

Update to your Vero Residential Home Maxi policy

As a result of a change brought about by the Sentencing Amendment Act 2014, we would like to bring to your attention an update to our Vero Residential Home Maxi policy wording.

Background

Before the Sentencing Amendment Act 2014 came into force in December 2014, a victim injured in an accident caused by someone else could only be compensated under the Accident Compensation Act 2001. In some instances however, ACC payments could leave victims out of pocket due to the limited amounts payable by ACC.

The Sentencing Amendment Act 2014 allows the courts to order the person at fault to appropriately compensate victims of bodily injury for their financial losses over and above what ACC pays by way of reparation. This doesn't replace ACC but provides a 'top up' where ordered by a court. The court can order reparation for bodily injury only during the sentencing of someone who has been convicted of an offence.

Changes to your policy

We have updated our **Vero Residential Home Maxi** policy wording to now include cover for:

1. **Civil claims for bodily injury** – this covers your liability to pay compensation in a civil claim for accidental bodily injury including emotional harm. The Vero policy has always provided cover for liability to pay compensation in a civil claim for accidental property damage but we have now introduced bodily injury cover as well. Because of the ACC regime in New Zealand, this means in practice that if there is a civil claim brought against you seeking compensation for accidentally causing someone bodily injury including emotional harm (which is not covered by ACC), we will provide cover for your liability to pay any damages (financial). We will also cover your legal defence costs and the legal costs which the other parties have incurred if you are liable to pay these.
2. **Reparation** – this covers any liability to pay a reparation order to a victim who has suffered accidental property damage or accidental bodily injury. This cover applies only in criminal proceedings. If you're convicted for a criminal offence, the courts may order you to pay compensation to the victim by way of a reparation order. Our policy excluded cover for reparation but we will now cover claims for reparation for:
 - accidental bodily injury up to \$1,000,000
 - accidental property damage up to \$2,000,000.

Defence costs are not covered for criminal proceedings. Also the liability must result from an accidental or careless act, as there is no cover for liability resulting from reckless or intentional act. You should also note that the cover for reparation does not apply to offences under health and safety legislation.

There are some conditions to be met for this cover to apply so it's important you read the updated wording below.

If you make a claim in any way under this update, the whole claim will be treated as if the update is part of your insurance policy.

If you have any questions, please contact your broker, adviser or your nearest Vero branch.

SECTION	CURRENT	UPDATE
<p>Benefits included in your cover</p> <p>7. Property Owner's Liability</p> <p>4. Forest and Rural Fires Act</p> <p>Continued...</p>	<p>7. Property Owner's Liability</p> <p>We will cover <i>you</i> up to a maximum of \$2,000,000 (plus <i>your</i> legal costs and expenses incurred with <i>our</i> consent), for <i>your</i> legal liability arising out of an event that occurs in New Zealand and results in <i>accidental</i> physical damage to property during the <i>period of insurance</i>. In order for this benefit to apply, <i>your</i> liability must arise out of <i>your</i> ownership of the <i>home</i>.</p> <p>But we will not pay for:</p> <ol style="list-style-type: none"> a. liability for damage to property belonging to <i>you</i> or under <i>your</i> control; and b. liability arising out of: <ol style="list-style-type: none"> 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 <i>domestic pets</i>; 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. <p>We will not cover <i>you</i> for any punitive or exemplary damages and/or any reparation orders awarded against <i>you</i>. We will not cover <i>you</i> for any legal costs incurred by any other party that <i>you</i> may be ordered or agree to pay.</p> <p>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.</p> <p>4. Forest and Rural Fires Act</p> <p>We will cover <i>you</i> for <i>your</i> liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising from an event occurring during the <i>period of insurance</i>.</p> <p>We will pay up to \$1,000,000 (plus <i>your</i> legal costs and expenses incurred with <i>our</i> consent) for:</p> <ol style="list-style-type: none"> 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. <p>However, we will not provide cover where <i>your</i> liability arises directly or indirectly from any fire <i>you</i> lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.</p>	<p>7. Property Owner's Legal Liability</p> <p>If you, or a member of your household, have home, contents, motor, or boat insurance with us, you are only entitled to payment of any of the benefits below under one policy or section of a policy per event.</p> <p>A. Liability for Damages</p> <p>We will cover <i>you</i> for <i>your</i> legal liability to pay <i>damages</i> for <i>accidental bodily injury</i> or <i>loss</i> to someone else's property happening during the <i>period of insurance</i> as a result of an event that occurs in New Zealand and arises out of <i>your</i> ownership of the <i>home</i>.</p> <p>B. Liability for Reparation</p> <p>We will cover <i>you</i> for <i>your</i> legal liability to pay <i>reparation</i> for <i>accidental bodily injury</i> or <i>loss</i> to someone else's property happening during the <i>period of insurance</i> as a result of an event that occurs in New Zealand and arises out of <i>your</i> ownership of the <i>home</i>, provided that:</p> <ol style="list-style-type: none"> a. <i>you</i> tell us immediately if <i>you</i> are charged with any offence in connection with <i>your</i> ownership of the <i>home</i> which resulted in <i>loss</i> to someone else's property or <i>bodily injury</i> to another person; and b. <i>you</i> obtain <i>our</i> written approval before any offer of <i>reparation</i> is made. <p>C. Forest and Rural Fires Act</p> <p>We will cover <i>you</i> for <i>your</i> legal liability under the Forest and Rural Fires Act 1977 (F&RF Act) arising out of <i>your</i> ownership of the <i>home</i> from an event that occurs in New Zealand during the <i>period of insurance</i> to pay:</p> <ol style="list-style-type: none"> 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. <p>However, we will not provide cover where <i>your</i> liability arises directly or indirectly from any fire <i>you</i> lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires.</p> <p>But we will not pay under any of these benefits for:</p> <ol style="list-style-type: none"> a. legal liability for <i>loss</i> to property belonging to <i>you</i> or under <i>your</i> control; b. legal liability arising out of: <ol style="list-style-type: none"> i. any business, profession, or employment; ii. the ownership, possession, or use of any mechanically propelled vehicle, trailer, aircraft or boat;

SECTION	CURRENT	UPDATE
	<p>We will not cover <i>you</i> for any punitive or exemplary damages and/ or any reparation orders awarded against <i>you</i>. We will not cover <i>you</i> for any legal costs incurred by any other party that <i>you</i> may be ordered or agree to pay.</p> <p>If <i>you</i>, or a member of <i>your</i> household, have home, contents, motor, or boat insurance with us, <i>you</i> are only entitled to payment of this benefit under one policy or section of a policy per event.</p>	<ul style="list-style-type: none"> iii. the ownership and/or possession of any animals other than <i>domestic pets</i>; iv. any intentional, knowing, wilful or reckless criminal act or omission; v. or assumed by agreement (unless <i>you</i> would have been liable anyway), except liability normally agreed to by a landlord under a tenancy or lease agreement; <ul style="list-style-type: none"> c. any punitive or exemplary damages awarded against <i>you</i>; d. legal liability where any exclusion in the section “Exclusions (what <i>you</i> are not insured for)” applies. <p>Limits on what we will pay under Property Owner’s Legal Liability:</p> <p>In respect of any one event, we will pay:</p> <ul style="list-style-type: none"> i. for <i>loss</i> to someone else’s property, up to \$2,000,000; ii. for <i>bodily injury</i>, up to \$1,000,000; and iii. for liability under the F&RF Act, up to \$1,000,000. <p>In addition, where <i>your</i> legal liability is to pay <i>damages</i>, or costs and levies under the F&RF Act, we will pay <i>your</i> legal defence costs and expenses incurred with <i>our</i> prior written consent. However we will not pay <i>your</i> legal defence costs and expenses in relation to an offence or where <i>your</i> legal liability is to pay <i>reparation</i>.</p>
<p>Exclusions (what <i>you</i> are not insured for)</p>	<p>9. The Accident Compensation Act 2001</p> <p>This policy does not provide cover for amounts that are recoverable under the provisions of the Accident Compensation Act 2001.</p>	<p>9. The Accident Compensation Act 2001</p> <p>This policy does not provide cover for amounts that are recoverable (including by the victim of an offence) under the provisions of the Accident Compensation Act 2001, or which would be recoverable but for:</p> <ul style="list-style-type: none"> a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or to claim any amount he or she would be entitled to under the Act for any other reason whatsoever; or b. the Accident Compensation Corporation’s decision to decline a claim or limit its liability in whole or in part and for any reason whatsoever.
	<p>New</p>	<p>17. Intentional or reckless acts</p> <p>This policy does not provide any cover for <i>loss</i>, damage, cost or liability from any intentional or reckless act or omission.</p>
<p>Policy conditions <i>Continued...</i></p>	<p>New</p>	<p>20. Reparation</p> <p>If any person is ordered to pay <i>reparation</i> to anyone we insure under this policy for <i>loss</i> to any property that we have or will pay a claim under this policy for, then <i>you</i></p>

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		<p>must tell <i>us</i>. Any payments received must first reimburse <i>our</i> claims payment up to the amount of any <i>reparation</i> received.</p>
	<p>6. Claims</p> <p>d. <i>We</i> will be entitled at <i>our</i> expense and in <i>your</i> 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 <i>your</i> cost <i>you</i> must provide all reasonable assistance and co-operation.</p>	<p>6. Claims</p> <p>d. <i>We</i> will be entitled at <i>our</i> expense and in <i>your</i> 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 against <i>you</i> for <i>damages</i>. At <i>your</i> cost <i>you</i> must provide all reasonable assistance and co-operation.</p>
Definitions	<p>New</p>	<p><i>Bodily injury</i> means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury to another person.</p> <p><i>Damages</i> means amounts payable in accordance with judgement against <i>you</i> and/or settlements negotiated by <i>us</i>, including the other party's costs and interest on any judgement where applicable. Damages do not include fines, penalties, <i>reparation</i>, or any other form of criminal sanction, non-pecuniary relief, taxes, or any payment deemed to be unlawful to insure against.</p> <p><i>Reparation</i> means an amount ordered by a New Zealand court under section 32 of the Sentencing Act 2002 to be paid to the victim of an offence. Reparation does not include:</p> <ul style="list-style-type: none"> a. reparation arising from prosecution of an offence under the Health and Safety at Work Act 2015; or b. <i>damages</i>, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against; or c. <i>your</i> legal defence costs or expenses in relation to an offence.
<p>Cover Option – Maxi</p> <p>Limits on what we will pay</p>	<p>1. c. ii. benefit 4 – Forest and Rural Fires Act;</p> <p>8. <i>Our</i> liability to <i>you</i>, 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 <i>period of insurance</i>, plus <i>your</i> legal costs and expenses incurred with <i>our</i> consent.</p>	<p>Deleted</p> <p>8. <i>Our</i> liability to <i>you</i> under all legal liability benefits (Liability for <i>Damages</i>, Liability for <i>Reparation</i> and Forest and Rural Fires Act), will be limited to the applicable sub-limits, and will never exceed \$2,000,000 in total during any <i>period of insurance</i>. In addition <i>we</i> will pay <i>your</i> legal defence costs and expenses incurred with <i>our</i> consent where <i>your</i> legal liability is to pay <i>damages</i>, or costs under the F&RF Act. However <i>we</i> will not pay <i>your</i> legal defence costs and expenses in relation to an offence or where <i>your</i> legal liability is to pay <i>reparation</i>.</p>