

Farm Buildings Policy

FMG
Advice & Insurance

FMG has been protecting the property and livelihoods of people up and down the country since 1905. We're 100% New Zealand owned and operated and are proud to be the country's only rurally-based insurance company around today.

You don't get to be over 100 years old without learning a thing or two; because we've worked closely with New Zealand communities over the years we can help find what works for you.

And we're still listening to what you're saying which is why we continually strive to improve our products and services, and why we have something to offer all New Zealanders. It's also why we focus on partnering with you to plan for the risks and challenges you face, not just the insurance you need to deal with them.

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Introduction

Please take the time to read through these documents carefully because they form the insurance contract you have with us. Your policy certificate is particularly important because if there is any inconsistency between your FMG policy wording and what is on the certificate, it is the certificate that applies. Under this contract, we both have responsibilities to ensure everything runs smoothly. These are detailed as follows, and if there is anything that you don't understand, please contact us. The expiry date of your Policies is shown on the policy certificates. We will be in contact with you regarding renewal of your insurance around that time.

Your Responsibilities

This FMG Policy has been provided to you based on your disclosure to us.

If there is any material information which could relate to the cover provided under this Policy, you need to let us know. Please be aware that disclosure of material information will not necessarily affect your ability to obtain cover, but not informing us might result in you having no insurance at all. It is important that you:

- Please tell us all material information before the cover starts, even if we don't specifically ask about it.
- Please update us should anything about your circumstances change, both during the period of insurance and at renewal.

Cover under your Policy will not commence until you have paid, or have agreed to pay, the premium (including any Government charges) for the period of insurance. If your premiums are not paid on time, your insurance could be cancelled and you will not be insured.

It is essential that you:

- tell us of any errors in your documentation,
- contact us if there is anything you don't understand and would like explained more fully, and
- keep this Policy in a safe place along with your renewal notice(s).

This Policy contains some exclusions and these are detailed throughout the Policy. It is important that you read these and are aware of them.

This Policy also contains certain conditions and obligations that you must meet. If you don't, we may decline any claim you make. Any other person that is entitled to claim under this Policy must also meet these conditions and obligations.

Welcome to FMG

Our Responsibilities

We agree to provide the cover set out in the Policy below that is shown on your certificate. Throughout the Policy certain important words are in bold type; please refer to the Definitions section for the specific meaning of these words.

FMG is a member of the Insurance Council of New Zealand and, as such, we are bound by the Council's Fair Insurance Code. For a copy of the Code, please call us on 0800 366 466.

As you will be aware, the proposal you completed contains personal information relating to you and/or your business. We collect this information to enable us to fully evaluate your proposal and subsequently administer this Policy. We may require further information later on if you make a claim or wish to renew this Policy with us. The proposal you completed also authorises us to collect relevant information about you and/or your business from third parties, such as other insurers and insurance brokers.

However, we fully understand the importance of protecting your personal, commercial and financial information and therefore we will not share your information unless authorised to do so under the Privacy Act 1993.

Your information will be held securely by us, within our organisation, and you are entitled to access and correct the information you have provided, as set out in the Privacy Act 1993.

We are confident this Policy will be right for you. However, you may cancel this Policy within 30 days of the commencement date for any reason if you are not entirely happy. We will refund any premium you have paid provided you do not have a claim during this 30 day period.

Your Feedback

Your feedback enables us to identify opportunities to make our products and services even better. If you have any feedback – good or bad – we would like to hear from you.

If you have a concern about something that has happened, tell us and we will investigate the issue quickly and inform you of the outcome, either by phone, in writing or by visiting you at a convenient time.

Similarly, if you have received exceptional service, we need to know about it in order to congratulate our team - so please let us know.

How you can contact us

- Call us on **0800 366 466**
- Contact your local FMG manager
- Write to us at FMG, PO Box 1943
Palmerston North 4440
New Zealand
- Visit our website www.fmg.co.nz
- Email us at contact@fmg.co.nz
- Fax us on **0800 366 455**

We agree to provide **you** with the insurance set out in this Policy, if this Policy is shown on the **certificate**.

What you are insured for

1. **Your farm buildings** shown on the **certificate** are insured for:
 - (a) **accidental loss**,
 - (b) **accidental loss** caused by a **defined event**, or
 - (c) **accidental loss** caused by **fire only**,as shown on the **certificate**.
2. **Your unspecified farm buildings** are insured for **accidental loss**.
3. **Your farm fencing** shown on the **certificate** is insured for **accidental loss** caused by:
 - (a) **fire only**, or
 - (b) a **defined event** (including **flood** and **storm**),as shown on the **certificate**.
4. **Your:**
 - (a) livestock underpass,
 - (b) **motor vehicle** underpass, and
 - (c) culvert,shown on the **certificate** are insured for **accidental loss** caused by a **defined event**, including washout.
5. **Your farm bridge** shown on the **certificate** is insured for **accidental loss** caused by:
 - (a) **fire only**, or
 - (b) a **defined event**, including washout,as shown on the **certificate**.
6. **Your unspecified culverts** are insured for **accidental loss** caused by a **defined event**, including washout.
7. **Your well or bore shaft** shown on the **certificate** is insured for **accidental loss**.
8. **Your shelter belt** shown on the **certificate** is insured for **accidental loss** caused by **fire only**.

Additional Benefits

You are automatically insured for the following benefits which are subject to the terms of this Policy except to the extent those terms are expressly varied in each benefit.

If **your farm buildings**, farm bridge, or shelter belt are insured for **accidental loss** caused by **fire only**, **you** are insured for only the Replenishment Costs Additional Benefit for those items.

1. Capital Additions

- (a) **You** are insured for **accidental loss** to:
 - (i) additional farm buildings **you** purchase or have built during the **period of insurance**, and
 - (ii) additions or alterations or improvements to existing **farm buildings** completed during the **period of insurance** provided **you**:
 1. notify **us** of the details within 30 days of the date the purchase, addition, alteration or improvement was completed,
 2. complete any proposal **we** require, and
 3. pay **us** any additional premium **we** require.
- (b) **You** are not insured for **accidental loss** to:
 - (i) any **farm buildings** whilst they are being built, or
 - (ii) whilst any **farm buildings** are undergoing any addition, alteration or improvement.
- (c) **We** will pay the **present day value**, up to \$50,000 for any one **event**.

2. Death or Permanent Injury

- (a) If **you** die or are permanently injured as a result of:
 - (i) a fire at **your** farm building, or
 - (ii) an intruder to **your** farm building,and **we** have accepted a claim under this Policy, **we** will pay:
 1. **your** estate \$5,000 if **you** die within three calendar months of the **event**,
 2. **you** \$5,000 if **you** suffer total and permanent **loss** of:
 - a. the sight of both eyes,
 - b. the use of both hands, or
 - c. the use of both feet,
 3. **you** \$2,500 if **you** suffer total and permanent **loss** of:
 - a. the sight of one eye,
 - b. the use of one hand, or
 - c. the use of one foot.
- (b) **We** will pay up to \$10,000 for any one **event**.
- (c) If **you** have both a Farm Buildings and a Farm Contents Policy with **us**, **we** will only pay up to \$10,000 in total under both Policies, for any one **event**.

3. Gradual Damage

- (a) **You** are insured for gradual damage during the **period of insurance** to **your farm buildings** that is caused by the leaking of any internal water tank, internal water pipe, waste disposal pipe, or leaking at the immediate point of connection between a hidden internal water or waste disposal pipe and any appliances installed at **your farm buildings**. Gradual damage is only covered if **you**:

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- (i) minimise the damage, and
- (ii) prevent any further damage as soon as it is discovered.
- (b) **We** will pay the reasonable cost to repair the damage.
- (c) **We** will not pay for the cost of locating or repairing the leak.
- (d) **We** will pay up to \$5,000 for any one **event**.

4. Inflation Protection

- (a) **We** may adjust the amount of **your** insurance once a year, on renewal, to ensure that the amount of **your** insurance remains adequate given the level of inflation.
- (b) If **we** adjust the amount of **your** insurance, **we** may also adjust **your** premium.

5. Locks and Keys

- (a) **You** are insured for the reasonable cost of replacing locks and keys (including electronic access cards and transponders, remote door openers, or any other equivalent device) to **your farm buildings** if:
 - (i) they have been lost, damaged, stolen or duplicated, or
 - (ii) the combination number of an electronic keypad for external doors has become known to someone else,without **your** consent during the **period of insurance**, or
 - (iii) **you** have reasonable grounds to believe either of the above.
- (b) The **excess** does not apply to this Additional Benefit.

6. Replenishment Costs

- (a) **You** are insured for the reasonable cost of replenishing **your** fire-fighting equipment after it has been used to protect **your farm buildings** from **loss** covered by this Policy.
- (b) **We** will pay up to \$5,000 for any one **event**.

7. Rewards

- (a) **You** are insured for any payments **you** make by way of reward if the reward was offered:
 - (i) to protect or recover **your property**, and
 - (ii) with **our** consent,following a **loss** covered by this Policy.
- (b) **We** will pay up to \$5,000 for any one reward.

8. Suppression Costs

- (a) **You** are insured for the reasonable costs **you** incur to protect **your farm buildings** from fire where such fire poses an obvious and direct threat to **your farm buildings**.
- (b) **You** are not insured for:
 - (i) any cost which is covered by any other insurance policy, or
 - (ii) levies or costs recoverable from **you** under the Forest and Rural Fires Act 1977.
- (c) **We** will pay up to \$5,000 for any one **event**.
- (d) If **you** have both a Farm Buildings and a Farm Contents Policy with **us**, **we** will only pay up to \$5,000 in total for suppression costs under both Policies, for any one **event**.

9. Theft by Paying Guests

- (a) **You** are insured for theft of **your property** during the **period of insurance** by **paying guests** at **your house**.
- (b) **We** will pay up to \$5,000 for any one **event**.

Optional Benefits

This Optional Benefit applies only if **you** have purchased it and it is shown on the **certificate**. This benefit is subject to the terms of this Policy except to the extent those terms are expressly varied in this benefit.

1. Natural Disaster

- (a) **Your farm structures** (other than any “residential building” as defined in the Earthquake Commission Act 1993) are insured for **accidental loss** caused by **natural disaster**.

What we will pay

1. Bridges, Underpasses and Culverts

- (a) For **your** farm bridges, underpasses and specified culverts **we** will pay:
 - (i) the reasonable costs to repair or replace,
 - (ii) the **present day value**, or
 - (iii) the amount shown on the **certificate**, whichever is less.
- (b) **We** will also pay up to \$5,000 for the reasonable costs to complete necessary earthworks to land directly adjoining **your** farm bridges, underpasses and specified culverts. **We** will only pay for these necessary earthworks when **we** are paying for **accidental loss** to **your** farm bridges, underpasses and specified culverts.

2. Farm Building – Present Day Value

- (a) If the **certificate** shows that **your farm building** is insured for **present day value**,
- (i) **we** will pay the reasonable cost:
1. to rebuild or repair the damaged portion of **your farm building** as nearly as practicable to the same condition it was in prior to the **loss**, using building materials and construction methods in common use at the time of the repairs,
 2. to make any changes required by the Government or a Local Authority.
However:
 - a. **your farm building** must have complied at the time it was built or altered, and
 - b. **we** only pay for changes to that part of the **farm building** which has suffered **loss** covered by this Policy,
 3. for architect, engineer and surveyor fees authorised by **us**, and
 4. to demolish and remove the debris (including contents),
- (ii) the rebuilding or repairs must be carried out within a reasonable period of time after the **loss**.
- (b) If **you** choose to not rebuild or repair **your farm building**, **we** will pay:
- (i) the **present day value** of the damaged part of **your farm building**, and
 - (ii) the reasonable cost to demolish and remove the debris (including contents).
- (c) **We** will pay up to the amount shown on the **certificate** for any one **event**.

3. Farm Building – Replacement Value

- (a) If the **certificate** shows that **your farm building** is insured for Replacement,
- (i) **we** will pay the reasonable cost:
1. to rebuild, replace or repair the damaged portion of **your farm building** as nearly as practicable to an as new condition, using building materials and construction methods in common use at the time of the repairs, but limited to the area (square metre) shown on the **certificate**,
 2. to make any changes required by the Government or a Local Authority.
However:
 - a. **your farm building** must have complied at the time it was built or altered, and

- b. **we** only pay for changes to that part of the **farm building** which has suffered **loss** covered by this Policy,
3. for architect, engineer and surveyor fees authorised by **us**, and
 4. to demolish and remove the debris (including contents),
- (ii) the rebuilding, replacement or repair must be carried out within a reasonable period of time after the **loss**.
- (b) If the **certificate** shows that **your farm building** is insured for Nominated Replacement,
- (i) **we** will pay the reasonable cost:
1. to rebuild, replace or repair the damaged portion of **your farm building** as nearly as practicable to an as new condition, using building materials and construction methods in common use at the time of the repairs,
 2. to make any changes required by the Government or a Local Authority.
However:
 - a. **your farm building** must have complied at the time it was built or altered, and
 - b. **we** will only pay for changes to that part of the **farm building** which has suffered the **loss** covered by this Policy,
 3. for architect, engineer and surveyor fees authorised by **us**, and
 4. to demolish and remove the debris (including contents),
- (ii) the rebuilding, replacement or repair must be carried out within a reasonable period of time after the **loss**.
- (iii) **we** will pay up to the amount shown on the **certificate** for any one **event**.
- (c) If the **certificate** shows that **your farm building** is insured for Smaller Area Replacement Cost,
- (i) **we** will pay the reasonable cost:
1. to rebuild, replace or repair the damaged portion of **your farm building** as nearly as practicable to an as new condition, using materials and construction methods in common use at the time of repairs, but limited to the area shown on the **certificate**,
 2. to make any changes as required by the Government or a Local Authority.
However:
 - a. **your farm building** must have complied at the time it was built or altered, and

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- b. **we** only pay for changes to that part of **your farm building** which has suffered **loss** covered by this Policy,
 - 3. for architect, engineer and surveyor fees authorised by **us**, and
 - 4. to demolish and remove the debris (including contents),
 - (ii) the rebuilding, replacement or repair must be carried out within a reasonable period of time after the **loss**.
 - (d) If **you** choose to not rebuild, repair or replace **your farm building**,
 - (i) **we** will pay:
 - 1. the **present day value** of the damaged part of **your farm building**, and
 - 2. the reasonable cost to demolish and remove the debris (including contents),
 - (ii) **we** will pay up to the amount shown on the **certificate** for any one **event**.
 - (e) If **your farm building** needs to be rebuilt, **you** may, with **our** prior approval, rebuild on another site at **your farm**. However, **we** will not pay more than the reasonable cost that would have been incurred to rebuild on the original site.
- 4. Farm Fencing**
 - (a) For **your farm fencing**, **we** will pay:
 - (i) the reasonable costs to repair or replace,
 - (ii) the **present day value**,
 - (iii) \$20,000 if:
 - 1. the **loss** is caused by **flood** and/or **storm**, and
 - 2. **your farm fencing** is covered for **flood** and **storm**, or
 - (iv) the amount shown on the **certificate** for any one **event**, whichever is less.
- 5. Plastic or Cloth Cladded Buildings**
 - (a) If **your farm building** is a plastic cladded or cloth cladded building:
 - (i) in respect of the solid frame structure of **your farm building**, **we** will pay Replacement, Nominated Replacement or **present day value** as shown on the **certificate** for the **farm building** itself,
 - (ii) in respect of the plastic or cloth cladding of **your farm building**, **we** will pay the replacement cost less compounding depreciation over the useful life as specified by the manufacturer, and installation costs, or
 - (iii) if the manufacturer has not specified a useful life, **we** will pay the replacement cost less depreciation based on a lifespan of five years from the date the cladding was originally purchased as new, **we** will not pay for any installation costs unless **we** are paying for the plastic or cloth cladding.
 - (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.
- 6. Shelter Belts**
 - (a) For **your** shelter belts, **we** will pay the cost of removing and replanting the shelter belts with new saplings.
 - (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.
- 7. Unspecified Culverts**
 - (a) For any one **unspecified culvert**, **we** will pay:
 - (i) the reasonable costs to repair or replace,
 - (ii) the **present day value**, or
 - (iii) \$5,000, whichever is less.
 - (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.
- 8. Unspecified Farm Buildings**
 - (a) For any one **unspecified farm building** **we** will pay:
 - (i) the reasonable costs to rebuild, replace or repair the damaged portion as nearly as practicable to an as new condition, using building materials and construction methods in common use at the time of the repairs,
 - (ii) the **present day value**, or
 - (iii) \$5,000 or the higher agreed amount shown on the **certificate**, whichever is less.
 - (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.
- 9. Well or Bore Shafts**
 - (a) For **your** well or bore shaft **we** will pay:
 - (i) the reasonable costs to repair or replace,
 - (ii) the **present day value**, or
 - (iii) the nominated replacement value, as shown on the **certificate**, whichever is less.
 - (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.

What you are not insured for

1. **Your farm structures** are not insured for **loss** connected in any way with:

- (a) normal maintenance, wear and tear, slowly developing deformation or distortion,
- (b) mildew, mould, rot, rust, corrosion or gradual damage unless covered under the Gradual Damage Additional Benefit,
- (c) action of micro-organisms, insects, rodents or vermin (excluding possums),
- (d) inherent:
 - (i) nature of property,
 - (ii) defect, or
 - (iii) fault,
- (e) pollution or contamination (including land contamination),
- (f) action of light,
- (g) defective workmanship, materials or design,
- (h) cleaning, repairing or restoring,
- (i) lifting or shifting **your farm structures**,
- (j) carrying out repairs or alterations to **your farm structures** which involve the removal of support,
- (k) lifting or lowering submersible well pumps (or their motors) from a well or bore shaft, or
- (l) the cost of altering refrigeration or air-conditioning plant to comply with the Ozone Layer Protection Act 1990.

These exclusions apply only to the part of **your farm structure** first affected by the **loss**. **You** are insured for resultant **loss** to other parts of **your farm structure** unless otherwise excluded.

2. **Your farm structures** are not insured for **loss** connected in any way with:

- (a) settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, driveways or any other structural improvement,
- (b) subsidence, shrinkage, swelling or erosion of land,
- (c) subterranean fire, or
- (d) water entering **your farm buildings** or **unspecified farm buildings** because roofing materials, exterior cladding, doors or windows have been removed, unless the area is covered by a securely fastened tarpaulin.

3. **Your farm structures** are not insured for:

- (a) theft:
 - (i) by anyone staying at **your farm**, whether temporarily or otherwise, unless covered by the Theft by Paying Guests Additional Benefit, or

(ii) by any of **your employees**,

- (b) intentional damage (other than fire or explosion) by anyone staying at **your farm**, whether temporarily or otherwise,
- (c) **natural disaster** damage, unless covered by the Natural Disaster Optional Benefit, or
- (d) mechanical, electrical or electronic breakdown other than to the permanent wiring of the **farm building** or **unspecified farm building**. However, this exclusion does not apply where the mechanical, electrical or electronic breakdown arises from:
 - (i) an external impact with the **farm structure**, or
 - (ii) a hazard originating completely outside the **farm structure** that is not:
 1. lack of service or maintenance,
 2. a programming or operating error, or
 3. excluded elsewhere by this Policy.

4. **You** are not insured for **accidental loss** to:

- (a) dams,
- (b) canals,
- (c) reservoirs (other than tanks),
- (d) well or bore shafts,
- (e) road or railway:
 - (i) tunnels, or
 - (ii) bridges,
- (f) culverts,
- (g) docks,
- (h) piers,
- (i) wharves, or
- (j) any land (including topsoil and backfill) unless covered under 1.(b) of the "What we will pay" section of this Policy,

unless shown on the **certificate**.

5. Please note there are also General Exclusions in this document.

General Exclusions

These exclusions apply unless indicated otherwise below.

1. **Asbestos**

- (a) **You** are not insured for **loss** in any way connected with the handling, transport, storage, installation, removal, or other use of, asbestos or products containing asbestos material.

2. **Confiscation, Nuclear Materials, Terrorism and War**

- (a) There is no cover under this Policy for **loss** in any way connected with:

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- (i) **confiscation,**
- (ii) **nuclear materials,**
- (iii) **terrorism,** or
- (iv) **war.**

3. Consequential Loss

- (a) **You** are not insured for any consequential loss including but not limited to:
 - (i) penalties,
 - (ii) loss of use of property,
 - (iii) loss resulting from delays,
 - (iv) loss of market,
 - (v) loss resulting from depreciation, or
 - (vi) loss of value.

4. Electronic Data

- (a) **You** are not insured for **loss** in any way connected with the **loss of electronic data** unless this **loss** is a direct consequence of a **loss** insured under this Policy.

5. Excess

- (a) **You** are not insured for any **excess**.
- (b) If an event is covered under more than one of **your** FMG Policies, **you** will only have to pay one **excess**. This will be the highest **excess** that **we** could apply under any one of those Policies.

Claims Conditions

These conditions are important and must all be met before **we** will accept a claim under **your** Policy with **us**.

1. What you must do

- (a) **You** must notify **us** immediately of any circumstance likely to lead to a claim.
- (b) **You** must complete **our** claim form in full if **we** request **you** to do so, and return it to **us** within 30 days of **our** request.
- (c) **You** must take reasonable steps to minimise the claim and avoid any further claim.
- (d) **You** must make a complaint to the Police if **you** suspect criminal activity.
- (e) **You** must provide all reasonable information and assistance **we** require at any time.
- (f) **You** must immediately send **us** all relevant correspondence and court documentation.
- (g) **You** must authorise **us** to:
 - (i) Obtain personal information about **you** from **you** and third parties in connection with **your** insurance.

- (ii) Disclose personal information about **you** to third parties in connection with **your** insurance.

Please see the full Privacy Statement on **our** website (www.fmg.co.nz) for information about how **we** collect, use and store **your** personal information.

2. What you must not do

- (a) **You** must not admit **you** are liable to any party.
- (b) **You** must not say or do anything which prejudices **our** ability to:
 - (i) defend any action against **you**, or
 - (ii) take recovery action in **your** name.
- (c) **You** must not start any remedial action without **our** prior approval.
- (d) **You** must not dispose of any property that is to be the subject of **your** claim, without **our** prior approval.

3. Fraud

- (a) **You**, and anyone else entitled to claim under this Policy, must ensure all statements made to **us** are true and complete.
- (b) If **your** claim is dishonest or fraudulent in any way, **we** are entitled to:
 - (i) decline **your** claim in whole or in part,
 - (ii) bring this Policy to an end from the date of the dishonest or fraudulent act, and/or
 - (iii) bring all other insurance **you** have with **us** to an end from the date of the dishonest or fraudulent act.
- (c) **We** may also notify the Police and/or the Serious Fraud Office.

4. Other Insurance

- (a) **You** must immediately notify **us** of any other insurance that covers **you** for any of the risks covered under this Policy.
- (b) **We** will only pay over and above the limit payable under that other insurance.

5. Progress Payments

- (a) **We** will at **our** option make regular progress payments for **your** claim provided that:
 - (i) **you** provide **us** with proof of **your** insured **loss**, and
 - (ii) if the combined progress payments exceed the total amount of the **loss**, **you** immediately refund the difference between these amounts to **us**.

6. Recoveries

- (a) If **we** accept any part of **your** claim, **we** may exercise any legal rights **you** have to, at **our** cost, recover amounts from the person(s) responsible for the **loss**.
- (b) If **we** do this, **you** must co-operate and assist **us** with this exercise. If **you** refuse, **we** may require **you** to repay **us** the money **we** paid **you**.
- (c) If **we** succeed in recovering any money from the person(s) responsible, **we** will refund **your** excess and pay any remaining money recovered to **you** less **our**:
 - (i) recovery costs, and
 - (ii) the money **we** have paid **you**.
- (d) If **you** recover any lost or stolen property claimed under this Policy:
 - (i) **you** must hand this over to **us**, and
 - (ii) **we** are entitled to keep this and any proceeds from its sale.
- (e) If **you** receive any reparations in respect of any property claimed under this Policy, **you** must immediately reimburse **us** for any claim **we** have paid from these reparations.

7. Salvage

- (a) If **your** claim relates to damaged property, **we** are entitled to retain possession of the damaged property and deal with salvage in a reasonable manner.
- (b) **You** cannot abandon any property to **us**.

General Conditions

These conditions are important and must all be met before **we** will accept a claim under **your** Policy with **us**.

1. Acts of Parliament

- (a) Any Acts of Parliament referred to in this Policy include any:
 - (i) amendments or Statutory Regulations made under them, and
 - (ii) Acts or Regulations made in substitution for the original Acts or Regulations.

2. Cancellation

- (a) **You** may cancel this Policy at any time by giving notice to **us**.
- (b) **We** may cancel this Policy at any time by giving notice to **you** at **your** last known address as held by **us**. Cancellation will take effect 30 days after the day **we** send or deliver the notice to **you**.

(c) If:

- (i) **you** cancel this Policy, **we** will (subject to “Our Responsibilities” in the Welcome to FMG section) refund 90% of the unexpired portion of **your** premium,
- (ii) **we** cancel this Policy, **we** will refund the unexpired portion of **your** premium, or
- (iii) **you** have made a claim and **we** have paid the full amount under:
 1. the Policy,
 2. an Item, or
 3. an Optional Benefit,**we** will cancel this Policy, Item or Optional Benefit from the date of **loss**.

3. Changes

- (a) Where **we** agree, **you** may change this Policy by giving **us** notice of the changes.
- (b) **We** may change the terms of this Policy at any time by giving **you** notice at **your** last known address as held by **us**. The changes **we** make will take effect 30 days after the day **we** send or deliver the notice to **you**.

4. Compliance with the Policy

- (a) **You**, and anyone else entitled to claim under this Policy, must comply with all the terms of the Policy before **we** will meet any claim under it.
- (b) **You** must tell the truth at all times.

5. Currency

- (a) All monetary amounts referred to in this Policy are expressed and payable in New Zealand dollars.

6. Defined Words

- (a) To clarify the cover **you** have in this Policy, some words appear in bold. These words have a specific meaning, which is outlined in the Definitions section. Defined words specific to some sections are outlined within those sections.

7. Goods and Services Tax

- (a) Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
 - (i) all amounts insured exclude GST (unless otherwise shown on the certificate), and
 - (ii) GST will be added, where applicable, to claim payments.
- (b) All **excesses** include GST.

Your Farm Buildings Policy

8. Governing Law

- (a) The law of New Zealand applies to this Policy and the New Zealand courts have exclusive jurisdiction.

9. Headings

- (a) Headings are for reference only. They do not form part of the Policy and are not to be used in interpreting it.

10. Inspection

- (a) **We** are entitled to inspect property insured, at any reasonable time, and **you** must provide such information as may be reasonably required by **us** in relation to that property.
- (b) However, neither this inspection, nor any inspection report, is to be regarded as an undertaking by **us** to determine or warrant that any operations, property and/or premises are safe or covered by a Policy.

11. Interested Parties

- (a) If **we** are advised in writing of a party holding a financial interest over the property insured under this Policy:
 - (i) that party is noted by **us**, but is not directly insured under this Policy,
 - (ii) **you** authorise **us** to disclose to that party personal information about **you** in connection with this Policy, and
 - (iii) **we** may make a claim payment directly to that party up to the limit of its interest.

This meets **our** obligations to **you** under this Policy to that extent.

12. Location – in New Zealand only

- (a) This Policy covers **your** insured **property** while it is in New Zealand, unless another location is shown on the **certificate**.

13. Notification of any Change in Circumstances

- (a) After this Policy has commenced, **you** must notify **us** immediately of any change in circumstances **you** are aware of which:
 - (i) increases, or
 - (ii) alters, any risk insured under this Policy.
- (b) Once **you** have done so, **we** may change the premium and/or terms of cover, at **our** discretion.
- (c) If **you** fail to notify **us** of any change in circumstances, **we** may:

- (i) refuse to meet any claim or part of it, and/or
- (ii) bring this Policy to an end, from the date of the failure.

14. Payment of Premiums

- (a) Cover under this Policy will not commence until **you** have paid, or have agreed to pay, the premium (including any Government charges) for the **period of insurance**.
- (b) If **we** have agreed that **you** can pay **your** premium in instalments, payments are due in accordance with the agreement **we** have with **you**. In such case, cover under this Policy will not commence until **you** have paid, or have agreed to pay, the premium, including any Government charges, due under this agreement.
- (c) If **you** suffer a total loss:
 - (i) **we** will not settle **your** claim,
 - 1. until the full annual premium is paid, or
 - 2. if **you** are paying **your** premium by instalments, until the balance of the full annual premium is paid,
 - (ii) **we** may deduct any outstanding annual premium from the claim settlement.
- (d) It is important **you** continue to pay **your** premiums on time (either in full, in advance, or in accordance with any agreement **we** have with **you**).

15. Reasonable Care

- (a) **You** must take reasonable care to avoid and minimise **loss** or damage occurring to the property insured under this Policy, and liability to others, at **your** own expense.
This includes:
 - (i) complying with all relevant laws,
 - (ii) complying with all manufacturer's recommendations,
 - (iii) employing competent employees, and
 - (iv) maintaining and operating all security protection equipment, and all fire protection and extinguishment equipment, at all relevant times.
- (b) **We** will not pay any claim if **you** have been reckless or grossly irresponsible.

16. Separate Insurance

- (a) If this Policy insures more than one person or entity, they are insured separately as though a separate Policy was issued to each. However, the most **we** pay for all insured persons and legal entities collectively during the **period of insurance** is the amount shown in this Policy or on the **certificate**.

17. Transfer of Interest

- (a) No interest in this Policy can be transferred or assigned without **our** written agreement.

Definitions

The following definitions apply to **your** Policy, unless the context requires otherwise.

Please note:

- References to the singular include the plural and vice versa.
- The definitions apply to any derivatives of the word used in the policy.

Accessories means a part of **your motor vehicle** not supplied or fitted by the manufacturer of **your motor vehicle** as standard equipment for the model including:

- (a) non-manufacturer wheels and modified wheels,
- (b) any radio, audio equipment or other in-vehicle entertainment and communication equipment forming an integral part of **your motor vehicle**,
- (c) any telephone permanently fitted to **your motor vehicle**,
- (d) any detachable and fixed equipment such as radar detectors, on-board computers, heating and/or cooling units, tarpaulins, chains and twitches, bearers and load-securing and lifting equipment or ropes,
- (e) signwriting, artwork and the like,
- (f) LPG, CNG or other fuel conversion installations,
- (g) any car seat covers, or car mats, and
- (h) any child car seat while in the vehicle and which is not otherwise insured.

Accident and **accidental** means an event which is sudden, unintended and unforeseen by **you**.

Bodily injury means **injury**, sickness, disability, disease, diagnosed mental injury, or death resulting from any of these.

Burglary means:

- (a) forcible and violent entry into a securely locked building (or part of a building) or **motor vehicle** with intent to commit crime,
- (b) forcible and violent exit from a securely locked building (or part of a building) or **motor vehicle** after having committed a crime, or
- (c) theft of insured property from a building or motor vehicle accompanied by:
 - (i) violence, or
 - (ii) threat of violence,

to **you, your employees** or **your** customers where such violence or threat is used to:

1. extort the stolen property, or
2. prevent or overcome resistance to property being stolen.

Certificate means the latest version of **your** Policy Certificate issued by **us** which contains details of **your** insurance cover under this Policy.

Confiscation means confiscation, requisition, nationalisation, or destruction of, or damage to property by order of Government, a local authority, a court, or any public authority but excludes such orders given for the purpose of controlling a peril covered by this Policy.

Defined event means:

- (a) fire,
- (b) explosion,
- (c) lightning,
- (d) hail,
- (e) snow,
- (f) impact by a **motor vehicle** or an animal,
- (g) malicious acts,
- (h) vandalism excluding:
 - (i) vandalism to property in the course of construction or repair,
 - (ii) vandalism caused by **you**, any member of **your** family or any of **your employees**,
- (i) **storm** or **flood**, excluding **storm** or **flood** damage to fences, unless **your farm fencing** is shown on **your certificate**, gates, retaining walls or glass (including glass houses), shade houses or tunnel houses,
- (j) **burglary**, other than by **you**, any member of **your** family or any of **your employees**,
- (k) impact by an aircraft or any other aerial or spatial devices or articles which drop from them, or
- (l) riot or labour disturbance.

Employee means:

- (a) any employee directly employed by **you** for domestic duties, or
- (b) any:
 - (i) employee directly employed by **you** in, or
 - (ii) principal or director (but only in their capacity as such) of **your**:
 1. **farming operations**,
 2. **horticulture operations**, or
 3. **homestay activities**.

Your Farm Buildings Policy

Erosion means the wearing away of rocks, soil and the like by action of water, ice or wind.

Event means a single **loss** and/or **bodily injury**, or a series of **losses** and/or **bodily injuries** which have the same cause.

Excess means the first amount of a claim that **you** must pay, as shown on the **certificate**.

Farm means the area within the location shown on the **certificate** which is used for **your farming operations**.

Farm buildings means the farm buildings at the **farm** that are used for **your farming operations** and that are shown on the **certificate**. This includes:

- (a) fittings and fixtures that are permanently attached to the building,
- (b) power or telephone poles, overhead and underground lines and associated equipment, underground pipes for gas and water supply and sewage disposal, and effluent ponds and associated piping and machinery, that service the farm building,
- (c) signs that are located anywhere in New Zealand, and
- (d) the following permanent structures on the farm:
 - (i) walls (but not retaining walls),
 - (ii) plant and machinery (fixed to or permanently located within the **farm building**), and
 - (iii) plant and machinery, not owned by **you** but which are in **your** custody or control and which are not insured elsewhere (fixed to, or permanently located within, the **farm building**).

It does not include:

- (e) farm fences,
- (f) growing structures,
- (g) netting, or
- (h) wind machines,

unless shown on the **certificate**.

Farm fencing means fencing or artificial wind breaks which are used solely for **your farming operations** that conform with the standard farm fencing/wind break practices for **your** type of farm and/or **your** local area.

Farm structures means the **farm buildings, farm fencing, farm bridges, underpasses, culverts, well or bore shafts, and unspecified farm buildings at your farm**.

Farming operations means **your** normal regular farming activities including:

- (a) Exhibitions and competitions at shows.
- (b) Using **your** property for horse or hunt club activities, except horse racing organised by a racing or trotting (or similar) organisation.
- (c) Distributing farm material from aircraft, except for 1080, 1081, herbicides, fungicides, pesticides or similar poisons or substances.
- (d) Occasional Artificial Insemination Technician activities, if not exceeding 25% of **your** total farming activities.
- (e) Occasional farm contracting, if not exceeding 25% of **your** total farming activities, provided it does not involve the use of:
 - (i) explosives, or
 - (ii) herbicides and/or fungicides and/or pesticides.
- (f) **Horticulture operations**.

Fire only means fire, lightning or explosion.

Flood means the inundation of normally dry land by water overflowing the normal confines of any natural or artificial water course, lake, reservoir, canal, dam or river, or the ponding of a normally dry paddock.

FMG means FMG Insurance Limited as shown on the **certificate**.

Homestay activities means **your** accommodation of **paying guests** provided that:

- (a) **your** maximum **paying guest** capacity is no more than six persons,
- (b) **your** annual turnover from **paying guests** is not greater than \$30,000, and
- (c) for taxation purposes **you** claim no more than 50% of **your house** for **your** accommodation of **paying guests**.

Horticulture operations means **your** normal regular horticultural activities associated with the growing of **your** plants.

House means the house that **you** live in.

Injury means external or internal bodily injury caused solely and directly by violent, **accidental**, external and visible means.

Loss means physical:

- (a) loss,
- (b) damage, or
- (c) destruction,

of tangible property during the **period of insurance**.

Loss of electronic data means the loss, corruption, destruction, malfunction or unavailability of information or instructions in electronic form including programs, software and other electronic data. This extends to the loss of use, reduction in functionality, or any other associated loss or expense in connection with the loss of such data including data retrieval costs.

Motor vehicle means any type of machine on wheels or tracks that is propelled by its own power. This includes anything that can be towed by the machine and any **accessories** attached to the machine.

Natural disaster means earthquake (including earthquake fire), volcanic eruption, tsunami, hydrothermal activity, or **natural landslide**.

Natural landslide means the movement (whether by way of falling, sliding or flowing, or by a combination thereof) of ground forming materials composed of natural rock, soil, artificial fill or a combination of such materials which, before movement, formed an integral part of the ground. Natural landslide does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compaction, or erosion.

Nuclear materials means:

- (a) ionising radiation or contamination by radioactivity from:
 - (i) any nuclear fuel,
 - (ii) any nuclear waste,
 - (iii) the combustion or fission of nuclear fuel, or
- (b) nuclear weapons material.

Paying guest means a temporary visitor at **your house** who pays **you** for hospitality, meals and/or accommodation for a short term.

Period of insurance means the duration of **your** Policy, as shown on the **certificate** (unless the Policy is terminated earlier by **you** or **us**).

Present day value means either the:

- (a) market value immediately before the **loss**, or
- (b) replacement cost less an allowance for age and wear and tear,

as calculated by **us**, using whichever method **we** believe to be appropriate in the case.

Property means **your** assets that are insured by this Policy, as shown on the **certificate**.

Storm means violent winds sometimes combined with thunder, heavy falls of rain, hail or snow. Bad weather, or heavy or persistent rain by itself does not constitute a storm.

Terrorism means:

- (a) the use, threatened use, or preparation for the use, of:
 - (i) force or violence towards any person or group(s) of people,
 - (ii) property damage,
 - (iii) conduct that creates a risk to health and safety, or
 - (iv) interference or disruption with an electronic system,
- (b) by a person or group(s) of people whether acting alone, or on behalf of, or in connection with, any organisation or government:
 - (i) designed to influence, coerce or retaliate against, a government or group of people, and
 - (ii) bring about change that aligns with their particular political, religious, ideological, ethnic, economic agenda, and
- (c) extends to conduct connected with controlling, preventing, suppressing, retaliating against, or responding to such conduct.

Unspecified culvert means any culvert at **your** farm not individually shown on the **certificate** (but only if the **certificate** shows unspecified culverts as an insured item).

Your Farm Buildings Policy

Unspecified farm building means any **farm building** at **your farm** (excluding tunnel houses, glasshouses and greenhouses) not individually shown on the **certificate** (but only if the **certificate** shows Unspecified Farm Buildings as an insured item) including:

- (a) fittings and fixtures that are permanently attached to the farm building,
- (b) underground pipes for gas and water supply and sewage disposal, and effluent ponds and associated piping and machinery, that service the farm building, and
- (c) any of the following permanent structures at **your farm**:
 - (i) cattle stops,
 - (ii) silos,
 - (iii) tanks,
 - (iv) gates,
 - (v) windmills,
 - (vi) wind machines,
 - (vii) stock yards including associated gates, pens and fences (but not **farm fencing**),
 - (viii) power or telephone poles, overhead and underground lines and associated equipment which **you** own or which are in **your** custody or control and which are not insured elsewhere,
 - (ix) solar panels, and
 - (x) feed pads.

It does not include well or bore shafts, farm bridges, or culverts.

War means conflict, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil, mutiny, civil commotion assuming the proportions of or amounting to an uprising, insurrection, rebellion, revolution, military or usurped power, and extends to activity connected with controlling, preventing or suppressing such conduct.

We, us, or our means **FMG**.

You and **your** means the person (or persons) shown on the **certificate** as the insured. **You** can also be a company, partnership or other legal entity.

We're easy to contact

Call us on
0800 366 466

Write to us at
PO Box 1943
Palmerston North 4440

Email us
contact@fmg.co.nz

Visit our website
www.fmg.co.nz

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Advice & Insurance