

Important changes to your insurance policies

We regularly review our cover to meet our customers' needs in a changing environment. To protect our customers from new and emerging risks, we're updating our personal insurance policies. A summary of these changes is below.

Simplified and enhanced landlord cover

Owning a rental property is usually the result of many years of saving and planning. We know how important it is for you to protect your property investments.

The regulatory environment we live in is changing, and we want to make sure you have certainty about the protection we offer, in case the worst should happen. We're simplifying our landlord cover, to make it easier for you to protect your property and your future.

Previously we've offered three levels of cover: our standard residential Home policy, an optional Landlord's Extension, and a separate LandlordPlan.

We've updated our Landlord's Extension, so that customers with a Vero Home Maxi policy can get all the benefits of the LandlordPlan without the need for a separate policy. This includes cover for malicious damage by tenants and their guests, and loss of rent due to non-payment of rent.

We've also created a useful guide to help our landlord customers better protect their property investments and meet their policy obligations, so that things will run smoothly when they need to make a claim. You can get a copy of the guide at vero.co.nz/landlord-updates.

Enhancing your liability cover

When the legal environment we live in changes, your insurance needs can change too, which is why we have enhanced the liability cover in our policies to give you protection for bodily injury liability.

In December 2014 the Sentencing Amendment Act 2014 came into force. Under this Act, if you're convicted of a criminal offence the courts may order you to pay compensation if you've injured someone in an accident.

New Zealanders now have a clear need for insurance protection for their liability to pay reparation that arises from accidents.

You can learn more about the Sentencing Amendment Act and the cover we offer at vero.co.nz/sentencing-act.

Affordable drug contamination cover

The recent increase in media coverage on methamphetamine (also known as P) contamination has contributed to an increased awareness of the impact it can have. In order to keep our premiums affordable for all our customers, we're limiting our cover for P damage to \$30,000 for landlords, and excluding it from Flexi policies.

For full details of the changes please talk to your broker or adviser, or refer to the policy documents at vero.co.nz/policywordings.

What do these changes mean for you?

Below is a summary of how these changes affect you, depending on your circumstances.

Home policies and landlords

If you own and occupy your home or have a holiday home and have a Maxi or a Flexi policy

We have updated our Vero Residential Home 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 as compensation for financial losses. 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. Cover doesn't apply if the claim against you is for exemplary damages instead of compensation.

2. Reparation

This covers your 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 of a criminal offence, the courts may order you to pay compensation to the victim by way of a reparation order. Our policy previously 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. For reparation cover to apply, you must tell us immediately if you are charged with an offence that could result in a reparation order covered by the policy. Also the liability must result from an accidental or careless act, as there is no cover for liability resulting from reckless or intentional acts. You should note that the cover for reparation does not apply to offences under health and safety legislation.

Policy exclusions will apply to loss or liability if you had reason to suspect criminal activity involving insured property was taking place, or if loss or

liability results from the intentional act of a person covered by the policy.

There is now an exclusion for illegal drug contamination in your policy.

If you're a landlord and have a Maxi policy and have not purchased Landlord's Extension

The policy now contains specific Landlord obligations you need to comply with concerning selection of tenants, regular inspections and monitoring of rent payments.

Methamphetamine contamination cover will be limited to \$30,000.

The liability section is enhanced to allow for cover for bodily injury liability. Policy exclusions apply to loss or liability arising from criminal activity involving insured property, or intentional acts by persons covered by the policy. (For more details see 'If you own and occupy your home...' section above).

If you're a landlord and have a Maxi policy with Landlord's Extension

You will get additional cover in the Landlord's Extension for malicious damage by tenants and their guests, and loss due to non-payment of rent (because of prevention of access, vacating without notice, eviction of tenants and tenancy tribunal orders). This is on top of the already existing

landlord's furnishings cover and the cover for loss of rent due to loss or damage to the home that is covered by the policy. The policy now contains specific Landlord obligations you need to comply with concerning selection of tenants, regular inspections and monitoring of rent payments.

Methamphetamine contamination cover will be limited to \$30,000.

The liability section is enhanced to allow for cover for bodily injury liability. Policy exclusions apply to loss or liability arising from criminal activity involving insured property, or intentional acts by persons covered by the policy. (For more details, see 'If you own and occupy your home...' section above).

If you're a landlord and have a Flexi policy

The policy now contains specific Landlord obligations you need to comply with concerning selection of tenants, regular inspections and monitoring of rent payments.

There is now an exclusion for illegal drug contamination in your policy.

The liability section is enhanced to allow for cover for bodily injury liability. Policy exclusions apply to loss or liability arising from criminal activity involving insured property, or intentional acts by persons covered

by the policy. (For more details, see 'If you own and occupy your home...' section above).

If you have LandlordPlan

If your rental property is insured with us under a Vero Residential Home **Maxi** policy as well as a LandlordPlan policy, your LandlordPlan cover will now be incorporated into the optional Landlord's Extension benefit on your Home policy and you will no longer need an additional LandlordPlan policy.

Where your rental property is insured with us under a Vero Residential Home **Flexi** policy as well as a LandlordPlan policy, no changes apply to your LandlordPlan policy.

Where your rental property is insured with us under a LandlordPlan policy only, no changes apply.

Contents policies

If you have Maxi or Flexi Contents

The liability section is enhanced to allow for cover for bodily injury liability. Policy exclusions apply to loss or liability arising from criminal activity involving insured property, or intentional acts by persons covered by the policy. (For more details, see 'If you own and occupy your home...' section above).

Motor policies

If you have MotorPlan

The liability section is enhanced to allow for cover for bodily injury liability. Policy exclusions apply to loss or liability arising from criminal activity involving insured property, or intentional acts by persons covered by the policy. Under MotorPlan you are covered for your liability for bodily injury up to \$1,000,000, and for your liability to pay civil compensation for property damage up to \$20,000,000. (For more details, see 'If you own and occupy your home...' section above).

There is now an exclusion for damage to your vehicle caused by the incorrect type of fuel being used.

Please note this is a summary of some of the changes we have made to our policy documents for general information purposes and does not form part of your insurance contract with Vero. For full details of the terms, conditions, limits and exclusions please refer to the policy documents at vero.co.nz/policywordings.

If you need to make a claim, or have a claim enquiry, contact your Broker or Adviser, or call us.

The Vero Claims Centre is available seven days a week, 24 hours a day on 0800 800 134.

For general enquiries call us on 0800 808 508 or email us at contact@vero.co.nz

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