



## LIABILITY ESSENTIALS

POLICY WORDING



# *Liability Essentials* / INSURANCE POLICY

**Welcome to NZI. Thank you for selecting us as your insurer. This is your Liability Essentials Policy document.**

It will tell you what you are insured for and what you are not insured for, as well as any obligations that you or we must abide by to ensure an enforceable policy. This policy document is a legal contract so please read it thoroughly and keep it in a safe place. If you need help with understanding your policy document, please contact your insurance broker.

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## BROADFORM LIABILITY POLICY – OCCURRENCE WORDING

### INTRODUCTION

#### AGREEMENT

**You** agree to pay **us** the premium described in the **schedule** and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

#### POLICY CONTRACT

This policy consists of the following parts:

1. **your** application for insurance, and any oral or written supporting statements or documents supplied by **you**, and
2. this policy wording (including any amending attachments), and
3. the **schedule**.

#### INTERPRETING THIS POLICY

Certain words in this policy have a specific meaning. These words appear in **bold** and **you** will find the meaning listed in the 'Definitions' section at the end of this policy. The definitions apply to the plural and any derivatives of the bolded words.

**You** will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy.

### WHAT YOU ARE INSURED FOR

**A. PUBLIC AND PRODUCT LIABILITY** **You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** anywhere in the world, except for **North America**, in connection with the **business**.

#### B. DEFENCE COSTS

**You** are insured for all legal costs and legal expenses necessarily and reasonably incurred by **you** to defend any civil legal action that if proven would be covered by this policy.

**We** will meet these costs even if the legal action seems groundless.

For avoidance of any doubt, if **you** are unsure whether **we** will pay **your** costs and/or expenses, please consult **us** before **you** start incurring any costs and/or expenses.

### AUTOMATIC EXTENSIONS

These Automatic Extensions are subject to the terms of this policy, except to the extent those terms are varied by each Extension.

#### A. BAILEE'S LIABILITY

**You** are insured for all sums that **you** become legally liable to pay for **damage** that happens during the **period of insurance** in New Zealand, to property that is:

1. in **your** control or possession (and not owned, hired, leased or rented by any person or entity defined under **you**, other than employees), and
2. at premises that are owned or occupied by **you**.

No cover is provided for legal liability for **damage** to land or buildings.

'Exclusion C' does not apply to faulty or defective storing of any **product** covered by this Extension.

'Exclusion Q Item 2' does not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.



## B. ERRORS AND OMISSIONS LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in connection with errors or omissions in:

1. advice given by **you** in connection with **products**, provided that the advice is not given for a fee, or
  2. emergency medical advice or emergency medical treatment provided by **you**.
- 'Exclusion F' does not apply to this Extension.

## C. EXEMPLARY DAMAGES IN NEW ZEALAND

**You** are insured for punitive or exemplary damages awarded against **you** by a New Zealand Court arising out of an **event** covered by this policy.

**You** are not insured for punitive or exemplary damages connected with a dishonest or fraudulent act or omission by **you**.

'Exclusion G Item 2' and 'General Condition Part C Item 3' do not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$1,000,000, unless a different amount is shown in the **schedule**.

## D. FOREST AND RURAL FIRES ACT

**You** are insured for all sums that **you** become legally liable to pay arising from fire (or threat of fire) that happens during the **period of insurance** in New Zealand for:

1. costs and losses recoverable from **you** under Section 43(1) of the Forest and Rural Fires Act 1977, and not otherwise at law, and
2. costs agreed (or levies imposed) and apportioned to **you** by a fire authority under Sections 46 and 46A of the Forest and Rural Fires Act 1977.

**We** will pay these costs whether **damage** occurs or not.

'Exclusion T Item 1' and 'Exclusion H' do not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

## E. INNKEEPER'S LIABILITY

**You** are insured for all sums that **you** become legally liable to pay under the Innkeepers Act 1962 for **damage** that happens during the **period of insurance** in New Zealand.

'Exclusion J' and 'Exclusion Q Item 2' do not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

## F. LANDLORD'S LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** anywhere in the world, except for **North America**, in connection with **your** legal ownership, but not physical occupation, of any premises.

## G. LOADING / UNLOADING LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand in connection with the:

1. loading of goods into a stationary **vehicle**, or
2. unloading of goods from a stationary **vehicle**.

**You** are not insured for any legal liability in connection with **mobile mechanical plant**.

'Exclusion T Item 1' does not apply to this Extension.

## H. MOBILE MECHANICAL PLANT LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand in connection with **mobile mechanical plant** that is operating its plant or machinery at the time of the **injury** and/or **damage**, provided that **you** are not otherwise insured for **your** legal liability under any other policy.

'Exclusion Q Item 2' and 'Exclusion T Item 1' do not apply to this Extension.

## I. MOTOR REPAIR AND STORAGE LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand, in connection with any:

1. **vehicle**, or
2. internal combustion engine, or
3. accessory or fitting of any of the above,

not owned, hired, leased or rented by any person or entity defined under **you**, provided that the **injury** and/or **damage** occurs:

- (a) as a result of **repairs**, or

(b) while any item listed in 1, 2 or 3 (above) is in **your** control or possession, but not as a result of **repairs** to that item.

No cover is provided when **you** are driving any **vehicle** and **you**:

- (i) do not hold an appropriate driver's licence or do not comply with the conditions of **your** driver's licence, or
- (ii) have a proportion of alcohol in **your** breath or blood that exceeds the legal limit, or
- (iii) are under the influence of any other intoxicating substance or drug, or
- (iv) fail or refuse to supply a breath or blood sample as required by law, or
- (v) fail or refuse to stop, or remain at the scene, following an accident (as required by law), or
- (vi) are using the **vehicle** outside the manufacturer's recommended specifications.

No cover is provided when **you** are driving any **vehicle** that is in an unsafe condition if:

- ▶ the condition of the **vehicle** causes or contributes to the **injury** and/or **damage**, and
- ▶ **you** were, or ought to have been, aware of the unsafe condition of the **vehicle**.

'Exclusion E', 'Exclusion F Item 1', 'Exclusion Q Item 2' and 'Exclusion T Item 1' do not apply to this Extension.

'Exclusion C' is deleted and replaced with the following:

'**You** are not insured for sums that **you** become legally liable to pay for the costs of rectifying, repairing or replacing errors or defects in **your** work or material. For the avoidance of doubt, this exclusion does not exclude legal liability for resultant **damage** arising from those errors or defects.'

The most **we** will pay:

1. for each **event** under (a) (repairs) is the sum insured shown in the **schedule**. However, any legal liability for **damage** to the item **repaired** under (a) (repairs) is limited to \$250,000, unless a different amount is shown in the **schedule**, and
2. for all **events** during an **annual period** under (b) (items in your control or possession) is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

#### J. NORTH AMERICAN BUSINESS TRAVEL

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in **North America**, provided that **your** legal liability is in connection with **business** related travel to, or in, **North America**.

No cover is provided under this Extension:

1. for legal liability in connection with the activities of **your**:
  - 1.1 sales agents, or
  - 1.2 vendors, or
  - 1.3 representatives, that are domiciled overseas, or
2. if **you** have a place of business in **North America**, or if **you** are represented by any parent or subsidiary company or joint venture in **North America**.

#### K. POLLUTION LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** anywhere in the world, except for **North America**, arising from the discharge, dispersal, release or escape of **pollution**, provided that the **injury** and/or **damage**:

1. is caused by a sudden, identifiable, unintended and unexpected happening that takes place in its entirety at a specified time and place, and
2. occurs during this **period of insurance** only (and not any other periods of insurance before or after this **period of insurance**).

For the avoidance of doubt, the cover provided by this Extension includes the cost of removing, nullifying or cleaning up the **pollution**.

'Exclusion O' does not apply to this Extension.

## L. PRODUCT WITHDRAWAL COSTS – NEW ZEALAND ONLY

**You** are insured for **your** reasonable costs incurred, where it is necessary for **you** to withdraw or recall **your products**, provided that:

1. the **product** defect(s), which cause the withdrawal or recall, have already given rise to a claim covered under this policy, and
2. the costs are incurred within 12 months of **you** first notifying **us** of the **products** claim (as mentioned in Item 1 above), and
3. the costs are limited to the withdrawal or recall of **products** within New Zealand.

**We** will pay 80% of the costs incurred for any **event**.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$100,000, unless a different amount is shown in the **schedule**.

An excess of \$2,500 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

## M. TENANT'S LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** anywhere in the world, except for **North America**, in connection with any premises occupied, but not owned, by **you**.

'Exclusion Q Item 2' does not apply to the premises occupied by **you**.

## N. UNDERGROUND SERVICES LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **damage** to any existing:

1. underground cables, or
2. underground pipes, or
3. other underground facilities,

that happens during the **period of insurance** in New Zealand, provided that prior to commencement of the work that caused the **damage**, **you** have inquired with the relevant authorities about the exact position of those cables, pipes or other underground facilities.

'Exclusion S' does not apply to this Extension.

An excess of \$1,000 applies to each **event** under this Extension, unless a different amount is shown in the **schedule**.

## O. VEHICLES NOT REGISTERED FOR ROAD USE

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand, in connection with:

1. the **business**, and
2. **your** use of any **vehicle**,

provided that the **vehicle** is:

- (a) not required to be registered for road use, and
- (b) not covered by any other insurance, and
- (c) not **mobile mechanical plant** that is operating its plant or machinery at the time of the **injury** and/or **damage**.

No cover is provided when **you** are driving any **vehicle** and **you**:

- (i) do not hold an appropriate driver's licence or do not comply with the conditions of **your** driver's licence, or
- (ii) have a proportion of alcohol in **your** breath or blood that exceeds the legal limit, or
- (iii) are under the influence of any other intoxicating substance or drug, or
- (iv) fail or refuse to supply a breath or blood sample as required by law, or
- (v) fail or refuse to stop, or remain at the scene, following an accident (as required by law), or
- (vi) are using the **vehicle** outside the manufacturer's recommended specifications, and
- (vii) are practising for or taking part in any race, rally, pace-making, reliability trial or speed test, or
- (viii) are on any racetrack.

No cover is provided when **you** are driving any **vehicle** that is in an unsafe condition if:

- ▶ the condition of the **vehicle** causes, or contributes to, the **injury** and/or **damage**, and
- ▶ **you** were, or ought to have been, aware of the unsafe condition of the **vehicle**.

'Exclusion T Item 1' does not apply to this Extension.



## P. VIBRATION, REMOVAL, WEAKENING OF SUPPORT LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand, in connection with the:

1. vibration, or
2. removal of the support, or
3. weakening of the support, or
4. interference with the support, of land or buildings.

'Exclusion U' does not apply to this Extension.

The most **we** will pay under this Extension for all **events** that happen during an **annual period** is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$5,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

## Q. WATERCRAFT REPAIR AND STORAGE LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens in New Zealand during the **period of insurance**, in connection with any:

1. watercraft up to 500 Gross Registered Tonnes, or
2. marine internal combustion engine that is used in a watercraft up to 500 Gross Registered Tonnes, or
3. accessory or fitting of either 1 or 2 (above),

that is not owned, hired, leased or rented by any person or entity defined under **you**, provided that the **injury** and/or **damage** occurs:

- (a) as a result of **repairs**, or
- (b) while any item listed in 1, 2 or 3 (above) is in **your** control or possession, but not as a result of **repairs** to that item.

No cover is provided when **you** are sailing or navigating any watercraft and **you**:

- (i) are under the influence of any intoxicating substance or drug, or
- (ii) are using the watercraft outside the manufacturer's recommended specifications.

No cover is provided when **you** are sailing or navigating any watercraft that is in an unsafe condition if:

- ▶ the condition of the watercraft causes, or contributes to, the **injury** and/or **damage**, and
- ▶ **you** were, or ought to have been, aware of the unsafe condition of the watercraft.

'Exclusion E', 'Exclusion F Item 1', 'Exclusion Q Item 2', and 'Exclusion T Item 2' do not apply to this Extension.

'Exclusion C' is deleted and replaced with the following:

'**You** are not insured for sums that **you** become legally liable to pay for the costs of rectifying, repairing or replacing errors or defects in **your** work or material. For the avoidance of doubt, this exclusion does not exclude legal liability for resultant **damage** arising from those errors or defects.'

The most **we** will pay:

1. for each **event** under (a) (repairs) is the sum insured shown in the **schedule**. However, any legal liability for **damage** to the item repaired under (a) (repairs) including any consequential loss is limited to \$250,000, unless a different amount is shown in the **schedule**, and
2. for all **events** during an **annual period** under (b) (items in your control or possession) is \$250,000, unless a different amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this Extension, unless a different amount is shown in the **schedule**.

## R. WELDING / GAS CUTTING / BURNING-OFF LIABILITY

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand, in connection with the following work **you** carry out for the **business**:

1. welding, or
2. gas cutting, or
3. burning-off of any substance,

provided that the welding, gas cutting or burning-off is carried out in accordance with the current New Zealand Standard appropriate to that work.

'Exclusion W' does not apply to this Extension.

An excess of \$1,000 applies to each **event** under this Extension, unless a different amount is shown in the **schedule**.

## OPTIONAL POLICY EXTENSION

This Optional Extension only applies where specified in the **schedule**. This Optional Extension is subject to the terms of this policy, except to the extent those terms are varied by this Extension.

### A. PRODUCT LIABILITY – NORTH AMERICA

**You** are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in connection with **your products** in **North America**.

No cover is provided under this Extension:

1. for legal liability in connection with the activities of **your**:
  - 1.1 sales agents, or
  - 1.2 vendors, or
  - 1.3 representatives, that are domiciled overseas, or
2. if **you** have a place of business in **North America**, or if **you** are represented by any parent or subsidiary company or joint venture in **North America**.

## EXCLUSIONS

### A. ASBESTOS

**You** are not insured for loss, legal liability, prosecution or expense of any type in connection with asbestos.

### B. BUILDING DEFECTS

**You** are not insured for loss, legal liability, prosecution or expense of any type in connection with a building or structure being affected by:

1. moisture or water build-up or the penetration of external moisture or water, or
2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,

provided that the **injury** and/or **damage** is caused directly or indirectly by:

- (a) non-compliance with the New Zealand Building Code, or
- (b) faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or
- (c) faulty materials, or
- (d) faulty workmanship, or
- (e) faulty inspection, or
- (f) faulty certification of compliance,

when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.

This exclusion does not apply to **your** liability for **injury** and/or **damage** that is caused by, or directly arises from, the leakage of internal pipes, internal water systems or internal cisterns.

### C. DAMAGE TO PRODUCTS

**You** are not insured for sums that **you** become legally liable to pay for **damage** in connection with **your products**.

This exclusion does not apply to legal liability for resultant **damage** to other property that is not a **product**.

### D. DEFECTIVE DESIGN

**You** are not insured for sums that **you** become legally liable to pay in connection with **your** development or formulation of any design or specification that is architectural, engineering, scientific, chemical or medical in nature.

### E. E-COMMERCE

**You** are not insured for loss, legal liability, prosecution or expense of any type in connection with:

1. any alteration, corruption, erasure or other use of **computers**, or
2. any error in creating, amending, deleting or using **computers**, or
3. any inability to access or use **computers** for any time, or at all.

### F. ERRONEOUS ADVICE

**You** are not insured for sums that **you** become legally liable to pay in connection with any error or omission in:

1. advice given by **you**, or
2. medical advice or medical treatment provided by **you**.

- G. FINES / EXEMPLARY DAMAGES** **You** are not insured for:
1. any fine or penalty imposed on **you** (whether under contract or statute), or
  2. any punitive or exemplary damages awarded against **you**.
- H. FOREST AND RURAL FIRES ACT** **You** are not insured for sums that **you** become legally liable to pay under the Forest and Rural Fires Act 1977, unless **you** are (or would be) otherwise legally liable for such sums.
- I. INJURY TO EMPLOYEES** **You** are not insured for sums that **you** become legally liable to pay for **injury** that arises out of, and in the course of, **your** employment of any person.
- J. INNKEEPERS ACT** **You** are not insured for sums that **you** become legally liable to pay under the Innkeepers Act 1962.
- K. LIABILITY BY AGREEMENT** **You** are not insured for legal liability that **you** have agreed to assume under a contract unless:
1. **you** would otherwise have been legally liable in the absence of that contract, or
  2. **you** have advised **us** of the contract and it is shown in the **schedule** as being accepted.
- L. LOSS OF USE** **You** are not insured for loss, legal liability, prosecution or expense of any type in connection with loss of use of tangible property that has not suffered physical loss or physical damage, where that loss of use is caused solely by:
1. **your** delay in performing a contract, or
  2. the failure of **products** to meet a level of performance, quality, fitness or durability expressly represented by **you**.
- M. NUCLEAR** This policy does not insure any loss, liability, prosecution or expense of any type in connection with:
1. ionising radiation or contamination by radioactivity from:
    - 1.1 any nuclear fuel, or
    - 1.2 any nuclear waste from the combustion or fission of nuclear fuel,
  2. nuclear weapons material.
- N. OFFSHORE GAS OR OIL PLATFORMS** **You** are not insured for sums **you** become legally liable to pay in connection with offshore gas or oil platforms.
- O. POLLUTION** **You** are not insured for sums **you** become legally liable to pay in connection with **pollution**.
- P. PROFESSIONAL DUTY** **You** are not insured for sums that **you** become legally liable to pay in connection with a breach of professional duty.
- Q. PROPERTY YOU OWN OR CONTROL** **You** are not insured for sums that **you** become legally liable to pay for **damage** to:
1. property owned by **you**, or
  2. property in **your** control or possession (except for **vehicles** in a car park owned or operated by **you** without income or reward as a car park owner or operator).
- R. TERRORISM** This policy does not insure any loss, liability, prosecution or expense of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.
- S. UNDERGROUND SERVICES LIABILITY** **You** are not insured for sums that **you** become legally liable to pay in connection with any existing:
1. underground cables, or
  2. underground pipes, or
  3. other underground facilities.
- T. VEHICLE / WATERCRAFT / AIRCRAFT** **You** are not insured for sums that **you** become legally liable to pay in connection with:
1. ownership, possession, **repair** or use of any **vehicle** by **you**, or
  2. ownership, possession, **repair** or use of any watercraft by **you**, or
  3. watercraft exceeding 500 Gross Registered Tonnes, or
  4. ownership, possession, **repair** or use of an aircraft, aerial device, or hovercraft, or
  5. **products**:
    - 5.1 used in the construction of, or
    - 5.2 installed in,any aircraft, aerial device, hovercraft or watercraft that exceeds 500 Gross Registered Tonnes.

## U. VIBRATION, REMOVAL, WEAKENING OF SUPPORT

**You** are not insured for sums that **you** become legally liable to pay in connection with:

1. vibration, or
2. removal of the support, or
3. weakening of the support, or
4. interference with the support, of land or buildings.

## V. WAR

This policy does not insure any loss, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## W. WELDING / GAS CUTTING / BURNING-OFF LIABILITY

**You** are not insured for sums that **you** become legally liable to pay in connection with:

1. welding, or
2. gas cutting, or
3. burning-off of any substance, carried out by **you**.

## BASIS OF SETTLEMENT

### A. MAXIMUM AMOUNT PAYABLE

#### 1. Legal Liability

The most **we** will pay in total under this policy for **your** legal liability for each **event** is:

- 1.1 the sum insured shown in the **schedule**, or
- 1.2 where one or more Extensions apply, the limits for those Extensions, whichever is lesser.

However, whenever **your** legal liability arises in connection with **your products**, the most **we** will pay for all **events**, in the aggregate, during an **annual period**, is the sum insured shown in the **schedule**.

#### 2. Defence Costs

**We** will pay all defence costs covered under 'What You Are Insured For Part B – Defence Costs' in addition to '1. Legal Liability' (above), except for:

- 2.1 'Automatic Extension Part J – North American Business Travel', and
- 2.2 'Optional Extension Part A – Product Liability – North America', where defence costs are included in the limit in '1. Legal Liability' (above) and are not in addition to it.

### B. EXCESS

An excess of \$500 applies for each **event**, unless a different amount is shown in this policy or in the **schedule**.

For avoidance of any doubt, if **you** are entitled to cover under more than one Part under 'What You Are Insured For', then **we** only deduct one excess. That excess will be the highest excess.

## MANAGING YOUR CLAIM

### A. YOUR OBLIGATIONS

#### 1. Do Not Admit Liability

**You** must not:

- 1.1 admit **you** are liable, or
- 1.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.

#### 2. Advise Us

If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.

#### 3. Minimise the Loss

**You** must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.

#### 4. Notify the Police

**You** must immediately lay a complaint with the Police if **you** suspect burglary, theft, arson or intentional damage has occurred.

## 5. Provide Full Information

When **you** make a claim **you** consent to **your** personal information in connection with the claim being:

5.1 disclosed to **us**, and

5.2 transferred to the Insurance Claims Register Limited.

**You** must:

(a) give **us** free access to examine and assess the claim, and

(b) send any relevant correspondence or documents to **us**, and

(c) complete a claim form and/or statutory declaration to confirm the claim if **we** request it, and

(d) provide any other information, proof of ownership or assistance that **we** may require at any time.

## 6. Be Truthful

If **your** claim is dishonest or fraudulent in any way, **we** may:

6.1 decline **your** claim either in whole or in part, and/or

6.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

## 7. Do Not Dispose of Property

**You** must not dispose of any property involved in **your** claim until **we** have given **you** permission to do this.

## 8. Incurring Costs

All costs claimed for under this policy must be necessarily and reasonably incurred.

**You** are not authorised to start any repairs without **our** permission unless the repairs are necessary to prevent further loss or liability.

## B. MANAGING YOUR CLAIM

### 1. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery, **we** will include **your** excess and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

### 2. Defence of Liability Claims

After **you** have made a claim, **we** have the sole right to:

2.1 act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and

2.2 publish a retraction or apology (in the case of defamation proceedings).

**We** may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

### 3. Discharge of Liability Claims

**We** may elect at any time to pay **you**:

3.1 the maximum amount payable under the policy, or

3.2 any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (plus any defence costs already incurred) **our** responsibility to **you** under the policy is met in full.

### 4. Waiver of Professional Privilege

The solicitors **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**.

**You** authorise the solicitors to disclose this information to **us**.



## GENERAL CONDITIONS

### A. HOW WE ADMINISTER THIS POLICY

#### 1. Cancellation and Modification

##### 1.1 By You

**You** may ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.

##### 1.2 By Us

**We** may cancel or modify this policy by advising **you** (or **your** Broker or Agent) by letter, fax or email. Cancellation or modification will take effect at 4.00pm, on the 30th day after the date of **our** advice.

**We** will refund the proportion of unused premium paid, calculated from the date of cancellation.

If **you** pay **your** premium by instalments, **you** must pay **us** any unpaid instalments that are due.

#### 2. Other Insurance

**You** must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

If **you** or anyone else who can claim under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.

#### 3. Currency

All sums in this policy wording (including any attachments) and in the **schedule** are specified in New Zealand dollars unless stated otherwise in the **schedule**.

#### 4. Separate Insurance (Cross Liability)

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the maximum amount **we** will pay to all parties is the amount stated in the 'Basis of Settlement', subsequent attachments or **schedule**.

#### 5. GST

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

5.1 all sums insured exclude GST, and

5.2 all sub limits exclude GST, and

5.3 all excesses include GST, and

5.4 GST will be added, where applicable, to claim payments.

#### 6. Premium Payment Options

If **you** choose to pay the premium other than annually, then:

6.1 **you** must use the Deduction Authority **we** require, and

6.2 this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

The policy will be renewed for further fortnightly, monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

#### 7. Premium Adjustments

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for an **annual period**.

Within three months of the expiry of an **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

## B. LAWS AND ACTS THAT GOVERN THIS POLICY

### 1. Acts of Parliament

Where this policy refers to any Act of Parliament, it also includes any subordinate legislation made under it, and any subsequent Acts or Regulations.

### 2. Disputes about this Policy

The law of New Zealand applies to disputes about this policy, and the New Zealand Courts have exclusive jurisdiction.

### 3. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

## C. YOUR OBLIGATIONS

### 1. Comply with the Policy

**You** (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** (and any other person or entity **we** cover) fail to comply, **we** may, at **our** sole discretion, not pay **your** claim.

### 2. Provide Accurate Information

**You** must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.

### 3. Reasonable Care

**You** must take reasonable care at all times to avoid circumstances that could result in a claim. **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

### 4. Change in Circumstances

**You** must tell **us** immediately if there is a material:

4.1 increase in the risk insured, or

4.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

(a) declare this policy unenforceable, and/or

(b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

*For avoidance of any doubt, information is 'material' where we would have made different decisions about either:*

(i) accepting your insurance, or

(ii) setting the terms of your insurance,

*if we had known that information. If in any doubt, notify us anyway.*

## DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words. *For example, the definition of 'accidental' also applies to the words 'accidentally', 'accident' and 'accidents'.*

### **accidental**

Unexpected and unintended by **you**.

### **act of terrorism**

Includes any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

1. involves violence against one or more persons, or
2. involves damage to property, or
3. endangers life other than that of the person committing the action, or
4. creates a risk to health or safety of the public or a section of the public, or
5. is designed to interfere with or disrupt an electronic system.

# Liability Essentials / BROADFORM LIABILITY POLICY

<b>annual period</b>	The <b>period of insurance</b> . However, if: <ol style="list-style-type: none"><li>1. <b>you</b> pay the premium fortnightly, monthly or quarterly, or</li><li>2. the <b>period of insurance</b> is for more than 12 months,</li></ol> the annual period is any one 12-month period calculated from the date this policy first started, and consecutively thereafter.
<b>business</b>	The business described in the <b>schedule</b> .
<b>computers</b>	Includes any data, computer hardware, operating system, computer network, equipment, websites, servers, extranet, software, applications software, computer chip including microprocessor chip and coded instructions as well as any new technology, product or service replacing existing computer equipment.
<b>damage</b>	Any of the following: <ol style="list-style-type: none"><li>1. <b>accidental</b> physical loss or <b>accidental</b> physical damage to any tangible property, including its subsequent loss of use,</li><li>2. <b>accidental</b> loss of use of any tangible property that has not suffered physical loss or physical damage.</li></ol>
<b>event</b>	Any one event (including continuous or repeated exposure to conditions) or series of events arising from one source or original cause.
<b>injury</b>	Any of the following: <ol style="list-style-type: none"><li>1. the <b>accidental</b> death of, or the <b>accidental</b> bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury,</li><li>2. false arrest, false imprisonment, malicious prosecution or malicious humiliation,</li><li>3. defamation, or publication that violates any individual's right to privacy, except:<ol style="list-style-type: none"><li>3.1 defamation where <b>you</b> know the statement is false, and</li><li>3.2 defamation or publication that involves advertising, broadcasting or telecasting activities conducted by <b>you</b>, or on <b>your</b> behalf,</li></ol></li><li>4. wrongful entry or eviction, or any other invasion of the right of private occupancy,</li><li>5. battery or assault, provided that:<ol style="list-style-type: none"><li>5.1 it is not committed by <b>you</b>, or</li><li>5.2 it is not committed under <b>your</b> direction,</li></ol>unless it is committed to prevent or eliminate danger to persons or property.</li></ol>
<b>mobile mechanical plant</b>	A <b>vehicle</b> that has either plant or machinery attached to it, or is primarily designed as mobile plant or machinery.
<b>North America</b>	Any territory under the jurisdiction of the laws of The United States of America or Canada.
<b>period of insurance</b>	The period <b>you</b> are insured for. This is shown in the <b>schedule</b> .
<b>pollution</b>	Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
<b>products</b>	Any of the following: <ol style="list-style-type: none"><li>1. any goods that <b>you</b>, or anyone on <b>your</b> behalf, sells, supplies, distributes, manufactures, constructs, erects or installs, including any item that is used to contain those goods (provided the container is not a <b>vehicle</b>), and</li><li>2. that part of any tangible property that <b>you</b>, or anyone on <b>your</b> behalf, works on, but not any other separate component of that property.</li></ol>
<b>repair</b>	Repair, alter, renovate, service or install.
<b>schedule</b>	The latest version of the Schedule <b>we</b> issued to <b>you</b> for this policy.

# Liability Essentials / BROADFORM LIABILITY POLICY

## vehicle

Any:

1. motor vehicle, or
2. machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, or
3. anything, other than a watercraft, designed to be towed by either 1 or 2 (above).

## we

NZI, a business division of IAG New Zealand Limited.

*We may also use the words 'us', 'our' or 'company' to describe NZI.*

## you

Any person or entity named in the **schedule** as 'INSURED'.

This includes any of the following, provided they are living or based in New Zealand:

1. any existing subsidiary company of that entity,
2. any existing:
  - 2.1 joint venture, or
  - 2.2 other company,  
over which that person or entity exercises more than 50% management control,
3. any director, executive officer, employee or partner of:
  - 3.1 that person or entity, or
  - 3.2 any entity referred to in 1 and 2 (above),  
but only while acting in that capacity,
4. any office bearer or member of a social club, social sporting club or your employee superannuation fund that has been formed by:
  - 4.1 that person or entity, or
  - 4.2 any entity referred to in 1 and 2 (above),  
but only while acting in that capacity, or in connection with the activities of the club or fund,
5. any new organisation that the person or entity acquires through consolidation, merger, purchase of the assets, or assumption of control and active management, provided that:
  - 5.1 the new organisation is acquired during the **period of insurance**, and
  - 5.2 the acquisition is notified to **us** within 90 days after it takes effect,
6. any principal who is party to a contract with:
  - 6.1 that person or entity, or
  - 6.2 any entity referred to in 1 and 2 (above),  
but only for the principal's vicarious liability that arises out of that person's or entity's actions under that contract.

*We may also use the word 'insured' to describe you.*

**CONTENTS**

**STATUTORY LIABILITY POLICY**

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## STATUTORY LIABILITY POLICY – CLAIMS MADE WORDING

### INTRODUCTION

#### AGREEMENT

**You** agree to pay **us** the premium described in the **schedule** and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

#### POLICY CONTRACT

This policy consists of the following parts:

1. **your** application for insurance, and any oral or written supporting statements or documents supplied by **you**, and
2. this policy wording (including any amending attachments), and
3. the **schedule**.

#### INTERPRETING THIS POLICY

Certain words in this policy have a specific meaning. These words appear in **bold** and **you** will find the meaning listed in the 'Definitions' section at the end of this policy. The definitions apply to the plural and any derivatives of the bolded words.

**You** will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy.

### WHAT YOU ARE INSURED FOR

#### A. STATUTORY LIABILITY AND DEFENCE COSTS

**You** are insured for:

1. any **fine** and/or **reparation** that a New Zealand Court or Tribunal imposes on **you** arising out of an **event** that occurs after the **retroactive date** in New Zealand in connection with the business stated in the **schedule**, and
2. **statutory damages** that **you** become liable to pay arising out of an **act or omission** after the **retroactive date** in New Zealand in connection with the business stated in the **schedule**, and
3. all legal costs and legal expenses necessarily and reasonably incurred by **you** with **our** prior written consent, to defend a:
  - 3.1 **prosecution** that if proven would result in a **fine** insured under this policy, or
  - 3.2 **proceeding** that if proven would result in **statutory damages** insured under this policy, or
  - 3.3 **prosecution** under the Health and Safety in Employment Act 1992,provided that for 1, 2 and 3:
  - (a) **you** first knew, or ought to have known, of:
    - (i) the **prosecution** in relation to that **event**, or
    - (ii) the **proceeding** in relation to that **act or omission**, during the **period of insurance**, and
  - (b) **you** have advised **us** of the **prosecution** or **proceeding** as soon as possible, but no later than 30 days after the **period of insurance** ends.

The excess shown in the **schedule** applies to each **event**, or **act or omission** under this Insuring Clause.

## AUTOMATIC EXTENSIONS

These Automatic Extensions are subject to the terms of the policy except to the extent those terms are varied by each Extension.

- A. COMMERCE ACT** **We** will insure any individual person(s) covered under this policy for any **fine** and/or **reparation** arising from a breach of the Commerce Act 1986. Cover is limited to the sum insured shown in the **schedule** for all **prosecutions** against all individual persons during an **annual period**. 'Exclusion C' does not apply to this Extension.
- B. MERGERS AND CONSOLIDATIONS** If the company named as Insured in the **schedule**:
1. is merged, amalgamated, or consolidated with or becomes a subsidiary company of another company, or
  2. sells all or substantially all of its assets to another company,
- this policy will be extended to insure the new company, provided that **you**:
- (a) give **us** notice that **you** wish to extend cover as soon as practicable, and
  - (b) pay any additional premium **we** require.
- C. NEW SUBSIDIARY COMPANIES** This policy is extended to insure a subsidiary company created or acquired by **you** during the **period of insurance**, provided that **you**:
1. give **us** notice that **you** wish to extend cover as soon as practicable, and
  2. pay any additional premium **we** require.
- We** will only cover **events**, or **acts or omissions** that happen after the acquisition.
- D. OFFICIAL INVESTIGATIONS COVER** **You** are insured for all legal costs and legal expenses necessarily and reasonably incurred by **you** in connection with an **official investigation** involving **you**, provided that:
1. the investigation arises out of:
    - 1.1 an **event**, or potential **event**, after the **retroactive date** in New Zealand in connection with the business stated in the **schedule**, or
    - 1.2 an **act or omission** after the **retroactive date** in New Zealand in connection with the business stated in the **schedule** that may result in **you** being liable to pay **statutory damages**, and
  2. **you** first knew, or ought to have known, of the **prosecution** in relation to that **event** or the **proceeding** in relation to that **act or omission** during the **period of insurance**, and
  3. **you** have advised **us** of the **prosecution** or **proceeding** as soon as possible, but no later than 30 days after the **period of insurance** ends.
- The excess shown in the **schedule** applies to each **event**, or **act or omission** under this Insuring Clause.

## EXCLUSIONS

- A. ASBESTOS** **You** are not insured for loss, legal liability, prosecution or expense of any type in connection with asbestos.
- B. BUILDING DEFECTS** **You** are not insured for any **event**, or **act or omission** in connection with a building or structure being affected by:
1. moisture or water build-up or the penetration of external moisture or water, or
  2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,
- provided that the **event**, or **act or omission** is caused directly or indirectly by:
- (a) non-compliance with the New Zealand Building Code, or
  - (b) faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or
  - (c) faulty materials, or
  - (d) faulty workmanship, or
  - (e) faulty inspection, or
  - (f) faulty certification of compliance,

when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.

This exclusion does not apply to **your** liability for an **event**, or **act or omission** that is caused by, or directly arises from, the leakage of internal pipes, internal water systems or internal cisterns.

## C. COMMERCE ACT

**You** are not insured for any **fine** arising from a breach of the Commerce Act 1986.

## D. CONTINUING OFFENCES

If a **fine** and/or **reparation** is imposed for a continuing offence under an **Act**, **you** are not insured for the part of the **fine** and/or **reparation** relating to the period after **you**:

1. know an offence is being committed, or
2. ought to have known that an offence was being committed.

## E. DISHONESTY OR FRAUD

**You** are not insured for any **event**, or **act or omission** that involves **your**:

1. dishonesty, or
2. fraud.

## F. HEALTH AND SAFETY IN EMPLOYMENT ACT 1992

**You** are not insured under 'What You Are Insured For Part A' for any **fine** or infringement fee under the Health and Safety in Employment Act 1992.

However, defence costs in relation to a **prosecution** under that Act remain covered as described under 'What You Are Insured For Part A item 3.3'.

## G. INTENTIONAL OR RECKLESS BREACH

**You** are not insured if **you** intentionally or recklessly disregard the provisions of an **Act**.

## H. KNOWN CLAIMS AND CIRCUMSTANCES

**You** are not insured for legal liability in connection with any **prosecution** or **proceeding** that **you** first knew of, or ought to have known of, prior to the inception date of this policy.

## I. NUCLEAR

This policy does not insure any loss, liability, prosecution or expense of any type in connection with:

1. ionising radiation or contamination by radioactivity from:
  - 1.1 any nuclear fuel, or
  - 1.2 any nuclear waste from the combustion or fission of nuclear fuel,
2. nuclear weapons material.

## J. TAXES

**You** are not insured for any **event**, or **act or omission** in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other kind of revenue under an **Act**.

## K. TERRORISM

This policy does not insure any loss, liability, prosecution or expense of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

## L. WAR

This policy does not insure any loss, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## BASIS OF SETTLEMENT

- A. MAXIMUM AMOUNT PAYABLE** The most **we** will pay for all **events** and **acts or omissions**, in the aggregate, during an **annual period** (including any Extended Reporting Period) is the sum insured specified in the **schedule**.
- B. EXCESS** **We** will deduct only one excess for:
1. each **event**, or **act or omission**, or
  2. a series of **events**, or **acts or omissions** arising from one source or cause.
- For avoidance of any doubt, if **you** are entitled to cover under more than one Part under 'What You Are Insured For', then **we** only deduct one excess. That excess will be the highest excess.

## MANAGING YOUR CLAIM

- A. YOUR OBLIGATIONS**
- 1. Do Not Admit Liability**

**You** must not:

    - 1.1 admit **you** are liable, or
    - 1.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.
  - 2. Advise Us**

If **you** become aware of any situation that is likely to give rise to a **prosecution** or **proceeding**, **you** must contact **us** immediately. This is regardless of whether the claim amount exceeds the excess.
  - 3. Minimise the Loss**

**You** must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.
  - 4. Notify the Police**

**You** must immediately lay a complaint with the Police if **you** suspect criminal activity has occurred.
  - 5. Provide Full Information**

When **you** make a claim **you** consent to **your** personal information in connection with the claim being:

    - 5.1 disclosed to **us**, and
    - 5.2 transferred to the Insurance Claims Register Limited.

**You** must:

    - (a) give **us** free access to examine and assess the claim, and
    - (b) send any relevant correspondence or documents to **us**, and
    - (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and
    - (d) provide any other information, proof of ownership or assistance that **we** may require at any time.
  - 6. Be Truthful**

If **your** claim is dishonest or fraudulent in any way, **we** may:

    - 6.1 decline **your** claim either in whole or in part, and/or
    - 6.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.
  - 7. Incurring Costs**

**You** are not authorised to incur any costs or expenses without **our** prior written consent.

## B. MANAGING YOUR CLAIM

### 1. Allocation of Defence Costs

If a claim is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the legal costs and legal expenses for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the legal costs and legal expenses, then that allocation shall be referred to a lawyer that **we** and **you** agree to instruct, whose determination shall be binding upon all parties.

The cost of the lawyer's determination is to be taken as part of 'What You Are Insured For Part A item 3'.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

### 2. Apportionment

If **we** incur costs and/or expenses above the maximum amount payable, then:

2.1 **you** must refund to **us** all amounts in excess of the maximum amount payable when **we** ask for it, or

2.2 **we** can offset any surplus against what **we** must pay to **you** under this policy.

### 3. Your Defence (Queen's Counsel Clause)

3.1 **We** are not required to defend a claim against **you** unless a lawyer that **we** and **you** agree to instruct advises that the claim should be defended. If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

3.2 In formulating his or her advice, the lawyer must be instructed to consider the:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the claim.

3.3 The costs of the lawyer's opinion are to be taken as part of defence costs covered by this policy.

3.4 If the lawyer advises that the claim should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the lawyer's opinion and in the light of the matters he/she is required to consider), then:

- (a) **you** cannot object to the settlement, and
- (b) **you** must immediately pay the excess shown in the **schedule**.

### 4. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery, **we** will include **your** excess and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

### 5. Defence of Liability Claims

After **you** have made a claim, **we** have the sole right to act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense).

### 6. Discharge of Liability Claims

**We** may elect at any time to pay **you**:

- 6.1 the maximum amount payable under the policy, or
- 6.2 any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (plus any defence costs already incurred) **our** responsibility to **you** under the policy is met in full.

### 7. Waiver of Professional Privilege

The lawyers **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**.

**You** authorise the lawyers to disclose this information to **us**.



## GENERAL CONDITIONS

### A. HOW WE ADMINISTER THIS POLICY

#### 1. Cancellation and Modification

##### 1.1 By You

**You** may ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.

##### 1.2 By Us

**We** may cancel or modify this policy by advising **you** (or **your** Broker or Agent) by letter, fax or email. Cancellation or modification will take effect at 4.00pm, on the 30th day after the date of **our** advice.

**We** will refund the proportion of unused premium paid, calculated from the date of cancellation.

If **you** pay **your** premium by instalments, **you** must pay **us** any unpaid instalments that are due.

#### 2. Other Insurance

**You** must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

If **you** or anyone else who can claim under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.

#### 3. Currency

All sums in this policy wording (including any attachments) and in the **schedule** are specified in New Zealand dollars.

#### 4. Separate Insurance (Cross Liability)

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the maximum amount **we** will pay to all parties is the amount stated in the 'Basis of Settlement' or subsequent amending attachments.

#### 5. GST

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

5.1 all sums insured exclude GST, and

5.2 all sub limits exclude GST, and

5.3 all excesses include GST, and

5.4 GST will be added, where applicable, to claim payments.

#### 6. Premium Payment Options

If **you** choose to pay the premium other than annually, then:

6.1 **you** must use the Deduction Authority **we** require, and

6.2 this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

The policy will be renewed for further fortnightly, monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

#### 7. Premium Adjustments

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within three months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

## 8. Extended Reporting Period

If **we** cancel this policy or refuse to renew it, then **you** may pay an additional premium (being 50 per cent of the last annual premium) to extend **your** cover under the policy for another 12 months.

However, this will only cover **you** for **events**, or **acts or omissions** that happened before **we**:

8.1 cancelled the policy, or

8.2 refused to renew the policy.

**You** may not extend **your** cover if **we** cancelled the policy because **you** did not:

(a) pay the premium, or

(b) comply with any part of the policy.

If **you** do wish to extend the policy as described above, then **you** must give **us** notice that **you** wish to do so within 30 days of **our** cancelling the policy or refusing to renew it.

## B. LAWS AND ACTS THAT GOVERN THIS POLICY

### 1. Acts of Parliament

Where this policy refers to any Act of Parliament, it also includes any subordinate legislation made under it, and any subsequent Acts or Regulations.

### 2. Disputes about this Policy

The law of New Zealand applies to disputes about this policy, and the New Zealand Courts have exclusive jurisdiction.

### 3. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

## C. YOUR OBLIGATIONS

### 1. Comply with the Policy

**You** (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** fail to comply, **we** may not pay **your** claim.

### 2. Provide Accurate Information

**You** must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.

### 3. Reasonable Care

**You** must take reasonable care at all times to avoid circumstances that could result in a claim.

**Your** claim will not be covered if **you** are reckless or grossly irresponsible.

### 4. Change in Circumstances

**You** must tell **us** immediately if there is a material:

4.1 increase in the risk insured, or

4.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

(a) declare this policy unenforceable, and/or

(b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

*For avoidance of any doubt, information is 'material' where we would have made different decisions about either:*

(i) accepting your insurance, or

(ii) setting the terms of your insurance,

*if we had known that information. If in any doubt, notify us anyway.*

### 5. Confidentiality

**You** must not:

5.1 reveal that **you** hold this policy, or

5.2 disclose the terms of this policy,

if **you** are asked to do so by any investigating or prosecuting body under an **Act** (or their lawyers).

**You** may only give them this information if:

- (a) **we** agree in writing, or
- (b) **you** are bound to give the information by law.

## 6. Notices under Acts

**You** must comply with any lawful notice that **you** receive from an appropriate authority under any **Act**.

## DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words.

For example, the definition of 'accidental' also applies to the words 'accidentally', 'accident' and 'accidents'.

<b>accidental</b>	Unexpected and unintended by <b>you</b> .
<b>Act</b>	<p>Any Act of the New Zealand Parliament that is in force at the start of each <b>period of insurance</b> and any Statutory Regulations that the Government makes under such Acts.</p> <p>However, <b>you</b> are not insured under the following Acts:</p> <ol style="list-style-type: none"><li>1. the Arms Act 1983, and</li><li>2. the Aviation Crimes Act 1972, and</li><li>3. the Crimes Act 1961, and</li><li>4. the Criminal Investigations (Blood Samples) Act 1995, and</li><li>5. the Land Transport Act 1998, and</li><li>6. the Misuse of Drugs Act 1975, and</li><li>7. the Proceeds of Crime Act 1991, and</li><li>8. the Summary Offences Act 1981, and</li><li>9. the Transport (Vehicle and Driver Registration and Licensing) Act 1986, and</li><li>10. the Fisheries Act 1996, and</li><li>11. the Civil Aviation Act 1990, and</li><li>12. any other Acts that are listed in the <b>schedule</b> as 'Additional Excluded Acts'.</li></ol> <p><i>We do not insure you against committing serious or violent crimes.</i></p>
<b>act of terrorism</b>	<p>Includes any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:</p> <ol style="list-style-type: none"><li>1. involves violence against one or more persons, or</li><li>2. involves damage to property, or</li><li>3. endangers life other than that of the person committing the action, or</li><li>4. creates a risk to health or safety of the public or a section of the public, or</li><li>5. is designed to interfere with or disrupt an electronic system.</li></ol>
<b>act or omission</b>	An act or omission by <b>you</b> .
<b>annual period</b>	<p>The <b>period of insurance</b>. However, if:</p> <ol style="list-style-type: none"><li>1. <b>you</b> pay the premium fortnightly, monthly or quarterly, or</li><li>2. the <b>period of insurance</b> is for more than 12 months,</li></ol> <p>the annual period is any one 12-month period calculated from the date this policy first started, and consecutively thereafter.</p>
<b>event</b>	<b>Your accidental</b> commission of an offence under an <b>Act</b> .
<b>fine</b>	<p>The amount of money <b>you</b> are sentenced to pay as a fine, pecuniary penalty or infringement fee (including court costs).</p> <p>This does not include compliance or remedial costs.</p>

<b>official investigation</b>	An investigation: <ol style="list-style-type: none"><li>1. by a body empowered under an <b>Act</b> to investigate, and</li><li>2. relating to a breach or potential breach of an <b>Act</b>.</li></ol>
<b>period of insurance</b>	The period <b>you</b> are insured for. This is shown in the <b>schedule</b> .
<b>proceeding</b>	Whichever of the following that occurs first: <ol style="list-style-type: none"><li>1. receipt by <b>you</b> of an official complaint of a breach (or potential breach) of either the Privacy Act 1993 or the Human Rights Act 1993, or</li><li>2. service upon <b>you</b> of a civil proceeding alleging a breach (or potential breach) of either the Privacy Act 1993 or the Human Rights Act 1993, or</li><li>3. a circumstance that <b>you</b> become aware of that is likely to lead to either 1 or 2 (above).</li></ol>
<b>prosecution</b>	Whichever of the following that occurs first: <ol style="list-style-type: none"><li>1. receipt by <b>you</b> of an official complaint of a breach (or potential breach) of an <b>Act</b>, or</li><li>2. service upon <b>you</b> of a prosecution (or notice of intended prosecution) under an <b>Act</b>, or</li><li>3. a circumstance that <b>you</b> become aware of that is likely to lead to either 1 or 2 (above).</li></ol>
<b>reparation</b>	The amount of money <b>you</b> are sentenced to pay as reparation under section 32 of the Sentencing Act 2002. This does not include compliance or remedial costs.
<b>retroactive date</b>	A date that is six months before the original start date of this policy, unless a different date is shown in the <b>schedule</b> . However, if no previous policy has been held, the retroactive date will be the inception date of this policy.
<b>schedule</b>	The latest version of the Schedule <b>we</b> issued to <b>you</b> for this policy.
<b>statutory damages</b>	Damages recoverable under either the Privacy Act 1993 or the Human Rights Act 1993 for an <b>accidental</b> breach of the applicable Act.
<b>we</b>	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words 'us', 'our' or 'company' to describe NZI.</i>
<b>you</b>	Any person or entity named in the <b>schedule</b> as 'INSURED' including any director, executive officer, employee or partner while they are acting in that capacity. <i>We may also use the word 'insured' to describe you.</i>

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## EMPLOYERS LIABILITY POLICY – CLAIMS MADE WORDING

### INTRODUCTION

#### AGREEMENT

**You** agree to pay **us** the premium described in the **schedule** and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

#### POLICY CONTRACT

This policy consists of the following parts:

1. **your** application for insurance, and any oral or written supporting statements or documents supplied by **you**, and
2. this policy wording (including any endorsement or warranties), and
3. the **schedule**.

#### INTERPRETING THIS POLICY

Certain words in this policy have a specific meaning. These words appear in **bold** and **you** will find the meaning listed in the 'Definitions' section at the end of this policy. The definitions apply to the plural and any derivatives of the bolded words.

**You** will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy.

### WHAT YOU ARE INSURED FOR

#### A. CIVIL LIABILITY – DAMAGES

**You** are insured for all sums that **you** become legally liable to pay (including punitive or exemplary damages) arising from an **employee** sustaining **injury**, provided that:

1. the **injury** is sustained:
  - 1.1 in New Zealand, and
  - 1.2 after the first inception date of this policy, and
  - 1.3 in connection with the **business**, and
2. **you** first become aware of the **claim** during the **period of insurance**, and
3. **you** have advised **us** of the **claim** as soon as possible, but no later than 30 days after the **period of insurance** ends.

**We** will insure **your** liability arising from that **claim**, both during and after the **period of insurance**, based on the policy terms that applied at the time **you** advised **us** of that **claim**.

#### B. CIVIL LIABILITY – DEFENCE COSTS

**You** are insured for legal costs and legal expenses necessarily and reasonably incurred by **you** with **our** prior written consent, to defend any legal action (or threat of legal action) that if proven would be insured under 'What You Are Insured For Part A'.

**We** will meet these costs even if the legal action seems groundless.



## EXCLUSIONS

- A. ACC** **You** are not insured if compensation:
1. is available under the Injury Prevention, Rehabilitation and Compensation Act 2001, or
  2. would have been available under that Act, except for **you** status as an exempt employer under that Act.
- B. ASBESTOS** **You** are not insured for loss, legal liability, prosecution or expense of any type in connection with asbestos.
- C. BUILDING DEFECTS** **You** are not insured for loss, legal liability, prosecution or expense of any type in connection with a building or structure being affected by:
1. moisture or water build-up or the penetration of external moisture or water, or
  2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,
- provided that the liability is caused directly or indirectly by:
- (a) non-compliance with the New Zealand Building Code, or
  - (b) faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or
  - (c) faulty materials, or
  - (d) faulty workmanship, or
  - (e) faulty inspection, or faulty certification of compliance,
- when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.
- This exclusion does not apply to **your** liability that is caused by, or directly arises from, the leakage of internal pipes, internal water systems or internal cisterns.
- D. DISHONESTY OR FRAUD** **You** are not insured for legal liability in connection with **your**:
1. wilful breach of duty or wilful breach of an Act of Parliament, or
  2. dishonest, fraudulent or malicious act or omission, or
  3. act or omission committed with a criminal intent.
- E. EMPLOYMENT CONTRACTS ACT** **You** are not insured for sums that **you** become liable to pay under the Employment Relations Act 2000.
- F. EXISTING LITIGATION** **You** are not insured for legal liability in connection with any litigation in existence or that **you** should have anticipated at the commencement of the **period of insurance**.
- G. FINES** **You** are not insured for any fine or penalty imposed on **you** (whether under contract or by statute).
- H. FOREIGN COURTS** **You** are not insured for legal liability in connection with a claim:
1. first brought in a court outside New Zealand, or
  2. brought in a court within New Zealand to enforce a judgment made by a court outside of New Zealand, or
  3. where the claim is governed by or the liability arises under the proper law of a country other than New Zealand.
- I. KNOWN CLAIMS AND CIRCUMSTANCES** **You** are not insured for legal liability in connection with any claim or circumstance that may give rise to a claim that **you** first knew of, or ought to have known of, prior to the inception date of this policy.
- J. LATENT DISEASES** **You** are not insured for sums that **you** become legally liable to pay in connection with **injury** where:
1. the **injury** is caused by a disease, and
  2. an **employee** is first exposed to the conditions leading up to the disease before the first start date of this policy.

## K. NOTICES UNDER THE HEALTH AND SAFETY IN EMPLOYMENT ACT

**You** are not insured if **you** fail to comply with any lawful notice that **you** receive from an appropriate authority under the Health and Safety in Employment Act 1992.

## L. NUCLEAR

This policy does not insure any loss, liability, prosecution or expense of any type in connection with:

1. ionising radiation or contamination by radioactivity from:
  - 1.1 any nuclear fuel, or
  - 1.2 any nuclear waste from the combustion or fission of nuclear fuel,
2. nuclear weapons material.

## M. TERRORISM

This policy does not insure any loss, liability, prosecution or expense of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

## N. WAR

This policy does not insure any loss, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## BASIS OF SETTLEMENT

### A. CIVIL LIABILITY – MAXIMUM AMOUNT PAYABLE

The most **we** will pay for all **events**, in the aggregate, during an **annual period** is the sum insured shown in the **schedule**.

### B. CIVIL LIABILITY – EXCESS

The excess shown in the **schedule** applies to each **injury** sustained by an **employee**. The excess will be deducted from the amount of the **claim**. The excess must also be paid when **we** only provide cover under 'What You Are Insured For Part B Defence Costs'.

## MANAGING YOUR CLAIM

### A. YOUR OBLIGATIONS

#### 1. Do Not Admit Liability

**You** must not:

- 1.1 admit **you** are liable, or
- 1.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.

#### 2. Advise Us

If **you** become aware of any situation that is likely to give rise to a **claim**, **you** must contact **us** immediately. This is regardless of whether the claim amount exceeds the excess.

#### 3. Minimise the Loss

**You** must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.

#### 4. Notify the Police

**You** must immediately lay a complaint with the Police if **you** suspect burglary, theft, arson, or intentional damage has occurred.

#### 5. Provide Full Information

When **you** make a claim **you** consent to **your** personal information in connection with the claim being:

- 5.1 disclosed to **us**, and
- 5.2 transferred to the Insurance Claims Register Limited.

**You** must:

- (a) give **us** free access to examine and assess the claim, and
- (b) send any relevant correspondence or documents to **us**, and
- (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and

(d) provide any other information, proof of ownership or assistance that **we** may require at any time.

## 6. Be Truthful

If **your** claim is dishonest or fraudulent in any way, **we** may:

6.1 decline **your** claim either in whole or in part, and/or

6.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

## 7. Incurring Costs

**You** are not authorised to incur any costs or expenses without **our** prior written consent.

## B. MANAGING YOUR CLAIM

### 1. Allocation of Defence Costs

If a claim is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the legal costs and legal expenses for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the legal costs and legal expenses, then that allocation shall be referred to a lawyer that **we** and **you** agree to instruct, whose determination shall be binding upon all parties.

The cost of the lawyer's determination is to be taken as part of 'What You Are Insured For Part A item 3'.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

### 2. Apportionment

If **we** incur costs and/or expenses above the maximum amount payable, then:

2.1 **you** must pay this amount when **we** ask for it, or

2.2 **we** can offset that payment against what **we** must pay to **you** under this policy.

### 3. Your Defence (Queen's Counsel Clause)

3.1 **We** are not required to defend a **claim** against **you** unless a lawyer that **we** and **you** agree to instruct advises that the **claim** should be defended. If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

3.2 In formulating his or her advice, the lawyer must be instructed to consider the:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the **claim**.

3.3 The costs of the lawyer's opinion are to be taken as part of defence costs covered by this policy.

3.4 If the lawyer advises that the claim should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the lawyer's opinion and in the light of the matters he/she is required to consider), then:

- (a) **you** cannot object to the settlement, and
- (b) **you** must immediately pay the excess shown in the **schedule**.

### 4. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery, **we** will include **your** excess and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

## 5. Defence of Liability Claims

After **you** have made a claim, **we** have the sole right to:

- 5.1 act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and
- 5.2 publish a retraction or apology (in the case of defamation proceedings).

**We** may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

## 6. Discharge of Liability Claims

**We** may elect at any time to pay **you**:

- 6.1 the maximum amount payable under the policy, or
- 6.2 any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (plus any defence costs already incurred) **our** responsibility to **you** under the policy is met in full.

## 7. Waiver of Professional Privilege

The lawyers **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**.

**You** authorise the lawyers to disclose this information to **us**.

## GENERAL CONDITIONS

### A. HOW WE ADMINISTER THIS POLICY

#### 1. Cancellation and Modification

##### 1.1 By You

**You** may ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.

##### 1.2 By Us

**We** may cancel or modify this policy by advising **you** (or **your** Broker or Agent) by letter, fax or email. Cancellation or modification will take effect at 4.00pm, on the 30th day after the date of **our** advice.

**We** will refund the proportion of unused premium paid, calculated from the date of cancellation.

If **you** pay **your** premium by instalments, **you** must pay **us** any unpaid instalments that are due.

#### 2. Other Insurance

**You** must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

If **you** or anyone else who can claim under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.

#### 3. Currency

All sums in this policy wording (including any attachments) and in the **schedule** are specified in New Zealand dollars.

#### 4. Separate Insurance (Cross Liability)

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).

However, the maximum amount **we** will pay to all parties is the amount stated in each part of this policy.

#### 5. GST

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

- 5.1 all sums insured exclude GST, and
- 5.2 all sub limits exclude GST, and
- 5.3 all excesses include GST, and
- 5.4 GST will be added, where applicable, to claim payments.

## 6. Premium Payment Options

If **you** choose to pay the premium other than annually, then:

6.1 **you** must use the Deduction Authority **we** require, and

6.2 this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

The policy will be renewed for further fortnightly, monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

## 7. Premium Adjustments

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within three months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

## B. LAWS AND ACTS THAT GOVERN THIS POLICY

### 1. Acts of Parliament

Where this policy refers to any Act of Parliament, it also includes any subordinate legislation made under it, and any subsequent Acts or Regulations.

### 2. Disputes about this Policy

The law of New Zealand applies to disputes about this policy, and the New Zealand Courts have exclusive jurisdiction.

### 3. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

## C. YOUR OBLIGATIONS

### 1. Comply with the Policy

**You** (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** fail to comply, **we** may not pay **your** claim.

### 2. Provide Accurate Information

**You** must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.

### 3. Reasonable Care

**You** must take reasonable care at all times to avoid circumstances that could result in a claim. **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

### 4. Change in Circumstances

**You** must tell **us** immediately if there is a material:

4.1 increase in the risk insured, or

4.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

(a) declare this policy unenforceable, and/or

(b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

*For avoidance of any doubt, information is 'material' where we would have made different decisions about either:*

*(i) accepting your insurance, or*

*(ii) setting the terms of your insurance,*

*if we had known that information. If in any doubt, notify us anyway.*

## 5. Notices under the Health and Safety in Employment Act

**You** must comply with any lawful notice that **you** receive from an appropriate authority under the Health and Safety in Employment Act 1992. **You** must do this within the timeframe specified on the notice. If no timeframe is given, then **you** must comply within a reasonable time.

## DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words. *For example, the definition of 'accidental' also applies to the words 'accidentally', 'accident' and 'accidents'.*

<b>accidental</b>	Unexpected and unintended by <b>you</b> .
<b>act of terrorism</b>	Includes any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: <ol style="list-style-type: none"><li>1. involves violence against one or more persons, or</li><li>2. involves damage to property, or</li><li>3. endangers life other than that of the person committing the action, or</li><li>4. creates a risk to health or safety of the public or a section of the public, or</li><li>5. is designed to interfere with or disrupt an electronic system.</li></ol>
<b>annual period</b>	The <b>period of insurance</b> . However, if: <ol style="list-style-type: none"><li>1. <b>you</b> pay the premium fortnightly, monthly or quarterly, or</li><li>2. the <b>period of insurance</b> is for more than 12 months,</li></ol> the annual period is any one 12-month period calculated from the date this policy first started, and consecutively thereafter.
<b>business</b>	The business described in the <b>schedule</b> .
<b>claim</b>	Any of the following: <ol style="list-style-type: none"><li>1. any claim made against <b>you</b>,</li><li>2. any notice <b>you</b> receive from any other person that they intend to make a claim against <b>you</b>,</li><li>3. any situation where <b>you</b> become aware that there is likely to be a claim against <b>you</b>, in connection with an <b>injury</b>.</li></ol>
<b>employee</b>	An employee directly employed by <b>you</b> in the <b>business</b> .
<b>event</b>	Any one <b>claim</b> or series of <b>claims</b> arising from one source or original cause.
<b>injury</b>	The <b>accidental</b> death of, or the <b>accidental</b> bodily injury to any person during the <b>period of insurance</b> , including sickness, disease, disability, shock, fright, mental anguish or mental injury.
<b>period of insurance</b>	The period <b>you</b> are insured for. This is shown in the <b>schedule</b> .
<b>schedule</b>	The latest version of the Schedule <b>we</b> issued to <b>you</b> for this policy.
<b>we</b>	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words 'us', 'our' or 'company' to describe NZI.</i>
<b>you</b>	Any person or entity named in the <b>schedule</b> as 'Insured'. <i>We may also use the word 'insured' to describe you.</i>





*NZI is a business division of IAG New Zealand Limited, a wholly owned subsidiary of Insurance Australia Group, Australasia's largest general insurer. Established in 1859, it is today one of the country's largest and longest-serving fire and general insurance brands, protecting tens of thousands of New Zealanders every year.*

*Through our broad range of commercial, personal, marine, professional risks and rural insurance products, we pride ourselves on helping people to achieve the best protection for their assets.*

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