

Residential Home Policy

Effective 1 July 2019



Smarter.

You have options to protect your lifestyle.

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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.

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 5 – Landscaping;
 - iii. benefit 6 – Property Owner’s Liability;
 - iv. benefit 15 – Stress Payment;
 - v. benefit 16 – SumExtra;
 - vi. benefit 21 – Environmental Improvements; 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 legal liability benefits (Liability for *Damages* and Liability for *Reparation*), will be limited to the applicable sub-limits, and will never exceed \$2,000,000 in total during any *period of insurance*. In addition we will pay your legal defence costs and expenses incurred with our consent where your legal liability is to pay *damages*. However we will not pay your legal defence costs and expenses in relation to an offence or where your legal liability is to pay *reparation*.
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 21, 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. 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*.

5. 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.

6. Property Owner's Liability

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.

A. Liability for Damages

We will cover you for your legal liability to pay damages for accidental bodily injury or loss to someone else's property happening during the period of insurance as a result of an event that occurs in New Zealand and arises out of your ownership of the home.

B. Liability for Reparation

We will cover *you* for your legal liability to pay reparation for accidental bodily injury or loss to someone else's property happening during the period of insurance as a result of an event that occurs in New Zealand and arises out of your ownership of the *home*, provided that:

- i. you tell *us* immediately if you are charged with any offence in connection with your ownership of the *home* which resulted in *loss* to someone else's property or *bodily injury* to another person; and
- ii. you obtain *our* written approval before any offer of *reparation* is made.

But we will not pay under any of these benefits for:

- a. legal liability for *loss* to property belonging to *you* or under *your* control;
- b. legal 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;
- c. any punitive or exemplary damages awarded against *you*;
- d. legal liability where any exclusion in the section "Exclusions (what *you* are not insured for)" applies.

Limits on what we will pay under Property Owner's Liability:

In respect of any one event, we will pay:

- a. for *loss* to someone else's property, up to \$2,000,000; and
- b. for *bodily injury*, up to \$1,000,000.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* legal defence costs and expenses incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses in relation to an offence or where *your* legal liability is to pay *reparation*.

7. 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 6 - 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*.

8. 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.

9. 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*.

10. 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*.

11. 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*.

12. 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.

13. 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.

14. 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.*

15. 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.

16. 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.

17. 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.

18. 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.

19. 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, 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*.

20. Methamphetamine Contamination

This benefit only applies if:

- a. *your home* is *tenanted*; and
- b. *you* comply with the Landlord Obligations set out in the 'Policy Conditions' section of this policy.

We will pay for the testing, decontamination and repair of *your home* if it suffers *loss* as a result of use, consumption, storage or manufacture of methamphetamine or its precursor chemicals by *your tenants* or persons at the *home* with *your*

tenants' permission. This benefit includes the costs reasonably incurred in searching for and identifying contamination, if testing confirms that the *home* is contaminated.

Cover under this benefit will only apply where, at the time of the claim being made, the level of chemical contamination exceeds 15µg/100cm². We will only pay for decontamination to the extent required to achieve a post-remediation contamination level of less than 1.5µg/100cm².

We will pay, within the *sum insured*, the reasonable cost incurred by *you* in decontaminating the *home*. If a damaged portion of the *home* needs to be repaired or rebuilt in order to achieve a post-remediation contamination level of less than 1.5µg/100cm², we will pay the reasonable cost incurred in repairing or rebuilding the damaged portion to *replacement condition*.

Our liability under this benefit will be limited to \$50,000 for any one event. We will never pay the cost associated with decontaminating or repairing land even if this is required to facilitate decontamination, repair or rebuilding of the *home* or to comply with government or local authority statutes, bylaws or regulations.

We will only provide cover under this benefit for *loss* caused by one event while the *home* was let to the same *tenants* or under the same *tenancy agreement*.

21. Environmental Improvements

At *your* request, we will pay up to \$3,500 for the additional costs associated with the purchase and installation of *environmental improvements* to *your home* such as a rainwater tank, solar systems or compost equipment if:

- a. we have accepted a claim for *loss* or *damage* under this policy worth more than 80% of the *sum insured*; and
- b. *your home* does not already have the relevant environmental equipment; and
- c. we are authorising or arranging the repairs to *your home*; and
- d. *you* have sought *our* agreement prior to purchasing or installing the relevant environmental equipment.

This benefit does not cover any amount which is, or would be but for the *sum insured*, covered under Benefit 7 - Statutory Requirements to comply with the latest building regulations.

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 Optional Additional Benefit and it is shown on *your schedule* as being included, we will provide the cover set out below 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 *your schedule*; and
- *you* comply with the Landlord Obligations set out in the 'Policy Conditions' section of this policy.

Any payment made by *us* for any *loss* covered under the Landlord's Extension will be reduced by the amount of *rent* received by *you* in advance and/or any bond held by *you* or with Tenancy Services.

A. Malicious Damage or Theft

We will cover *you* for:

- a. malicious, intentional or deliberate damage to the *home*; or
- b. theft of any part of the *home*;

committed by the *tenant(s)* or persons at the *home* with *your tenants'* permission.

We will pay:

- the reasonable cost incurred in rebuilding, repairing or replacing the damaged portion of the *home* to *replacement condition*; or
- the *indemnity value* should *you* not rebuild, repair or replace within a reasonable time.

Our liability under this benefit will be limited to \$30,000 for any one event.

We will only provide cover under this benefit for *loss* caused by one event while the *home* was let to the same *tenants* or under the same *tenancy agreement*.

B. Landlord's Furnishings

If *landlord's furnishings* suffer *loss* we will pay the *indemnity value* of these items. *Landlord's furnishings* are also covered under this benefit for *loss* within the terms of the "Malicious damage or theft" benefit.

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

C. Loss of Rent due to loss covered by this policy

If *your 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 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 an amount equal to the average weekly rental *you* received for renting out the *home* during the weeks it was occupied by *tenants* in the 12 months prior to the *loss*, or where a *tenancy agreement* was signed for a new *tenant* prior to the *loss*, the amount of the weekly rental in the agreement.

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 benefit.

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

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

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

D. Loss of Rent due to non-payment by tenants

We will pay or reimburse *you* for loss of *rent* due to non-payment by *your tenants*, in the following circumstances:

1. **prevention of access:** where the *tenant* is lawfully entitled to vacate the *home* due to prevention of access to the *home* or failure of public utilities, we will pay up to a maximum of 8 weeks *rent*; or
2. **vacating without notice:** where the *tenants* vacate the *home* without giving the required notice, we will pay up to a maximum of 8 weeks *rent*; or
3. **eviction of tenants:** where *your tenants* are lawfully evicted from the *home* as a result of non-payment of *rent*, we will pay up to a maximum of 12 weeks *rent*; or

4. **Tenancy Tribunal order:** where the Tenancy Tribunal makes an order for the *tenants* to leave the *home* and for the tenancy to end, we will pay up to 12 weeks *rent*, provided *you* or *your* property manager enforce the order within 5 working days of the order being issued.

Loss of *rent* under this benefit is calculated from the date when unpaid *rent* first became due until the *home* is re-*tenanted* or the maximum period in the relevant circumstance above is reached.

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 5 – Landscaping;
- iii. benefit 6 – Property Owner’s Liability;
- iv. 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 legal liability benefits (Liability for *Damages* and Liability for *Reparation*), will be limited to the applicable sub-limits, and will never exceed \$2,000,000 in total during any *period of insurance*. In addition we will pay *your* legal defence costs and expenses incurred with *our* consent where *your* legal liability is to pay *damages*. However we will not pay *your* legal defence costs and expenses in relation to an offence or where *your* legal liability is to pay *reparation*.

Benefits included in your cover

We will cover or pay for the following benefits numbered 1 to 7, 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. 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*.

5. 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.

6. Property Owner's Liability

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.

A. Liability for Damages

We will cover *you* for your legal liability to pay *damages* for *accidental bodily injury* or *loss* to someone else's property happening during the *period of insurance* as a result of an event that occurs in New Zealand and arises out of *your* ownership of the *home*.

B. Liability for Reparation

We will cover *you* for your legal liability to pay *reparation* for *accidental bodily injury* or *loss* to someone else's property happening during the *period of insurance* as a result of an event that occurs in New Zealand and arises out of *your* ownership of the *home*, provided that:

- i. *you* tell us immediately if *you* are charged with any offence in connection with *your* ownership of the *home* which resulted in *loss* to someone else's property or *bodily injury* to another person; and
- ii. *you* obtain *our* written approval before any offer of *reparation* is made.

But we will not pay under any of these benefits for:

- a. legal liability for *loss* to property belonging to *you* or under *your* control;
- b. legal 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;
- c. any punitive or exemplary damages awarded against *you*;
- d. legal liability where any exclusion in the section "Exclusions (what *you* are not insured for)" applies.

Limits on what we will pay under Property Owner's Liability:

In respect of any one event, we will pay:

- a. for *loss* to someone else's property, up to \$2,000,000; and
- b. for *bodily injury*, up to \$1,000,000.

In addition, where *your* legal liability is to pay *damages*, we will pay *your* legal defence costs and expenses incurred with *our* prior written consent. However we will not pay *your* legal defence costs and expenses in relation to an offence or where *your* legal liability is to pay *reparation*.

7. 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 6 – 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* as a result of an event covered by this policy, we will pay the *indemnity value* of these items.

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.

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

- for the period necessary to rebuild or repair the *home*, up to a maximum period of 12 months;
- where *you* don't want the *home* repaired or rebuilt, up to two months; or
- for the period of prevention of access to the *home*, up to a maximum period of 12 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. 72 Hour Restriction

This policy does not provide cover for any *loss* that occurs during the first 72 hours of the policy caused by storm, *flood*, landslip, bush fire or volcanic activity.

This exclusion only applies when *you* first take out the policy with *us* and does not apply where:

- a. this policy started immediately following any other policy that insured the *home* against storm, *flood*, landslip, bush fire or volcanic activity; or
- b. *you* took this policy out at the time *you* first purchased the *home*.

2. 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.

3. Hydrostatic Pressure

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

4. 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 12 – 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. This policy does not provide cover for any excess imposed by the EQC Act.

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.

5. 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 10 – 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 9 – 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 10 – 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, theft, malicious, intentional or deliberate damage committed by anybody renting, living, or staying in the *home* (however where the *home* is *tenanted* we will cover any *loss* to the *home* from fire or explosion resulting from malicious, intentional or deliberate damage by *tenants*). If:

- the *home* is *tenanted*; and
- it is shown on the *schedule* that you are insured for Cover Option – Maxi and have purchased the Optional Additional Benefit – Landlord’s Extension

this exclusion doesn’t apply to the extent of the cover provided by the Optional Additional Benefit.

- viii. scratching, chewing, tearing, or soiling by household pets where the occupant of the *home* is anyone other than you;
 - ix. subsidence, settling, ground heave, shrinkage, expansion, or erosion.
- c. any *loss*, damage, cost or liability arising from any deliberate, intentional, knowing, wilful or reckless act or omission, whether criminal or otherwise, committed by you or any other person entitled to cover under this policy.

6. 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.

7. 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.

8. Unoccupied Home

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

- a. to the *home* if *unoccupied* 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 weekly; and
 - iv. the *home* is under weekly 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.

9. 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.

10. The Accident Compensation Act 2001

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:

- 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.

11. 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.

12. 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 4 – Home Office or Healthcare Practice.

13. 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.

14. 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.

15. 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.

16. 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 12 – 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.

17. Excesses

This policy does not provide any cover for excesses.

18. Illegal Drug Contamination

This policy does not provide cover for any loss or liability arising from the manufacture, supply, storage, possession or use of any illegal drugs or substances including methamphetamine or any pre-cursor chemicals or materials used in any of these activities in or near your home (however we will cover any loss to the home from fire or explosion).

If it is shown on the schedule that you are insured for Cover Option – Maxi, this exclusion doesn't apply:

- a. to the extent of the cover provided for in benefit 20 – Methamphetamine Contamination where your home is tenanted; or
- b. where you normally reside in the home as your place of residence, including where you share the home with a tenant, and the loss is caused by unknown persons breaking into or entering your home without your permission when your home is unattended but is not unoccupied. In this case, we will extend benefit 20 – Methamphetamine Contamination to cover the loss to the home and this exclusion doesn't apply to the extent of the cover provided for in that benefit. The limit of liability otherwise applicable to benefit 20 – Methamphetamine Contamination will not apply in these circumstances and cover under the benefit will instead apply within the sum insured.

19. Fire and Emergency Act 2017

This policy does not provide cover where *your* liability arises directly or indirectly from any fire *you* lit intentionally that did not comply with the Fire and Emergency Act 2017 or any other statutory or local body requirement governing the lighting of fires.

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*;
 - 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; and
 - x. not refund the bond to the *tenant* where *your* home is *tenanted* and the *tenant* is potentially legally liable for any *loss* for which *you* have lodged a claim under the policy and *you* are lawfully entitled to withhold some or all of the bond.

Failure to comply with Conditions a.i. to a.x. 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 against *you* for *damages*. 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:
 1. 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;
 2. 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.

20. Reparation

If any person is ordered to pay *reparation* to anyone we insure under this policy for *loss* to any property that we have or will pay a claim under this policy for, then *you* must tell *us*. Any payments received must first reimburse *our* claims payment up to the amount of any *reparation* received.

21. Landlord Obligations

The following conditions apply where the *home* is tenanted.

- a. You or your managing agent must:
 - i. exercise reasonable care in the selection of each person who is a *tenant*; and
 - ii. obtain satisfactory references for each adult *tenant* prior to that *tenant* moving into the *home*; and
 - iii. keep records of the checks undertaken and references obtained and provide these to *us* if we ask for them.
- b. At 6 monthly intervals, or whenever there is a change of *tenant*, you or your managing agent must:
 - i. complete an internal and external inspection of the property; and
 - ii. keep photos and written records of the inspections and provide these to *us* if we ask for them.
- c. If you have purchased the Optional Additional Benefit – Landlord’s Extension, in addition to complying with the requirements of a. and b. above:
 - i. you have an obligation to mitigate any claim you make for your *loss of rent* under this policy by taking all reasonable steps to find suitable alternative *tenants* and must provide *us* with records of steps taken if we ask for them; and
 - ii. you or your managing agent must actively monitor *rent* for your *home* and if the *rent* is 10 days in arrears, you or your managing agent must provide a written notice requiring the *tenant* to remedy the arrears. If the unpaid *rent* is not received within a further 5 days, you or your managing agent must personally deliver a second notice to the *tenants* requiring the arrears to be remedied. You or your managing agent must also ascertain at this time whether the *tenants* are still living at the *home*.

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.

Bodily injury means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury to another person.

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*.

Damages means amounts payable in accordance with judgement against *you* and/or settlements negotiated by *us*, including the other party's costs and interest on any judgement where applicable. Damages do not include punitive or exemplary damages, fines, penalties, *reparation*, or any other form of criminal sanction, non-pecuniary relief, taxes, or any payment deemed to be unlawful to insure against.

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.

Environmental improvements means an alteration or addition to *your home* which is intended to contribute to the protection or conservation of the environment. These may include, but are not limited to, items such as solar panels, rainwater tanks or compost equipment.

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 barbecues;
- 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 4 – Home Office or Healthcare Practice;

but does not include:

- *contents*;
- temporary structures;
- retaining walls, except for the cover provided under benefit 12 – Retaining Walls;
- power generation and power storage equipment, except for the cover provided under benefit 11 – Power Generation Equipment;
- hedges, trees, shrubs, plants, lawns, and garden edging except where cover is provided under benefit 5 – 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.

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

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.

Rent means the periodic payments due to *you* by the *tenant(s)* for use of the *home* as agreed under the current *tenancy agreement*.

Reparation 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:

- a. reparation arising from prosecution of an offence under the Health and Safety at Work Act 2015; or
- b. *damages*, 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. *your* legal defence costs or expenses in relation to an offence.

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*.

Tenancy agreement means the written contract of tenancy between you and the *tenant(s)* over the *home*.

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.

Tenanted means that your *home* is occupied by *tenants* and your *home* is noted on your *schedule* as being tenanted.

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*.

Unoccupied means that no authorised person has slept overnight in the *home* within the last 60 days.

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.

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