74 of the Building Act 2004 unless *we* have agreed in writing to provide the cover relating to such entry, prior to any *loss*;
- c. such costs do not relate to design issues that are otherwise excluded by Exclusion 5. Home Defects;
- d. the damaged part of the building complied with relevant statute or local body regulation at the time it was built and at the time of any alteration to it, or if not compliant at those times, had subsequently been certified as being compliant;

- e. *we* will pay the cost of compliance for only that part of the *home* that has suffered physical damage covered by this policy and which relates solely to the repair of the *home* for that damage. We will not pay for any undamaged part of the *home*, whether or not it complies with any statute or local body regulation;
- f. where the *home* is registered with the New Zealand Historic Places Trust, *we* will not pay for any additional costs or fees required to comply with any heritage order(s) or covenant(s) that apply to the *home*.

We will never pay the costs associated with the repair, preparation, stabilisation or other treatment of the land necessary to comply with regulations to permit repair or rebuilding of the *home*.

## 9. Electronic Programmes

We will, within the *sum insured*, pay the reasonable cost of resetting, restoring or reprogramming, software necessary to operate any electronic equipment installed in *your home* where that equipment has suffered *loss* covered by this policy. However this does not extend to the loss of any data stored on any of this equipment.

## 10. Gradual Damage

We will pay for gradual physical damage to the *home* resulting from water leaking or overflowing from any internal water system, provided that the *loss* first occurs during the time that *you* own the *home* and the water leak or overflow causing the *loss* was not visible, noticeable, or obvious.

An internal water system, for the purposes of this benefit, is any water pipe, waste disposal pipe or water storage tank which is hidden from view within the dwelling structure and is permanently connected and/or contained within its walls, cupboards, floors, ceiling or roof, or connected to any water cylinder, refrigerator, water purifier, washing machine, dishwasher, or similar household item.

*Our* liability under this benefit will be limited to \$3,000 for any one event.

This limit includes the cost of searching for the source of the leak or overflow, where reasonably incurred, and where *we* have accepted a claim for the resulting *loss*.

## 11. New Building Work

The policy extends to include cover for *loss* to:

- a. any new separate structure being built at the *situation address* shown on the *schedule* that *you* own (or are responsible for while it is being built), provided that it falls within the definition of *home* and would be covered by this policy when complete;
- b. any work being undertaken to upgrade existing fittings or features in the *home*; and
- c. any materials at the *situation address* shown on the *schedule* that are to be included in the new structure.

Cover will only apply to *loss* caused by any of these events:

- i. fire, explosion, lightning or *natural disaster*; or
- ii. storm or flood (excluding any exposure to normal weather conditions); or
- iii. riot, civil commotion, strikes, or labour disturbance; or
- iv. impact from aircraft or other aerial or spatial device, or articles dropped from them; or
- v. impact by any vehicle or animal.

This benefit will not cover structures or work:

- i. where the expected value of the complete work, or the price of the contract including materials, is more than \$25,000; or
- ii. that involves excavation more than 1 metre deep; or
- iii. that involves an extension, such as an additional room, being added to an existing dwelling; or
- iv. that *you* are building for commercial purposes; or
- v. that has not been granted a Building Consent or similar, if one is required; or
- vi. that is subject to a separate contract works insurance policy.

*Our* liability under this benefit will be limited to \$25,000 during any one *period of insurance*.

## 12. Power Generation Equipment

We will, within the *sum insured*, pay for *loss* to power generation equipment resulting from:

- a. fire, explosion, lightning or *natural disaster*; or
- b. impact from aircraft or other aerial or spatial device, or articles dropped from them; or
- c. impact by any vehicle or animal.

We will only pay for *loss* under this benefit where the power generation equipment:

- a. is owned by *you*; and
- b. is located on land which is owned by *you* and on which *your home* is located; and
- c. which provides power to *your home*.

Power generation equipment, for the purposes of this benefit, means any wind, or fuel powered electricity generation equipment, including support structure, generator, power storage, and associated wiring, switching, and distribution equipment.

*Our liability* under this benefit will be limited to \$10,000 during any one *period of insurance*.

### 13. Retaining Walls

We will pay, within the *sum insured*, for *loss* to retaining walls arising out of any one event, including *your share* in retaining walls that are jointly owned by *you* and other property owners. This includes the cost of gaining access to the wall, stabilising the soil, and providing footings and drainage materials directly necessary for the work to the retaining wall or part of the retaining wall that has suffered *loss*.

For the purposes of this benefit, a retaining wall means a wall which is built for the sole function of retaining land. Any incomplete retaining wall is not covered by this benefit.

Retaining walls which are over 1.5 metres above ground level are insured only if the appropriate local authority has issued any necessary permit, consent, or certificate.

*Our liability* under this benefit will be limited to \$80,000 for any one event, unless:

- a. *you* are able to provide *us* with a valuation for *your home*, that:
  - i. was issued by a quantity surveyor, suitably qualified valuer or builder prior to the *loss*; and
  - ii. separately identifies the total *replacement value* for all retaining walls and all other improvements contained within the *residential boundaries*; and
- b. the *sum insured* represents the total *replacement value* as shown within the valuation;

in which case *our liability* under this benefit is limited to the full value of the retaining walls as shown in the valuation.

### 14. Resetting or Reprogramming Security System

If an alarm or a security system that *we* approve is installed at the *home*, and *we* are satisfied that it was activated during a break in or attempted break in during the *period of insurance*, *we* will pay the reasonable costs of having the security system reset or re-programmed. This benefit does not cover any maintenance costs.

*Our liability* under this benefit will be limited to \$500 during any one *period of insurance*.

**If *you*, or a member of *your household*, have home and contents insurance on the same *situation address* with *us*, *you* are only entitled to payment of this benefit under one policy or section of a policy per event.**

### 15. Stolen Keys

Where any key giving access to the *home* is stolen or believed on reasonable grounds to have been duplicated without proper authority following its disappearance, *we* will pay the cost reasonably incurred in altering or replacing locks and their keys and changing the combination number of any electronic keypad. *We* will also pay the reasonable cost of opening any safe following theft or disappearance of its key or combination.

*Our liability* under this benefit will be limited to \$2,000 for any one event.

**If *you*, or a member of *your household*, have home and contents insurance on the same *situation address* with *us*, *you* are only entitled to payment of this benefit under one policy or section of a policy per event.**

### 16. Stress Payment

If *your home* is a *total loss* and *we* accept a claim under *your* policy *we* will pay *you* an additional sum of \$5,000 for the stress caused by this *loss*.

**If *you* have this cover under any other policy with *us* the maximum *we* will pay for any event under all policies will be \$5,000.**

### 17. SumExtra

If *we* elect to settle *your* claim on the basis of *replacement cost* under one of the options numbered 1-4 under the heading "How *we* may settle *your* claim", and the *replacement cost* exceeds the *sum insured*, *we* will pay:

- a. up to a further 10% of the *sum insured* towards the *replacement cost* where the *loss* is caused by *natural disaster*; or
- b. the *replacement cost* where the *loss* arises from any insured cause other than *natural disaster*;

provided the *sum insured* at the time of *loss* is equal to or greater than a written estimate of costs reasonably necessary to rebuild *your home* to a building standard or specification similar to, but no more extensive or better than, the *home's* condition when new, using currently equivalent techniques and building materials readily available in New Zealand:

- i. from the online rebuilding cost calculator accessed through *our* website or from such other online rebuilding cost calculator as *we* accept;
  - ii. by a registered valuer, registered quantity surveyor, building practitioner holding an appropriate trade licence, or such other building specialist, as *we* accept; or
  - iii. by such other method or source as *we* accept;
- and provided also:
- iv. that the written estimate of costs provides a complete and correct description of *your home* and is less than 3 years old at the time the *sum insured* was most recently agreed; and
  - v. where *you* subsequently increased the size, or improved the quality, of *your home*, that *you* increased the *sum insured* proportionately, otherwise *we* will pay only up to a further 10% of the *sum insured*.

The cover provided by this benefit does not increase the *sum insured*. Any cover that is based on a percentage of the *sum insured* does not increase.

### 18. Temporary Removal of Fixtures and Fittings

*We* will, within the *sum insured* pay for *loss* occurring during the *period of insurance* to fixtures and fittings that form part of the *home* while these have been temporarily removed for a period no longer than 60 days, for the purpose of repair or restoration by any professional trades person or organisation.

### 19. Tree Removal

If *your home* suffers *loss* as a result of a tree or part of a tree falling onto the *home*, and *we* have agreed to pay a claim covered by this policy, *we* will pay to remove any part of the tree from the *home* to enable repairs to be carried out.

*We* will also pay an additional amount up to a maximum of \$2,000 reasonably incurred to remove from *your* property the rest of the tree, including any parts of that tree that have not fallen.

However *we* will not pay for the cost to remove stumps from the ground or any costs where it was known that the tree was unsound or unstable and needed to be removed.

### 20. Water or Sewage Pipe Blockage

*We* will pay the reasonable costs towards clearing an *accidental* blockage in an underground water or sewage pipe occurring during the *period of insurance*, provided that the blocked pipe is within the *residential boundaries* of the *home* and the blockage was not caused by the roots of any tree or plant.

This benefit only covers the costs of clearing the *accidental* blockage and the repair or rebuild of the driveway, patio, path, paving, tennis court, or other permanent structure forming part of the *home*, which has suffered *loss* as a result of the work needed to clear the *accidental* blockage. This benefit does not cover any other maintenance costs.

*Our liability* under this benefit will be limited to \$1,500 during any one *period of insurance*.

## Optional Additional Benefit

The following Optional Additional Benefit is subject to the policy definitions, clauses, exclusions, conditions and limits.

### Landlord's Extension

If *you* have paid an additional *premium* for this additional benefit and it is shown on the *schedule* as being included, *we* will provide benefits A and B for each self-contained dwelling unit that *you* have told *us* about, provided that each is occupied by a *tenant*, and is located at the *situation address* shown on the *schedule*:

#### A. Landlord's Furnishings

If landlord's furnishings suffer *loss* covered by this policy, *we* will pay the *indemnity value* of these items.

Landlord's furnishings, for the purposes of this additional benefit, means dishwashers, stoves, refrigerators, washing machines, dryers and built in microwaves not permanently wired into the *home*.

*Our* liability for landlord's furnishings is limited to \$20,000 per dwelling unit or the amount shown on the *schedule*, whichever is higher, for any one event.

#### B. Loss of Rent

If the *home* is *uninhabitable* because:

- a. of *loss* covered by this policy (or which would be covered but for the operation of the Earthquake Commission Act 1993); or
- b. a government or local authority prevents access to the *home* due to possible or impending damage to an otherwise safe or sanitary *home* and this is initiated during the *period of insurance*;

*we* will also pay or reimburse *you* for loss of rent from the date that the *home* becomes *uninhabitable*, provided that:

- i. the *home* was occupied by a *tenant* at the time of *loss* or prevention of access; or
- ii. at the time of *loss* or prevention of access, *you* had a signed tenancy agreement for a new *tenant* to let the *home* for an ongoing period intended to be no less than 90 days.

*We* will pay:

- i. an amount equal to the average weekly rental *you* received for renting out the *home* during the weeks it was rented in the 12 months prior to the *loss*, or where a tenancy agreement was signed prior to the *loss*, the amount of the weekly rental in the agreement; and
- ii. any other costs incurred with *our* written consent.

Where *your* claim for *loss* to the *home* is covered entirely by the Earthquake Commission, *we* will still pay *your* loss of rent under this additional benefit.

*We* will not pay *your* loss of rent where the *home* is not *uninhabitable*, or where *tenants* choose to or are encouraged to move out of *your* *home* while repair or rebuilding is effected.

The maximum that *we* will pay for loss of rent is:

- for the period necessary to replace or repair the *home*, up to a maximum period of 12 months; or
- where *you* don't want the *home* rebuilt, up to two months.

*Our* liability for loss of rent will be subject to a maximum of \$40,000 per dwelling unit or the amount shown on the *schedule*, whichever is higher, for any one event.

## Cover Option – Flexi

When shown on the *schedule* that *you* are insured for Cover Option – Flexi, *we* will insure *you* for *loss* to the *home* during the *period of insurance* at the *situation address* shown on the *schedule* arising only from the following events:

1. fire, explosion, or lightning;
2. storm or flood;
3. burglary or theft;
4. riot, civil commotion, strikes, or labour disturbance;
5. malicious damage or vandalism;
6. sudden escape or overflowing of water or oil from any domestic water or heating equipment, sink, bath, toilet, or reticulation installed in the *home*;

7. opossums entering the *home*;
8. collision or impact by vehicle or animal;
9. impact from aircraft and other aerial or spatial devices or debris and articles dropped therefrom;
10. burning out by electrical current;
11. the freezing of any plumbing installation in the *home*, except for installations outside or in any outbuilding or detached garage;
12. breakage of any gas pipes, fresh-water pipes, underground water and septic tanks, underground drainage and sewerage pipes, electricity, data, and telephone cables;
13. breakage of fixed glass or porcelain forming part of the *home*;
14. *natural disaster*.

### How we may settle your claim

Where *your* *home* sustains a *loss* which *we* accept under this policy, *we* will pay for the *indemnity value* of the *home*, limited to the *sum insured*.

### Limits on what we will pay

1. The maximum amount *we* will pay under this policy is:
  - a. the *sum insured*; plus
  - b. any GST *you* have paid or that is payable on the *sum insured*; plus
  - c. any amounts *we* may be liable to pay under the following benefits:
    - i. benefit 1 – Alternative Accommodation;
    - ii. benefit 4 – Forest and Rural Fires Act;
    - iii. benefit 6 – Landscaping;
    - iv. benefit 7 – Property Owner's Liability;
    - v. Optional Additional Benefit – Landlord's Extension (if shown on the *schedule* as being included).Payment in respect of all other benefits not listed here will not increase payment to *you* beyond the *sum insured*.
2. The *sum insured* shall be reduced from the sum stated on the *schedule* by the amount required to repair, replace, or rebuild any *loss* which occurred in any previous *period of insurance*, and which has not been repaired, replaced, or rebuilt at the commencement of the current *period of insurance*.
3. The most that *we* will pay for *loss* to any private road, lane, right-of-way, access way or bridge (including associated guttering, drains, piping, cables, and lighting), including a bridge within the *residential boundaries* of the property on which the *home* is situated, or that provides access to the driveway owned by *you* or shared by *you* with other residential property owners and for which *you* are responsible, is \$50,000.

This limit applies to *your* share of the incurred costs during any one *period of insurance*.
4. Where any *similar items* forming part of the *home* suffer *loss* *we* will not pay more than the value of or cost to replace the particular item which suffers *loss*. *We* are not obliged to exactly replace, repair, or rebuild any items that have suffered *loss*. *We* will not replace *similar items* which have not sustained *loss*.
5. *We* will only replace damaged wallpaper, floor coverings, drapes, curtains and blinds in the *room* where the *loss* occurred.
6. Where the *home* is registered with the New Zealand Historic Places Trust, *we* will not pay for any additional costs or fees required to comply with any heritage covenant(s) that apply to the *home*.
7. *We* will only pay to repair the base and/or top layer of the damaged area of a driveway, not the land beneath.
8. *Our* liability to *you*, under all liability benefits (the Forest and Rural Fires Act benefit and the Property Owner's Liability benefit), will be limited to \$2,000,000 in total during the *period of insurance*, plus *your* legal costs and expenses incurred with *our* consent.

### Benefits included in your cover

*We* will cover or pay for the following benefits numbered 1 to 8, which are subject to the policy definitions, clauses, exclusions, conditions and limits.

## 1. Alternative Accommodation

Where *you* own and occupy the *home*, we will reimburse *you* for the reasonable additional cost of temporary accommodation (of a similar standard to the *home*) for *you*, including the boarding of *your domestic pets* and the temporary storage of *your contents* (including the removal and return of the *contents* from storage or temporary accommodation), incurred by *you* while:

- a. the *home* is *uninhabitable* due to *loss* covered by this policy; or
- b. the *home* is *uninhabitable* due to *loss* which occurs during the *period of insurance* covered entirely by the Earthquake Commission; or
- c. there is prevention of access to the *home* by government or local authorities which is initiated during the *period of insurance* due to possible or impending damage to an otherwise safe or sanitary *home*.

We will pay the Alternative Accommodation benefit for the period the *home* is *uninhabitable* up to a maximum of 12 months.

In the event of a widespread *natural disaster* we may at *our* sole discretion remove the 12 month limit.

We will not reimburse costs for travel, consumables, phone charges, electricity, gas, or water supply services, or other costs that would otherwise be paid by *you* if the *home* was undamaged or still habitable.

We will not pay for any increase in these costs associated with the temporary accommodation.

This benefit does not cover the costs of providing alternative accommodation for any home office or healthcare practice.

This benefit will not apply in any case where:

- the *home* is not *uninhabitable* (other than where provided under c. above); or
- *you* choose to or are encouraged to move out of *your home* while repair or rebuilding is undertaken, unless we agree in writing that vacating the *home* is necessary.

This benefit will not apply where the *loss* covered by the Earthquake Commission is *loss* only to land.

*Our* liability under this benefit will be limited to 5% of the *sum insured* shown on the *schedule* or \$30,000 whichever is the greater, for any one event.

**If *you*, or a member of *your* household, have an Alternative Accommodation benefit with us under any other policy, *you* are only entitled to payment of this benefit under one policy or section of a policy per event.**

## 2. Authorities Damage

We will, within the *sum insured*, pay for physical damage to the *home* caused by government or local authorities in order to prevent *loss* covered by this policy.

## 3. Fees and Clearance Costs

We will, within the *sum insured*, pay:

- a. the costs incurred in demolishing and clearing the building site of the damaged portion of the *home* and the removal of debris from the *home*, and;
- b. architects, surveyors, consultants, legal and council fees incurred with *our* prior consent, directly required to enable the repair or rebuild of the *home* following any *loss* insured by this policy. This does not include costs which would not usually be required to enable building work of the type required for the repair or rebuild to proceed.

## 4. Forest and Rural Fires Act

We will cover *you* for *your* liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the *period of insurance*.

We will pay up to \$1,000,000 (plus *your* legal costs and expenses incurred with *our* consent) for:

- a. costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and
- b. costs and levies under sections 46 and 46A of the F&RF Act; and
- c. costs claimed by any other party in order to protect their property from fire.

However, we will not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.

We will not cover *you* for any punitive or exemplary damages and/ or any reparation orders awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

**If *you*, or a member of *your* household, have home, contents, motor, or boat insurance with us, *you* are only entitled to payment of this benefit under one policy or section of a policy per event.**

## 5. Home Office or Healthcare Practice

This policy extends to include, within the *sum insured*, any part of the *home* used as a home office or healthcare practice.

Healthcare practice, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by *you* for the carrying on of the business of a health practitioner as defined by the Health Practitioners Competence Assurance Act 2003; or
- b. used by customers for access to that part of the *home*.

Home office, for the purposes of this benefit, means the part of the *home* that is:

- a. exclusively used by *you* to conduct business of an administrative, clerical, or professional nature; or
- b. used by customers for access to that part of the *home*.

## 6. Landscaping

We will pay for *loss* to *your* gardens (including hedges, trees, shrubs, and plants), garden edging, and lawns where:

- a. the *home* was also damaged in the same event and we have agreed to pay a claim for *loss* to the *home*; or
- b. a vehicle not belonging to *you* and/or not in *your* control causes damage by impact during the *period of insurance*, without causing any damage to the *home*.

*Our* liability under this benefit will be limited to \$2,500 for any one event.

## 7. Property Owner's Liability

We will cover *you* up to a maximum of \$2,000,000 (plus *your* legal costs and expenses incurred with *our* consent), for *your* legal liability arising out of an event that occurs in New Zealand and results in *accidental* physical damage to property during the *period of insurance*. In order for this benefit to apply, *your* liability must arise out of *your* ownership of the *home*.

But we will not pay for:

- a. liability for damage to property belonging to *you* or under *your* control; and
- b. liability arising out of:
  - i. any business, profession, or employment;
  - ii. the ownership, possession, or use of any mechanically propelled vehicle, trailer, aircraft or boat;
  - iii. the ownership and/or possession of any animals other than *domestic pets*;
  - iv. or assumed by agreement (unless *you* would have been liable anyway), except liability normally agreed to by a landlord under a tenancy or lease agreement.

We will not cover *you* for any punitive or exemplary damages and/or any reparation orders awarded against *you*. We will not cover *you* for any legal costs incurred by any other party that *you* may be ordered or agree to pay.

**If *you*, or a member of *your* household, have home, contents, motor, or boat insurance with us, *you* are only entitled to payment of this benefit under one policy or section of a policy per event.**

## 8. Statutory Requirements

If we pay to repair or rebuild the *home*, we will, within the *sum insured*, pay the costs required to repair or rebuild the damaged portion of the *home* needed solely to comply with government or local authority statutes, bylaws, or regulations, provided that:

- a. *you* were not aware of, or *you* had not been served with notice of, the failure of the *home* to comply with such statutes, bylaws, or regulations prior to any *loss*;

- b. there has not been an entry made on *your* Certificate of Title as required by section 74 of the Building Act 2004 unless we have agreed in writing to provide the cover relating to such entry, prior to any *loss*;
- c. such costs do not relate to design issues that are otherwise excluded by Exclusion 5. Home Defects;
- d. the damaged part of the building complied with relevant statute or local body regulation at the time it was built and at the time of any alteration to it, or if not compliant at those times, had subsequently been certified as being compliant;
- e. we will pay the cost of compliance for only that part of the *home* that has suffered physical damage covered by this policy and which relates solely to the repair of the *home* for that damage. We will not pay for any undamaged part of the *home*, whether or not it complies with any statute or local body regulation;
- f. where the *home* is registered with the New Zealand Historic Places Trust, we will not pay for any additional costs or fees required to comply with any heritage order(s) or covenant(s) that apply to the *home*.

We will never pay the costs associated with the repair, preparation, stabilisation or other treatment of the land necessary to comply with regulations to permit repair or rebuilding of the *home*.

#### Optional Additional Benefit

The following Optional Additional Benefit is subject to the policy definitions, clauses, exclusions, conditions and limits.

#### Landlord's Extension

If *you* have paid an additional *premium* for this additional benefit and it is shown on the *schedule* as being included, we will provide benefits A and B for each self-contained dwelling unit that *you* have told us about, provided that each is occupied by a *tenant*, and is located at the *situation address* shown on the *schedule*.

##### A. Landlord's Furnishings

If landlord's furnishings suffer *loss* covered by this policy, we will pay the *indemnity value* of these items.

Landlord's furnishings, for the purposes of this additional benefit, means dishwashers, stoves, refrigerators, washing machines, dryers and built in microwaves not permanently wired into the *home*.

Our liability for landlord's furnishings is limited to \$5,000 per dwelling unit, for any one event.

##### B. Loss of Rent

If the *home* is *uninhabitable* because:

- a. of *loss* covered by this policy (or which would be covered but for the operation of the Earthquake Commission Act 1993); or
- b. a government or local authority prevents access to the *home* due to possible or impending damage to an otherwise safe or sanitary *home* and this is initiated during the *period of insurance*;

we will also pay or reimburse *you* for loss of rent from the date that the *home* becomes *uninhabitable*, provided that:

- i. the *home* was occupied by a *tenant* at the time of *loss* or prevention of access; or
- ii. at the time of *loss* or prevention of access, *you* had a signed tenancy agreement for a new *tenant* to let the *home* for an ongoing period intended to be no less than 90 days.

We will pay:

- i. an amount equal to the average weekly rental *you* received for renting out the *home* during the weeks it was rented in the 12 months prior to the *loss*, or where a tenancy agreement was signed prior to the *loss*, the amount of the weekly rental in the agreement; and
- ii. any other costs incurred with *our* written consent.

Where *your* claim for *loss* to the *home* is covered entirely by the Earthquake Commission, we will still pay *your* loss of rent under this additional benefit.

We will not pay *your* loss of rent where the *home* is not *uninhabitable*, or where *tenants* choose to or are encouraged to move out of *your* *home* while repair or rebuilding is effected.

The maximum that we will pay for loss of rent is:

- for the period necessary to replace or repair the *home*, up to a maximum period of 12 months; or
- where *you* don't want the *home* rebuilt, up to two months.

Our liability for loss of rent will be subject to a maximum of \$20,000 per dwelling unit or the amount shown on the *schedule*, whichever is higher, for any one event.

## Exclusions (what *you* are not insured for)

### 1. Electronic Data

This policy does not provide cover for any loss to, or arising from, any loss of electronic data of any kind, or any loss of use, reduction in functionality, or any other associated loss or expense or liability directly or indirectly arising from or in connection with the loss of electronic data. This includes any electronic data that is purchased in place of an item that could be purchased in a non-electronic format.

### 2. Hydrostatic Pressure

This policy does not provide cover for any *loss* to swimming and spa pools caused by hydrostatic pressure.

### 3. Natural Disaster Damage

This policy does not provide cover for *natural disaster*, except:

- a. where there is *loss* to the *home*, and
  - i. *your* *loss* to the *home* is covered under the Earthquake Commission Act 1993 (the EQC Act); and
  - ii. the Earthquake Commission has accepted liability and has paid the maximum amount that it is liable for under the EQC Act for *your* claim; and
  - iii. all amounts paid to *you* by the Earthquake Commission have been used by *you* to carry out repairs, or to rebuild the *home*, and/or to mitigate further *loss*;
- b. where there is *loss* to:
  - i. permanently installed swimming or spa pools; or
  - ii. drains, pipes, and cables; or
  - iii. driveways, paths, patios, fences and walls (other than retaining walls, except where cover is provided by benefit 13 – Retaining Walls); or
  - iv. tennis courts
 that are not subject to insurance under the EQC Act.

Where there is *loss* caused by *natural disaster* for which *you* are covered under this policy, *our* liability will be limited to the amount that we would have paid under the policy if the cause of *loss* was other than *natural disaster*, less the amount that *you* have received from the Earthquake Commission, and less the additional excess of \$5,000 which applies for any payment under paragraph b. above.

However, this policy will never provide cover for *loss* to land, or for costs associated with stabilising land, or erecting or upgrading improvements to land, which are required to avert or mitigate *loss* to the *home*, even if such *loss* or costs are covered by the Earthquake Commission.

### 4. Other causes of *loss* that *you* are not covered for

This policy does not provide cover for:

- a. *loss* caused:
  - i. by mechanical or electrical breakdown or inability to operate any mechanical or electrical device covered by this policy, except where *loss* arises from impact, earthquake, fire, flood, lightning, power surge, volcanic eruption, a malicious act, or where actual burning out occurs;
  - ii. to lighting or heating elements, fuses or protective devices, or electrical contacts where arcing occurs in ordinary working;
  - iii. by defect in design or inherent fault;
  - iv. by wear and tear;
  - v. by insects or vermin (except opossums);
  - vi. by poor or defective workmanship; or
  - vii. by the process of cleaning, renovation, repair, or restoration, but only in respect of the article or property that has undergone such process (except where cover is provided by benefit 11 – New Building Work);

however, this exclusion only applies to that part of the *home* directly affected by i. to vii. above. This policy will however cover any resultant *loss* to other parts of the *home* caused by the excluded loss, provided it is not also excluded.

- b. *loss* caused by:
- i. corrosion or rust;
  - ii. action of micro-organisms, mould, mildew, rot, fungi, or gradual deterioration (unless covered under benefit 10 – Gradual Damage);
  - iii. any other gradually operating cause;
  - iv. lifting or moving the *home*;
  - v. structural additions or structural alterations to the *home* (except where cover is provided by benefit 11 – New Building Work), or the removal of any external wall, roof materials, external cladding, or window or door, unless we have been notified of any such additions, alterations, or removal work and we have agreed in writing to maintain cover;
  - vi. vibration, weakening or removal of support;
  - vii. burglary or theft committed by anybody leasing, renting, living, or staying in the *home*;
  - viii. malicious, intentional or deliberate damage committed by *you* or anybody tenanted, living, or staying in the *home* (however, where the *home* is leased or rented we will cover any *loss* from fire or explosion resulting from malicious, intentional, or deliberate damage by *tenants*);
  - ix. scratching, chewing, tearing, or soiling by household pets where the occupant of the *home* is anyone other than *you*;
  - x. subsidence, settling, ground heave, shrinkage, expansion, or erosion.

#### 5. Home Defects

This policy does not provide cover for any *loss* to the *home* where that *loss* arises from, is consequent upon or is in connection with the failure of the *home* to contain or incorporate materials or to utilise a design, a system, or a standard of workmanship which effectively prevents or manages the presence or penetration of moisture or water to which the *home* might reasonably be subjected.

#### 6. Uncertified Home

This policy does not provide cover for any *loss* to the *home* where that *loss* arises from, is consequent upon, or is in connection with the failure of the *home* to meet the standard prescribed for the *home* by any Regulation, Act, or Bylaw.

#### 7. Unoccupied Home

This policy does not provide cover for any *loss*:

- a. to the *home* if unoccupied (meaning no authorised person has slept there overnight within the last 60 days), unless we have been notified and have agreed in writing to maintain cover, and provided that:
  - i. the *home* and its lawns and gardens are kept in a tidy condition; and
  - ii. all external doors and windows are kept locked; and
  - iii. all papers and mail are collected regularly; and
  - iv. the *home* is under regular supervision.
- b. to the *home* while unattended, if normally used as a holiday-*home* or weekend *home*, unless requirements a.i. to a.iv. above are complied with.

However, where *you* ordinarily occupy the *home*, but *your* travel or medical commitments mean that the *home* is unoccupied for a period exceeding 60 days, we agree to maintain cover under this policy for an additional period of 30 days, provided that the requirements in a.i. to a.iv. above are met.

#### 8. Confiscation, War, Radioactivity, and Terrorism

This policy does not provide cover for *loss*, destruction, or liability directly or indirectly caused by, arising from, is consequent upon, or arising in connection with:

- a. confiscation, destruction, acquisition, designation, or decision by government or local authorities;
- b. war, invasion, act of foreign enemy, hostilities or warlike

operations (whether war be declared or not), civil war, mutiny, civil commotion assuming proportions of or amounting to a popular uprising, military uprising, rebellion, revolution, insurrection, military or usurped power;

- c. nuclear weapons, ionising radiations, or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel;
- d. any act of terrorism including *loss*, destruction, or liability directly or indirectly caused by, arising from, is consequent upon, or arising in connection with biological, chemical, radioactive, or nuclear:
  - pollution,
  - contamination, or
  - explosion.

An act of terrorism means an act, including but not limited to the use of force or violence, or the threat thereof, which from its nature and context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes, including the intention to influence any government and/or to put the public or any member of the public in fear.

#### 9. The Accident Compensation Act 2001

This policy does not provide cover for amounts that are recoverable under the provisions of the Accident Compensation Act 2001.

#### 10. Consequential Loss

This policy does not provide cover for any intangible loss, loss of use, loss of enjoyment, or consequential loss of any kind, including loss of value.

#### 11. Business Use

This policy does not provide cover for any *loss* or liability arising from the use of the *home* for business other than that covered by benefit 5 – Home Office or Healthcare Practice.

#### 12. Costs to Mitigate Loss

This policy does not provide cover for any costs directly or indirectly associated with the:

- a. stabilising of or making improvements to land; or
- b. erecting or upgrading any improvements to land; which are required to avert or mitigate *loss* to the *home*.

#### 13. Existing Damage

This policy does not provide cover for any damage which has not been repaired at the time of the commencement of the *period of insurance*.

#### 14. Unrepaired Land

This policy does not provide cover for *loss* caused or contributed to by land where *you* are aware that the land requires repair or poses a threat to the *home*. This policy will not cover *loss* caused or contributed to by the condition of the land where *you*, or a previous owner of the *home*, has received payment from the Earthquake Commission in order to effect repairs to the land, and those repairs have not been undertaken.

#### 15. Land

This policy does not insure land, damage to land, or any costs involved in the repair or stabilisation of land in order to facilitate the repair or rebuild of the *home*, or any treatment of the land required to make it suitable for repair or building of the *home*. The only work to land covered by this policy is:

- that which is required by benefit 13 – Retaining Walls; and
- the digging of foundations or piles as required by government or local authority statutes, bylaws or regulations, necessary to allow for the repair or rebuild of the *home* following *loss* covered by this policy.

*You* must ensure that *your* land provides an adequate platform for the completion of any repair or rebuild undertaken pursuant to the cover provided by this policy.

#### 16. Excesses

This policy does not provide any cover for excesses.

## Policy Conditions

These conditions give *you* information about this policy and *your* and *our* obligations arising from it. Some parts of this policy can cover other parties as well as *you*. To gain benefit of any cover under this policy, they must meet all the same conditions and obligations that *you* are required to meet. However, if *you* breach any conditions, no cover will apply to any other parties.

### 1. Assignment

*You* must not assign or attempt to assign this policy or *your* interest in this policy to any other party. *You* must not assign or attempt to assign *your* rights to any claim proceeds under this policy to any other party without *our* prior written consent.

### 2. Breach of Policy Terms and Conditions

No claim will be payable where any person entitled to indemnity under this policy breaches any of the terms and conditions. Nothing in this policy affects the common law rights of either party, including *our* right to avoid the policy for non-disclosure.

### 3. Cancellation

*We* may cancel this policy at any time by sending a letter, facsimile, or e-mail to this effect to *you* at *your* last known postal address, facsimile number, or e-mail address, or to *your* insurance adviser. The cancellation will take effect at 4.00 pm on the 7th day after the communication has been sent. *We* will refund the unused part of *your* paid *premium*.

*You* may cancel this policy by giving written notice to *us*. *We* will refund the unused part of *your* paid *premium* provided that *you* have not made a claim.

### 4. Care of Insured Property

*You* must, at *your* cost or expense, take all reasonable steps to prevent *loss* and maintain the insured property in good repair. *We* will always have the right to examine *your* property. *You* must try to avoid any *loss* for which *you* could be held legally liable. This policy will not respond in the event that *you* are reckless or grossly negligent. Reckless or grossly negligent means that *you* have acted or failed to act in the way a reasonable person would, given the circumstances that *you* faced at the time of the *loss*.

### 5. Change of Terms

In the event that *we* are no longer able to obtain or retain full reinsurance protection from *natural disaster* events covered by this policy, *we* may change the terms of this policy (including the excess) during the *period of insurance* by sending a letter, facsimile, or e-mail advising *you* of this to *you* at *your* last known postal address, facsimile number, or e-mail address, or to *your* insurance adviser. The change or changes will take effect at 4.00 pm on the 14th day after the communication has been sent.

### 6. Claims

- a. On the happening of any event or occurrence that may give rise to a claim under this policy *you* must:
  - i. notify *us* of such event or occurrence immediately;
  - ii. take all reasonable steps to minimise the extent of *loss*;
  - iii. immediately send *us* any communications which *you* receive in relation to an event which may give rise to a claim;
  - iv. obtain *our* consent before proceeding with repairs (other than for replacement or repair of window glass);
  - v. make any damaged property available for inspection by *us*;
  - vi. provide any information or assistance that *we* may require, including proof that *you* own the property *you* are claiming for;
  - vii. in the case of *loss* by theft, burglary, or vandalism, advise the Police immediately;
  - viii. assist *us* to take any recovery action *we* choose to instigate against person or persons *we* consider are responsible for the *loss*; and
  - ix. at *your* cost *you* must cooperate with *our* assessors, investigators, lawyers and anyone else *we* may appoint to help *us*, including attending meetings with them when *we* require *you* to.

Failure to comply with Conditions a.i. to a.ix. may result in *your* claim being declined or, if the claim has already been settled, *we* may require *you* to return funds paid by *us*.

- b. *You* must not, without *our* written consent, incur any expense or negotiate, pay, settle, admit, repudiate, or make any agreement in relation to any claim.
- c. *We* will decide the best way to advance *your* claim, including inspecting any damage, choosing the repairer and arranging the repair. If *we* choose to repair the *home* *we* will seek independent quotes from *our* approved repairers or suppliers. If *you* wish, *you* can recommend a repairer or supplier to provide a quote for consideration. *We* will select who is to repair the *home*, oversee any repairs, and keep *you* informed of progress.
- d. *We* will be entitled, at *our* expense and in *your* name, to take any proceedings necessary to obtain relief from any other party, and to take over and conduct the defence and settlement of any claim. At *your* cost *you* must provide all reasonable assistance and cooperation.
- e. *You* authorise *us* to disclose information to third parties in relation to any claim that *you* make under this policy. *You* also authorise *us* to obtain information from third parties that is relevant to any claim that *you* make under this policy.
- f. *You* must, prior to settlement of *your* claim, complete documentation which evidences *our* settlement of *your* claim.

### 7. Correctness of Statements and Fraud

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

All statements made or information given by *you* or on *your* behalf:

- in any proposal, application, or declaration (whether *you* have provided these statements or information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form or provided to *us* by telephone);
- in support of this policy; or
- in support of any claim;

must be complete and correct in all respects.

If any claim under this policy is supported by any incorrect information or statement or is in any respect fraudulent, then *your* claim is not payable and this entire policy automatically terminates from the date that the incorrect information was supplied to *us*, or the statement or fraudulent claim was made to *us*. *We* may also cancel any other policy *you* have with *us*.

### 8. Duty of Disclosure and Change of Circumstances

*You* must tell *us* all information that a prudent insurer would consider material to a decision to issue, renew, or alter this policy, or the terms on which they would do any of these things, including the *premium* that *we* charge. *Your* duty of disclosure applies each time this policy is renewed or altered. There are serious consequences if *you* fail to tell *us* information which is material to the decision to issue, renew, or alter this policy, or the terms on which *we* did any of these things.

*You* must tell *us* immediately if, after the start of this policy, there is an increase or alteration to the risk insured. This includes any change of circumstances that affects the persons, properties, or liabilities covered by this policy. *You* must tell *us* if *you* or any member of *your* household or any person insured under this policy receives a criminal conviction.

### 9. Excess

- a. All excesses shall:
  - i. form the first part of any *loss* being claimed for; and
  - ii. be deducted from the amount of *your* claim, not from any policy limit; and
  - iii. apply cumulatively.
- b. An excess will apply to each incident, occasion, or event resulting in *loss*. Where *loss* arises from multiple incidents, occasions, or events, the excess (or each relevant excess) applies to each incident, occasion, or event.
- c. Where a single event causes *loss* to property or items insured by *you* with *us* at the *situation address* shown on the *schedule* under more than one policy, only one excess (or where a number of excesses under one policy apply cumulatively, the

sum of those excesses) will apply. The amount of the excess will be the highest excess or cumulative excess that we could apply under any of the policies affected.

- d. The following excesses may be applied to *your* claim:
- i. any amount shown on the *schedule* or contained in this policy which is described as an excess; and
  - ii. any voluntary or imposed excess(es), which are additional to i. above; and
  - iii. except where *loss* arises from fire, *flood* or *natural disaster*, the following specified additional amounts where the *home* is:
    - i. let to *tenants* other than *you*. Any claim for *loss* to the *home* will be subject to an additional excess of \$250 for each event;
    - ii. made available for casual use by anyone in return for any form of payment, an additional excess of \$1,000 for each event.
- e. Where *you* suffer a *total loss* and *you* have been paying *your premium* to *us* by instalment the excess shown on the *schedule* will be increased to include:
- i. the difference between the amount *you* have paid and the amount of *premium* *you* would have paid if *you* had instead elected to pay *your premium* annually; and
  - ii. the total value of the instalment fees for all of the *premium* instalments.

#### 10. Goods and Services Tax – GST

We will pay up to the *sum insured* plus any GST (to a maximum of the current rate of GST) that is paid or payable on the *sum insured*. However, all item limits, benefit limits, and excesses shown within the policy or on the *schedule* are GST inclusive.

#### 11. Governing Law

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

#### 12. Government EQC Cover

Where the policy insures property at more than one named location, for the purposes of the Earthquake Commission Act 1993, each location is deemed to be subject to a separate contract.

#### 13. Sum Insured Adjustment at Renewal

We will consider a range of factors that can influence the cost of rebuilding. As a result we may choose to make an adjustment to home sums insured. Where we take this action *your* new *sum insured* will be shown on the renewal *schedule*, and *your premium* will be adjusted accordingly. However, *you* need to consider if *your sum insured* is sufficient for *your* situation.

#### 14. Instalment Premiums

Where we have agreed to accept payment of *premium* by instalments all benefits under this policy will be forfeited from the date the first unpaid instalment was due, and *your* policy will be automatically cancelled if any *premium* instalment/s remains unpaid for 28 days.

To ensure that *you* have an opportunity to maintain cover in the event that an instalment *premium* has not been made to *us*, we will attempt again to collect the outstanding *premium* instalment from *your* nominated bank account.

Where any instalment is overdue, but the policy has not been cancelled, all benefits under this policy will be suspended from the date the first unpaid instalment was due.

#### 15. Joint Insureds

Where the *schedule* shows the insured in joint names or includes the name of a Trust, then this policy is a joint policy. This means that if one of *you*, including Trustees and Beneficiaries, does or fails to do anything so that there is no cover, there will be no cover for any of *you*, not just the person responsible. *You* are each deemed to act with the express authority of each other, and have the right to make a change to the policy, make or settle a claim under the policy, or cancel the policy.

#### 16. Other Insurance

This policy does not cover *loss* or liability where cover is provided by other insurance. We will not contribute towards any claim made under any other policy.

#### 17. Other Interests

Where we have been advised of any mortgage or secured financial interest over the *home*, we may make payment of any claim proceeds directly to that interested party. This will meet *our* obligations under this policy.

We are authorised by *you* to disclose personal information about *you* to any holder of a financial interest.

Any party recorded as having a financial interest under this policy is not covered by this policy and has no right to make a claim.

#### 18. Reinstatement of Cover

Where the *home* suffers *loss* which is covered by this policy, the amount of cover available for future claims will be reduced from the *sum insured* stated on the *schedule* by the amount of that *loss*.

The amount of cover shall be restored as and to the extent that the *loss* is repaired or rebuilt.

However, before any amount of *your* cover is restored following *loss* *you* must pay any additional *premium* that we may charge.

This reinstatement of cover shall operate only once during the *period of insurance*, unless we agree otherwise in writing. There shall be no reinstatement of cover where there has been a *total loss* under this policy.

#### 19. Sale and Purchase

If *you* have contracted to sell *your* interest in the *home*, section 13 of the Insurance Law Reform Act 1985 provides the purchaser with cover under this policy until the purchaser takes possession of the *home* or until settlement, whichever is earlier, provided the purchaser is not otherwise insured. The terms, conditions, and exclusions of this policy apply to *you* and the purchaser as if *you* are insured jointly.

#### Definitions

*Definitions* explain words frequently used in the policy. Defined words are shown in *italics*.

**Accident, accidental, and accidentally** mean a sudden and unforeseen event, not intended or expected by *you*.

**Act** means any Act of the New Zealand Parliament in force at the commencement of the *period of insurance*, or which comes into force during the *period of insurance*, and any substitution of, amendment to, replacement of, or any statutory regulation made under such Act.

**Contents** means anything in *your* possession or located at the *home*, belonging to *you* or hired by *you*, or in *your* custody or control for which *you* are responsible, not being otherwise insured, but does not include:

- a. mechanically propelled vehicles, trailers, caravans, or aircraft (except ride-on mowers and other domestic garden appliances, electric wheelchairs and electric mobility aids for the aged or impaired, and remote-controlled scale models);
- b. vehicle accessories in or on a vehicle;
- c. vehicle keys and/or vehicle remote controls;
- d. entertainment and communications systems that are in or on a vehicle, including any parts that attach to these systems;
- e. navigation systems or radar detectors in or on a vehicle, including any parts that attach to them;
- f. trees, shrubs, and plants (other than pot plants);
- g. fixtures, fittings, sculptures, or artwork (and their accessories) permanently attached to the *home* or to land;
- h. contents used in any way for professional or business purposes;
- i. contents normally housed in an address not named on the *schedule*;
- j. any item of contents that *you* have sold, gifted, or given away, that is no longer in *your* possession, or any item which *you* have taken ownership of or responsibility for, but *you* have not yet taken possession of;

- k. any artificial body parts, surgical implants, or attachments that are permanently fitted to *you* or to any animal;
- l. any animal;
- m. the *home*.

**Domestic pets** means any animal that is tamed and kept for pleasure and companionship. It does not include any animal that is not usually found living in urban households, or one that is kept as a working or sporting animal or that is kept for breeding or for any economic purpose.

**Flood** means the inundation of land by water escaping from or released from the normal confines of the sea, any watercourse, reservoir, pond, dam, or lake, as well as the runoff, accumulation, or pooling of water. However, flood does not include inundation of land where it affects only *your* property.

**Home** means the dwelling, including residential flat or holiday home, which is:

- owned by *you*, and
- used for *residential purposes*; and
- located within the *residential boundaries*; and
- at the *situation address* shown on the *schedule*.

Home includes the following items which are owned by *you*, used for *residential purposes*, and located within the *residential boundaries* of the *situation address*:

- each additional self-contained dwelling unit that is capable of being lived in and is intended by *you* to be, or actually is the home of one or more persons, if *your schedule* specifically indicates that the home includes additional dwelling unit(s);
- separate outbuilding(s) that are not self-contained or capable of being lived in, and garage(s);
- permanent decks;
- greenhouses and garden sheds, patios, pergolas, and built-in furniture;
- aerials and satellite dishes that are attached to the home;
- fixed floor coverings (glued, tacked, or smooth-edged);
- coverings fixed to the ceiling or wall;
- curtains, drapes, and blinds;
- fixed light fittings and appliances permanently wired or plumbed to a gas, plumbing, or electricity supply;
- letter boxes, exterior blinds and awnings, fixed clotheslines, and built-in barbeques;
- septic tanks, heating oil tanks, service tanks, water tanks, and their fixed pumps and systems;
- permanent spa pools or swimming pools, including their fixtures, covers, pipes, and fixed pumps;
- walls, fences, and gates;
- solar panels;
- gas pipes, fresh-water pipes, underground drainage and sewerage pipes;
- cables and poles associated with electricity, data and telephone services;
- any driveways, paths, patios, bridges, paving, and tennis courts;
- any private road, lane, right-of-way, access way, or bridge (including associated guttering, drains, piping, cables, and lighting) providing access to a driveway owned by *you* or shared by *you* with other residential property owners, and for which *you* are responsible;
- permanently installed ornamental fish ponds and water features connected to the dwelling's water supply;
- sculptures and artwork that are permanently affixed to the home and/or land;
- *your* share in any walls (except retaining walls), fences, gates, pipes, cables, or driveways where those things are jointly owned by *you* and other property owners;
- any part of the home used as a home office or healthcare practice as provided by benefit 5 – Home Office or Healthcare Practice;

but does not include:

- *contents*;
- temporary structures;
- retaining walls, except for the cover provided under benefit 13 – Retaining Walls;
- power generation and power storage equipment, except for the cover provided under benefit 12 – Power Generation Equipment;
- hedges, trees, shrubs, plants, lawns, and garden edging except where cover is provided under benefit 6 – Landscaping;
- landlord's furnishings, unless Optional Additional Benefit – Landlord's Extension is shown on the *schedule*;
- any boarding house (as defined by the Residential Tenancy Act 1986);
- wharves, piers, jetties, or the like;
- culverts, ponds, dams, and slipways;
- sea walls, flood walls, and levees;
- the adjacent property owner's share in any walls, retaining walls, fences, gates, pipes, cables, or driveways where those things are jointly owned by *you* and other property owners;
- the land, earth, or fill.

**Indemnity value** is the amount we deem is needed to compensate *you* for the change in *your* financial position as a result of the *loss*. This is either:

- a. for a *total loss* – the *market value* of the *home* immediately before the *loss* occurred; or
- b. for a *partial loss* -
  - i. the cost of repairing the damaged portion of the *home* to a condition no better or more extensive than it was when new, less an allowance for depreciation, age, and wear and tear; or
  - ii. the reduction in the *market value* as a result of the *loss*; but no more than the *market value* immediately before the *loss* occurred.
- c. for landlord's furnishings (where the Optional Additional Benefit – Landlord's Extension is shown on the *schedule*) at *our* option:
  - i. the *market value* of the landlord's furnishings immediately before the *loss* occurred; or
  - ii. the cost of replacing, repairing or reinstating landlord's furnishings to a condition no better or more extensive than when new, less an allowance for depreciation, age, and wear and tear, but no more than the *market value* immediately before the *loss* occurred.

**Loss** means *accidental* physical loss or physical damage. It does not mean prevention of use or loss of functionality or usefulness.

**Market value** means:

- a. what a registered valuer engaged by *us* determines to be the market value of the *home* excluding land; and
- b. what we deem to be the value of landlord's furnishings where the Optional Additional Benefit – Landlord's Extension is shown on the *schedule* as being included.

**Natural disaster** means earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or fire resulting from any of these. It does not include any gradual or slowly moving natural landslip.

**Period of insurance** means the period of insurance shown on the *schedule*.

**Premium** is the amount *you* need to pay *us* to ensure cover commences and remains in force. This means the first premium or any subsequent premium, and may include any government or other levies or taxes.

**Replacement condition** means what we determine is reasonably required to rebuild the *home* to a building standard or specification similar to, but no more extensive or better than the *home's* condition when new, using currently equivalent techniques and building materials readily available in New Zealand. We will only replicate heritage features if the currently equivalent techniques and/or building materials are readily available in New Zealand.

**Replacement cost** means what we determine is reasonably required to repair or rebuild the damaged portion of the *home* to the *replacement condition*. The cost is calculated at the time of the *loss* giving rise to a claim under this policy.

**Replacement value** means the amount that would be required to completely rebuild the *home* to the *replacement condition* in the event that the *home* was totally destroyed.

**Residential boundaries** means that part of the land on which the dwelling which constitutes *your home* is situated, which is used by *you*, by members of *your family*, or by *your tenant*, for predominantly *residential purposes*. It does not include:

- any part of the land which is used for commercial or farming purposes; or
- any part of the land that is more than 150 metres away from a dwelling or garage used for *residential purposes*, where the *home* is situated on a property greater than 10,000 square metres in size, and is not serviced by a dedicated town mains water supply.

**Residential purposes** means the ordinary domestic activities of life, and excludes activities undertaken for commercial or business purposes.

**Room or rooms** means any room(s), common area(s), and passageway(s) openly connected together and not separated by any doors, doorways, or stairs.

**Schedule** is the latest current policy schedule, expiry notice, renewal notice, or endorsement issued to *you* or *your insurance adviser* by *us*.

**Similar items** means items in the *home* with a similar nature, colour, texture, material, or design and includes items which form part of a set.

**Situation address** is the place where the *home* is located. It is shown on the *schedule*.

**Sum insured** means the sum insured shown on the *schedule*.

**Tenant or tenants** means any person or persons (including the person's husband, wife, or partner, and the person's family) who are party to a tenancy agreement with *you*, for a period of no less than 90 days, having the right under such agreement to occupy the *home* in consideration of regular rental payments.

**Total loss** means that *we* consider that the *home* or, where the Optional Additional Benefit – Landlord's Extension is shown on the *schedule*, the landlord's furnishings, are damaged beyond economic repair.

**Uninhabitable** means the *home* is no longer a safe or sanitary place to live, as determined by government or local authorities, or by *us*, due to physical damage to the *home*, and where notice to this effect has been issued. It does not mean a disinclination by *you* or *your tenants* to remain in occupancy of an otherwise safe or sanitary *home*.

**We, us, or our** means Vero Insurance New Zealand Limited.

**You or your** means the insured person or persons named on the *schedule*, and their partner. Partner means a marriage partner, or de facto partner as defined in the Property (Relationships) Act 1976 or civil union partner as defined by the Civil Union Act 2004.

