Home
Policy Wording

Terms of our policy to cover the home



FMG
Advice & Insurance

Thank you for choosing to insure with FMG. We are New Zealand's leading rural insurer, 100% New Zealand owned and protecting property and livelihood in New Zealand communities since 1905.

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This policy wording describes the Home policy. This policy covers your home, which can include associated garages, sheds, gates, fences, patios, tennis courts, driveways and pools.

Important information about your FMG policy

Please read and file this document and your policy certificate

Please take the time to read carefully through this policy wording and the accompanying policy certificate. Together, these two documents form your insurance contract with us.

The policy certificate shows what you are covered for

Your policy certificate is particularly important. If there is any inconsistency between your FMG policy wording and what is on the certificate, it is the certificate that prevails.

Under this contract, you and FMG both have responsibilities to ensure everything runs smoothly. Read these documents to find out what they are. If there is anything that you don't understand, please contact us.

Please:

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

The date that cover ceases is shown on the policy certificate. If your policy is renewable, we will contact you about renewing your insurance just before that date.

The policies and benefits we agree to provide are listed on your certificate. This policy wording details the cover that this policy and benefits provide.

Our defined meanings of some words

In this document, we use italics to show that the words have the meanings given in the definitions section. We also use the following common terms throughout the document, with the meanings shown:

- ***Certificate*** means the latest version of your policy certificate issued by us. The certificate contains details of your insurance cover under this policy.
- ***FMG*** means FMG Insurance Limited as shown on the certificate.
- ***Period of insurance*** means the duration of your policy, as shown on the certificate (unless the policy is ended earlier by you or us).
- ***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.

You agree to give us correct and complete information

We have provided this policy based on the information you have disclosed to us. If you give us information that is incorrect or incomplete, you might not be covered under the policy.

You need to tell us:

- all material information before the cover starts, even if we don't specifically ask about it (material information is information that could change our decision if we knew about it)
- straight away if your circumstances change in any way while you are insured with us, both during the period of insurance and at renewal.

Cover under your policy will not start 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 by the due date, your insurance could be cancelled and you will not be insured.

You are not covered for some items, events, and circumstances. These are called exclusions. Exclusions are detailed throughout the policy.

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 who is entitled to claim under this policy must also meet these conditions and obligations.

We are bound by the Fair Insurance Code

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

We comply with the Privacy Act 1993

We collect personal information about you, your business, or both. We asked you for personal information to fully evaluate and to administer this policy, and we may ask for more if you make a claim or renew the policy. You also authorise us to:

- collect relevant information about you or your business from third parties, such as other insurers and EQC
- disclose information about you in connection with insurance to third parties.

We fully understand the importance of protecting your personal, commercial and financial information. We store your information securely, within our organisation, and will not share it except in compliance with the Privacy Act 1993. You have rights under the Privacy Act 1993 to access and correct the information we hold about you.

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

We provide a 30-day 'cool off' period

We are confident this policy will be right for you. However, you may cancel this policy within 30 days of the start date if you are not entirely happy, without giving us a reason. We will refund any premium you have paid, provided you do not have a claim during this 30-day period.

We agree to cover your home and liability

We agree to provide you with the insurance set out in this policy, if 'Home' is shown on the certificate.

The parts of this policy that apply to you will depend on the type of cover you have chosen as follows:

- Accidental loss: you are covered for your home (section 1) and liability (section 2).
- Defined event: you are covered for your home (section 1) only.
- Fire only: you are covered for your home (section 1) only.

Your certificate shows the type of cover you have.

Section 1 – We cover your home

1. We cover your home, building materials and fittings and fixtures

Your *home*, building materials and fittings and fixtures are insured for one of the following, as shown on the certificate:

- *accidental loss,*
- *defined event,* or
- *fire only.*

Your building materials are only insured if they are to be permanently incorporated in the *home* and one of the following applies:

- you have newly purchased them and they are still at the retailer's premises,
- they are in transit to your *home*,
- they are at your *home*.

Your *home* fittings and fixtures continue to be insured when:

- temporarily removed from your *home* to anywhere in New Zealand (including in transit within New Zealand), or
- for sale anywhere in New Zealand (including in transit within New Zealand).

2. All covers include automatic benefits

If your *home* is insured for accidental loss, defined event or fire only, you are automatically insured under this section for the following benefits.

2.1 We cover loss caused by natural disaster

Your *home* and *retaining walls* are insured for *accidental loss* caused by *natural disaster.*

If the *loss* to your *home* or *retaining walls* is also insured under the Earthquake Commission Act 1993 (EQCover):

- we will pay only the difference between EQCover and the cover you have under this policy, and
- we will not pay any excess under EQCover.

The combined total of what we pay and what the EQCover pays must not exceed the amount of cover available for your *home* under this policy for any one event.

2.2 We cover replenishment costs

You are insured for the reasonable cost of replenishing your fire-fighting equipment after it has been used to protect your *home* from *loss* covered by this policy.

We will pay up to $5,000 for any one *event*.

3. Accidental loss cover includes additional automatic benefits

If your *home* is insured for accidental loss you are also automatically insured under this section for all the following benefits.

3.1 We cover gradual damage

Your *home* is insured for gradual damage that occurs during the period of insurance caused by:

- leaking from any internal water tank, internal water pipe, or waste disposal pipe
- leaking at the immediate point of connection between a hidden internal water, or waste disposal pipe, and any household appliance installed at your *home*.

Gradual damage is only covered if you:

- minimise the damage, and
- prevent any further damage as soon as it is discovered.

We will pay the reasonable cost to repair the damage.

We will not pay for the costs of locating or repairing the leak.

We will pay up to $5,000 for any one *event*.

3.2 We cover the replacement of locks and keys

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) that give access to your *home* if you have reasonable grounds to believe:

- they are lost, damaged or stolen,
- they have been duplicated without your consent,
- someone else has found out the combination of an electronic key pad, lock or external door.

You do not have to pay any *excess* for this benefit.

3.3 We cover the removal of debris

You are insured for the reasonable costs of removing and disposing of any tree that has fallen onto and damaged your *home*, provided we have accepted a claim for the damage to that home.

We will only remove the debris that is within your *section*.

We will pay up to $1,000 for any one *event*.

3.4 We cover retaining walls

You are insured for *accidental loss* to the *retaining walls* of your *home* during the period of insurance.

We will pay to repair or rebuild these retaining walls up to $20,000 for any one *event*. This sum is included in the amount of cover available for your *home*.

3.5 We cover landscaping

If we have accepted a claim for *accidental loss* to your *home*, we will pay the reasonable cost of reinstating any lawn, flowers, trees or shrubs damaged in the same *event*.

We will pay up to $5,000 for any one *event*.

3.6 We cover post-event inflation

If the certificate shows that your *home* is insured for Nominated Replacement or Replacement, capped at the sum insured for National Disaster we may, at our option, increase the cover available under this policy if all of the following apply:

- we have accepted a claim for *accidental loss* to your *home*
- your claim is to be paid on the basis of an actual repair or rebuild of your *home*
- a *natural disaster, flood* or *storm* in the district or region where your *home* is located has caused widespread *loss* resulting in a statistically significant increase in demand that has led to increased building costs
- the actual cost to repair or rebuild your *home* is higher than the amount shown on the certificate for your *home* due solely to the increase in building costs described above.

The maximum additional amount we will pay under this benefit for any one event is 10% of the amount shown on your certificate for your *home*.

3.7 We cover septic tank changes

If, as a result of the rebuilding of, or repairs to, your *home* on the original site, your undamaged septic tank needs to be rebuilt or replaced to connect to the rebuilt or repaired home, we will pay the reasonable costs of completing this work.

We will also pay the reasonable costs to rebuild, replace or change your undamaged septic tank, if required by government or a local authority but only if the tank complied with these requirements at the time it was built.

The cover available under this benefit is included in the amount of cover available for your *home*.

3.8 We cover sprinkler installation

We will pay the reasonable cost to install a domestic sprinkler system if the certificate shows that your *home* is insured for Replacement and all of the following apply:

- your *home* is totally destroyed
- we have accepted a claim for this *loss* under this policy
- your *home* is rebuilt
- your *home* did not have a sprinkler system.

We will pay up to $10,000 for any one *event*.

The new system installed must comply with the relevant current New Zealand Standard for sprinkler systems for this type of building.

3.9 We cover loss from terrorism

Your *home* is insured for *accidental loss* (but not related costs or expenses) caused by *terrorism*. However, it is not insured for *loss* connected in any way with *terrorism* that involves nuclear, biological or chemical weapons, substances or contamination.

For any one *event*, we will pay the lowest of the following:

- the amount shown on the certificate
- the cost to rebuild or repair your *home*
- $1,000,000.

4. You can choose to add any of the following optional benefits

These optional benefits only apply if you have purchased them and they are shown on your certificate.

4.1 We cover the cost of matching floor coverings

If you have bought this benefit and we have accepted a claim for *accidental loss* to floor coverings in your *home*, we will pay to:

- replace the floor coverings in the room where the *accidental loss* occurred, and
- replace matching floor coverings in other rooms if a matching replacement cannot be obtained for the room where the *accidental loss* occurred.

This benefit does not extend to automatic benefit 3.1 (gradual damage).

Floor coverings means any material made from textiles, felts, resins, rubber or other natural or man-made substances applied or fastened to, or laid upon, the level base surface of a room to provide comfort, durability, safety and decoration.

4.2 You do not have to pay an excess on glass and sanitary fixture claims

If you have bought this benefit, no *excess* applies to claims for *accidental* breakage of:

- window, door or skylight glass in your *home*
- glass panes in your conservatory or domestic glasshouse
- permanently fixed mirrors that are part of your *home*
- fixed glass in lampshades or built-in furniture
- hand basins, baths, glass shower doors or screens, moulded shower cabinet units, toilet bowls or bidets.

4.3 We cover lifestyle block fencing

If you have bought this benefit, you are insured for *accidental loss* to your *lifestyle block fencing*.

We will pay the reasonable cost to repair or replace your *lifestyle block fencing*.

For any one *event*, we will pay the lesser of:

- the *present-day value* of the damaged part of your *lifestyle block fencing*
- $5,000

4.4 We cover accidental loss to your lifestyle block pumps and motors

If you have bought this benefit, you are insured for the accidental loss of any pump or motor used to service your lifestyle block.

We will pay the reasonable cost to repair or replace the pump or motor up to $5,000 for any one event.

Accidental loss includes breakdown or failure means any form of mechanical, hydraulic, electrical or electronic breakdown or failure, and due to an internal (rather than external) cause including breaking, deforming, or seizing.

5. What we will pay

What we pay depends on:

- which of the four types of cover you have (clauses 5.1 to 5.4):
  - Replacement
  - Replacement, capped at the sum insured for Natural Disaster
  - Nominated Replacement
  - Present-Day Value
- whether changes are required, or professional fees or the removal of debris is involved (clause 5.5)
- whether your *home* is not rebuilt (clause 5.6), and
- whether there is a cash settlement (clause 5.7).

Additionally, where a benefit refers to a specific limit that is the maximum amount we will pay for that benefit.

5.1 What we will pay if you are insured for Replacement

If the certificate shows that your *home* is insured for Replacement, we will pay the reasonable cost to rebuild, repair or replace the damaged portion of your *home* 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 square metre area shown on the certificate.

5.2 Replacement, capped at the sum insured for Natural Disaster

If the certificate shows that your *home* is insured for Replacement, capped at your sum insured for Natural Disaster:

- In the event of an Accidental Loss caused by *Natural Disaster,* it will be treated as if the certificate showed it was insured for Nominated Replacement and clause 5.3 (Nominated Replacement) applies.
- Otherwise, it will be treated as if the certificate showed it was insured for Replacement and clause 5.1 (Replacement) applies.

5.3 What we will pay if you are insured for Nominated Replacement

If the certificate shows that your *home* is insured for Nominated Replacement, we will pay the reasonable cost to rebuild, repair or replace the damaged portion of your *home* as nearly as practicable to an as new condition, using building materials and construction methods in common use at the time of the repairs.

The maximum we will pay is the amount shown on your certificate for any one *event*.

5.4 What we will pay if you are insured for Present-Day Value

If the certificate shows that your *home* is insured for Present-Day Value, we will pay the reasonable cost to rebuild or repair the damaged portion of your *home* 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.

The maximum we will pay is the amount shown on your certificate for any one *event*.

5.5 What we will pay for changes required, professional fees and the removal of debris

We will pay the reasonable cost to make any changes required by the Government or a local authority. However:

- your *home* must have complied with all relevant legislation and regulations at the time it was built or altered, and
- we will only pay for changes to the part of that home that has suffered *loss* covered by this policy.

We will also pay the reasonable costs for:

- architect, engineer and surveyor fees authorised by us, and
- demolishing and removing the debris (including contents).

The amounts we will pay under this clause are included in the amount shown on your certificate for your *home* (if applicable).

5.6 What we will pay when your home is rebuilt on another site or not repaired or rebuilt

If the certificate shows that your *home* is insured for Replacement, Replacement, capped at the sum insured for Natural Disaster, or Nominated Replacement and your home needs to be rebuilt, you may, with our prior approval, rebuild on another site. However, we will not pay more than the reasonable costs that would have been incurred to rebuild on the original site.

If you choose to not rebuild, repair or replace your *home*, we will pay:

- the *present-day value* of the damaged part of your *home*, and
- the reasonable cost to demolish and remove the debris (including contents).

The maximum we will pay is the amount shown on the certificate for any one *event* (if applicable).

5.7 We may choose to cash settle

The rebuilding, repairs or replacement (if applicable) must be carried out within a reasonable period of time after the *loss*.

We may, at our option, make a cash payment to you if:

- we consider that the relevant rebuilding or repairs cannot be carried out within a reasonable period of time after the *loss*, or
- there is shared ownership or joint responsibility between you and another party of any property subject to *loss*.

Any cash payment will be the lesser of the following:

- the amount that we consider is reasonably required to meet the relevant costs based on the advice of an appropriately qualified party appointed by us
- the amount shown on your certificate for your *home* (if applicable).

6. What loss you are not insured for

This section contains specific exclusions for the home section (section 1). The general exclusions, starting on page 17, also apply.

6.1 Your home is not insured for natural deterioration, breakdown or actions

Your *home* is not insured for *loss* connected in any way with:

- normal maintenance, wear and tear, slowly developing deformation or distortion
- mildew, mould, rot, rust, corrosion or gradual damage, unless covered under automatic benefit 3 (gradual damage)
- action of micro-organisms, rodents, insects or vermin (except possums)
- action of light
- mechanical breakdown, unless to a fixed domestic pump used mainly to service your *home* or covered under optional benefit 4.4 (lifestyle block pumps and motors)
- electrical or electronic breakdown, unless burning out occurs or unless covered under optional benefit 4.4 (lifestyle block pumps and motors).

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

6.2 Your home is not insured for inherent faults or defective work

Your *home* is not insured for *loss* connected in any way with:

- the inherent nature of the property
- an inherent defect or fault
- defective workmanship, materials or design.

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

6.3 Your home is not insured for loss during structural alterations

Your *home* is not insured for *loss* connected in any way with work that involves the removal of support from either your *section* or your *home*, structural alterations or additions to your home, or the lifting or shifting of your *home*, unless:

- cover under an FMG Contract Works policy is in place for the relevant work for the period that work is undertaken, or
- you have told us about this work before undertaking it and we have agreed to cover it.

These exclusions apply only to the part of your *home* first affected by the *loss* and the resulting *loss* to other parts of your *home*.

6.4 Your home is not insured for loss from water damage during building work

Your *home* is not insured for *loss* connected in any way with water entering it because roofing materials, exterior cladding, doors or windows have been removed, unless the area is covered by a securely fastened tarpaulin.

6.5 Your home is not insured for loss caused by land movement

Unless covered under automatic benefit 2.1 (natural disaster), your *home* is not insured for *loss* connected in any way with:

- settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, driveways or any other structural improvement
- subsidence, shrinkage, swelling or *erosion* of land
- subterranean fire
- damage to any swimming pool caused by the ground shrinking or expanding, or by hydrothermal activity or subterranean pressure of any kind.

6.6 Your home is not insured for loss or damage caused by visitors or residents

Your *home* is not insured for theft, or malicious or deliberate damage (except fire and explosion) by anyone staying at the home and their guests.

6.7 Your home is not insured for loss due to pollution, contamination or certain activities

Your *home* is not insured for *loss* connected in any way with:

- pollution or contamination (including land contamination)
- cleaning, repairing or restoring.

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

6.8 Your home is not insured for replacing undamaged coverings

Your *home* is not insured for replacing wall, floor or window coverings in rooms other than those where *loss* has occurred unless covered under optional benefit 1 (matching floor coverings).

6.9 Your home is not insured for natural disaster damage

Your *home* is not insured for natural disaster damage, unless covered under automatic benefit 2.1 (natural disaster).

Section 2 – We cover your legal liability

7. We cover liability for loss and bodily injury, and legal defence costs

7.1 You are insured for your legal liability for injury to others and loss of their property

You are insured for your legal liability for both:

- *accidental bodily injury* to any other person
- *accidental loss* to the property of others

Your policy covers such liability if the accident arises at your *section* during the period of insurance.

7.2 You are insured for legal defence costs

If we have accepted a claim under the liability part (section 2) of this policy, you are also insured for your reasonable legal defence costs.

8. The cover also includes automatic benefits

Your insurance for legal liability and legal defence costs automatically includes the following benefits.

8.1 We cover you for liability under the Innkeepers Act

You are insured for your legal liability under the Innkeepers Act 1962 for *loss* occurring at your *section* during the period of insurance.

We will pay up to $100,000 for any one *event*.

8.2 We cover you for your liability for pollution and contamination

You are insured for your legal liability for costs you incur for a *loss* due to pollution or contamination provided it:

- occurs at your *section* during the period of insurance, and
- is caused by an *accidental event* during the same period of insurance.

9. What we will pay

Where a benefit refers to a specific limit that is the maximum amount we will pay for that benefit.

The maximum amount we will pay in total under the liability part (section 2) for any event is $1,000,000.

If both you and another person or persons are entitled to cover as a result of the same event, we will pay for your legal liability first.

10. What liability you are not insured for

This section contains specific exclusions for the liability section of this policy. The general exclusions, starting on page 17, also apply.

10.1 You are not insured for your liability for loss to your property

Except to the extent you are covered by automatic benefit 2 (Innkeepers Act liability), this policy does not cover your legal liability for loss of property that you either:

- own, or
- have under your care or control.

10.2 You are not insured for your liability for bodily injury to people living in the home and employees

This policy does not cover your legal liability for *bodily injury* to:

- anyone living at your *home*, or
- your *employees*.

10.3 You are not insured for liability connected with your business

This policy does not cover your legal liability connected in any way with *your* business, trade or profession (other than your *homestay activities)*.

10.4 You are not insured for your liability as an owner or user of motor vehicles, aircraft or watercraft

This policy does not cover your legal liability connected in any way with your ownership or use of any *motor vehicle*, aircraft or watercraft.

10.5 You are not insured for your liability for penalties

This policy does not cover your legal liability for any fine, penalty, sentence of reparation, or any punitive or exemplary damages.

10.6 You are not insured if you accept liability when you are not liable

This policy does not cover your legal liability if you have agreed to accept liability where there would otherwise be none.

10.7 You are not insured for your liability for pollution or contamination

This policy does not cover your legal liability for pollution or contamination (including land contamination and the cost of removal and cleaning up) unless covered under automatic benefit 8.2 (pollution or contamination liability).

11. General exclusions for both your home and liability

These exclusions apply to both your home (section 1) and liability (section 2).

11.1 You may have to pay an excess

If we accept a claim under one or more of your FMG policies, you are not insured for the amount of any *excess* on the certificate.

11.2 You are not covered for consequential loss

You are not insured for any consequential loss. Things you are not covered for include, but are not limited to:

- penalties
- loss of use of property
- loss resulting from delays
- loss of market
- loss resulting from depreciation
- loss of value.

11.3 You are not covered for loss connected with unlawful substances

There is no cover under this policy for *loss* in any way connected with the manufacture, storage, use or distribution at your *home*, of any 'controlled drug' as defined in the Misuse of Drugs Act 1975.

11.4 You are not covered for confiscation, nuclear materials, terrorism or war

You are not insured under this policy for *loss* in any way connected with:

- *confiscation*
- *nuclear materials*
- *terrorism*, unless covered under automatic benefit 3.9 (terrorism)
- *war.*

11.5 You are not covered for the loss of electronic data

You are not insured for *loss* in any way connected with the *loss of electronic data*.

11.6 You are not covered for asbestos

You are not insured for *loss* in any way connected with handling, transporting, storing, installing, removing, or otherwise using asbestos or products containing asbestos.

Making a claim

The conditions in this section are important. You must meet all conditions before we will accept a claim under your policy with us.

12. What you must do

12.1 As soon as you know you are likely to make a claim

You must let us know immediately if anything happens that is likely to lead to a claim.

You must take reasonable steps to minimise the claim and avoid any further claim.

You must make a complaint to the police if you suspect criminal activity.

12.2 When communicating with us

You must complete our claim form in full if we ask you to do so, and return it to us within 30 days of our request.

You must provide all reasonable information and assistance we require at any time.

You must immediately send us all relevant correspondence and court documentation.

You must authorise us to:

- get personal information about you from you and third parties in connection with your insurance
- disclose personal information about you to third parties in connection with your insurance.

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

12.3 When you have other insurance

You must immediately notify us of any other insurance that covers you for any of the risks covered under this policy.

13. What you must not do

13.1 You must not accept liability or settle things yourself

You must not admit you are liable to any party.

You must not say or do anything that prejudices our ability to:

- defend any action against you, or
- take recovery action in your name.

You must not start any remedial action or dispose of any property you intend to claim on without our prior approval.

13.2 You must not make untrue statements

You, and anyone else entitled to claim under this policy, must ensure all statements made to us are true and complete.

If your claim is dishonest or fraudulent in any way, we are entitled to:

- decline your claim in whole or in part
- bring this policy to an end from the date of the dishonest or fraudulent act
- bring all other insurance you have with us to an end from the date of the dishonest or fraudulent act.

We may also notify the police, the Serious Fraud Office, or both.

14. How we will manage the claim

14.1 If two or more excesses apply, you need to pay the higher excess

If an *event* is covered under more than one of your FMG policies, you will have to pay only one *excess*. This will be the highest *excess* we can apply under those policies.

14.2 We will pay the difference between another insurance and this one

You must immediately let us know if you have other insurance covering the risks covered under this policy.

We will only pay over and above the limit payable under that other insurance.

14.3 We have the right to act in your name in litigation

If you make a claim under the liability part of this policy (section 2), we have the sole right to act in your name and on your behalf in connection with that claim. We can defend, negotiate or settle the claim as we decide, at our expense.

We are entitled to appoint our own lawyers who report to us, and you waive your right to legal professional privilege.

We may elect to pay:

- the maximum amount payable under this policy, or
- any lesser sum for which the action against you can be settled.

Once we have done so, we have no further liability to you under this policy.

14.4 We may make progress payments

We will, at our option, make regular progress payments for your claim provided that:

- you provide us with proof of your insured *loss*, and
- if the combined progress payments exceed the total amount of the *loss*, you must immediately refund us the difference between these amounts.

14.5 We may recover costs from those responsible for the loss

If we accept any part of your claim, we may exercise any legal rights you have to recover amounts from the persons responsible for the *loss*. Any recovery will be at our cost.

If we do this, you must co-operate and give us any help we ask for. If you refuse, you may have to repay the money we paid you.

If we succeed in recovering any money from the persons responsible, we will refund your excess. We will pay to you any remaining money recovered after deducting:

- our recovery costs, and
- the money we have paid you.

If you recover any lost or stolen property claimed under this policy:

- you must hand this over to us, and
- we are entitled to keep the property and any proceeds from its sale.

If you receive any reparations for any property on which you have made a claim under this policy, you must immediately reimburse us from these reparations up to the amount of any claim payments we have made to you.

14.6 We can choose whether or not to salvage

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.

You cannot abandon any property to us.

General conditions of this policy

The following conditions apply to the whole policy, and cover what you agree to do, how we manage the policy, and how the policy will be interpreted.

15. What you agree to do

These conditions must all be met before we will accept a claim under this policy.

15.1 You must comply with all terms of this policy

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.

You must tell the truth at all times.

15.2 You must tell us immediately if anything changes

After this policy starts, you must notify us immediately of any change in circumstances you are aware of that affects any risks insured under this policy, whether by increasing or altering them.

Once you have done so, we may change the premium and terms of cover, at our discretion.

If you fail to let us know about any change in circumstances, we may (from the date of the failure):

- refuse to meet any claim or part of it
- cancel this policy.

15.3 You must take reasonable care

You must take reasonable care, at your own expense, to avoid and minimise *loss* or damage to the property insured under this policy, and liability to others.

This includes all of the following:

- complying with all relevant laws
- complying with all manufacturer's recommendations
- employing competent employees
- maintaining and operating all security protection equipment, and all fire protection and extinguishment equipment, at all relevant times.

We will not pay any claim if you have been reckless or grossly irresponsible.

15.4 Premiums must be paid on time

Cover under this policy will begin when you have paid, or have agreed to pay, the premium for the period of insurance (including any government charges).

If we have agreed that you can pay your premium in instalments, cover under this policy will begin when you have paid, or have agreed to pay, the first instalment (including any government charges), due under this agreement.

You must pay your premiums by the due date.

If you suffer a total loss:

- we will not settle your claim:
  - until the full annual premium is paid, or
  - if you are paying your premium by instalments, until the balance of the full annual premium is paid, and
- we may deduct any outstanding annual premium from the claim settlement.

15.5 You must let us know if your home is unoccupied

You must let us know immediately if your *home* is going to be unoccupied for 60 days or more, unless it is a holiday home (as shown on the certificate).

If your *home* is going to be unoccupied for 60 days or more, you must get us to confirm that your cover will continue.

If you do not let us know, you are not insured for *loss* in any way connected with your *home* being unoccupied.

15.6 You must seek our written agreement to a transfer of interest

No interest in this policy can be transferred or assigned without our written agreement.

16. How we will manage this policy

16.1 How to make changes to this policy

If we agree, you may change this policy by giving us notice of the changes.

We may change the terms of this policy at any time by giving you notice at the last known address we have for you. The changes we make will take effect 30 days after the day we send or deliver the notice to you.

16.2 How to cancel this policy

You may cancel this policy at any time by giving notice to us.

We may cancel this policy at any time by giving notice to you at the last known address we have for you.

Your policy will be cancelled 30 calendar days after the day we send or deliver the notice to you.

- If you cancel this policy we will (subject to “We provide a 30 day ‘cool off’ period” on page 6) refund 90% of the unexpired portion of your premium
- If we cancel this policy, we will refund the unexpired portion of your premium.

If you have made a claim and we have paid the full amount under:

- the policy, we will cancel the policy
- an item, we will cancel the item
- an optional benefit, we will cancel the optional benefit.

In all three cases, the cancellation will be from the date of *loss*.

16.3 Special conditions when people are insured jointly

If this policy insures more than one person or entity, they are insured jointly. A breach by one insured will be treated as a breach by all insured persons.

The most we will pay in total to all insured persons or entities during the period of insurance is the amount shown in this policy or on the certificate.

16.4 We will add Goods and Services Tax where applicable

Where we are able to recover GST under the Goods and Services Tax Act 1985:

- all amounts insured exclude GST (unless otherwise shown on the certificate), and
- GST will be added, where applicable, to claim payments.

All *excesses* include GST.

16.5 We can inspect your home

We are entitled to inspect property insured, at any reasonable time. You must provide any information we reasonably require in connection with that property.

When we inspect the property or provide an inspection report, we are not determining or warranting the safety of any operation, property or premises, nor are we confirming that these are covered by the policy.

16.6 We can give information and make payments to interested parties

If you advise us of a party holding a financial interest over the property insured under this policy, all of the following apply:

- we note that interest, but the party is not directly insured under this policy
- you authorise us to disclose personal information about you to that party in connection with this policy
- we may make a claim payment directly to that party up to the limit of its interest.

If we make such a payment, we have met our obligations to you under this policy for that amount.

16.7 This policy covers events and property in New Zealand only

This policy covers:

- your insured property while it is in New Zealand, and
- your liability that arises as a result of an *event* in New Zealand.

However, if another location is shown on the certificate, you will also be covered in that location.

How to interpret this policy

17.1 Words in italics have a specific meaning

Words which appear in italics must be interpreted using their defined meaning stated in the definitions section.

17.2 We use New Zealand currency

All monetary amounts referred to in this policy are expressed and payable in New Zealand dollars.

17.3 The law of New Zealand governs this policy

The law of New Zealand applies to this policy and the New Zealand courts have exclusive jurisdiction.

17.4 'Acts of Parliament' include amendments and regulations

Any Acts of Parliament referred to in this policy include any:

- amendments or statutory regulations made under them, and
- Acts or regulations made in substitution for the original Acts or regulations.

17.5 Headings are for ease of reading

The headings in this document are merely there to make it easier to read. They do not form part of the policy and are not to be used in interpreting it.

Definitions

The following definitions apply to your policy.

Please note:

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

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

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

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

Defined event means an *accidental loss* caused by:

- fire, lightning or explosion
- hail, snow
- *storm* or *flood*, excluding *storm* or *flood* damage to fences, unless your *lifestyle block fencing* is shown on your certificate, gates, *retaining walls* or glass (including glass houses), shade houses or tunnel houses
- impact by:
  - a *motor vehicle* or an animal
  - an aircraft or any other aerial or spatial devices or articles which drop from them
- malicious acts

- vandalism, excluding:
  - vandalism to property in the course of construction or repair, or
  - vandalism caused by you, any member of your family or any of your *employees*
- burglary, other than by you, any member of your family or any of your *employees*
- riot or labour disturbance.

Burglary means:

- forcible and violent entry into a securely locked building (or part of a building) with intent to commit crime
- forcible and violent exit from a securely locked building (or part of a building) after having committed a crime, or
- theft of insured property from a building accompanied by violence or threat of violence to you, your *employees* or your customers where such violence or threat is used to:
  - extort the stolen property, or
  - prevent or overcome resistance to property being stolen.

Employee means:

- any employee directly employed by you for domestic duties, or
- any employee directly employed by you in, or any principal or director (but only in their capacity as such) of your:
  - farming operations
  - your normal regular horticultural activities associated with the growing of your plants, or *homestay activities*.

Farming operations means your normal regular farming activities including:

- exhibitions and competitions at shows
- using your property for horse or hunt club activities, except horse racing organised by a racing or trotting (or similar) organisation
- distributing farm material from aircraft, except for 1080, 1081, herbicides, fungicides, pesticides or similar poisons or substances
- artificial insemination technician activities
- occasional agricultural or horticultural contracting, excluding the use of explosives
- your normal regular horticultural activities associated with the growing of your plants.

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

Event means either:

- a single *loss* or *bodily injury*, or both
- a series of *losses* or *bodily injuries*, or both, that have the same cause.

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

Fire only means an *accidental loss* caused by 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.

Home means the house shown on the certificate at the location shown on the certificate. This includes fittings and fixtures that are permanently attached to that house, carpets fixed to the floor and the following permanent domestic structures on the *section:*

- garages and outbuildings (but not wharves or jetties)
- gates, mailboxes, patios, decks, culverts and bridges
- fences (but not *lifestyle block fencing*, unless covered under optional benefit 4.3)

- walls and gardening walls (but not retaining walls, unless covered under automatic benefit 3.4)
- concrete, paved or asphalt driveways and paths
- tennis courts
- spa pools, saunas and swimming pools
- underground or overhead services linked to that house
- septic tanks and septic tank systems
- any other associated domestic structure, unless otherwise excluded in this policy.

The home extends to your portion of interest in or ownership of any of the above domestic structures that are shared property or that you are jointly responsible for.

Homestay activities means your accommodation of temporary visitors at your *home* who pay you for hospitality, meals, accommodation, or any combination of these for a short term (paying guests) provided that:

- your maximum paying guest capacity is no more than six people,
- your annual turnover from paying guests is not greater than $30,000, and
- for taxation purposes, you claim no more than 50% of your home for your accommodation of paying guests.

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

Lifestyle block fencing means fencing or artificial wind breaks associated with your lifestyle block operations.

Loss means physical:

- loss
- damage, or
- destruction.

Loss of electronic data means the loss, corruption, destruction, malfunction or unavailability of information or instructions in electronic form. This includes programs, software and other electronic data. This extends to the loss of use, reduction in functionality, or any other associated loss or expenses connected 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 motor vehicle accessories attached to the machine.

Natural disaster means earthquake (including earthquake fire), volcanic eruption, tsunami, hydrothermal activity, or natural landslip. Natural landslip means the movement (whether by way of falling, sliding or flowing, or by a combination of these) of ground-forming materials composed of natural rock, soil, artificial fill or a combination of such materials that, before movement, formed an integral part of the ground. Natural landslip does not include the movement of ground due to subsidence below ground, soil expansion, soil shrinkage, soil compaction, or *erosion*.

Nuclear materials means:

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

Present-day value means either the:

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

The present-day value is the value calculated by us, using whichever method we believe to be appropriate in the case.

Retaining walls mean walls on the *section* that are built for the sole function of retaining land. This includes your portion of interest or ownership in such walls that are shared property or for which you are jointly responsible for. This excludes walls that are incomplete or that do not have the required local authority consent.

Section means:

- the *home*
- the area within the residential boundary on which the *home* is located that is used only for residential purposes, and
- the area where domestic structures that connect or provide access to, or service, your *home* at the residential boundary are located. These structures include: culverts, bridges, gates, mailboxes, fences, concrete, paved or asphalt driveways and paths, and underground or overhead services.

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

Terrorism means a particular type of use, threatened use, or preparation for the use, of:

- force or violence towards any person or group(s) of people
- property damage
- conduct that creates a risk to health and safety, or
- interference or disruption with an electronic system.

What makes it terrorism is that these are actions by a person, group or groups (whether acting alone, or on behalf of, or in connection with, any organisation or government):

- designed to influence, coerce or retaliate against, a government or group of people, or
- to bring about change that aligns with the person or group's particular political, religious, ideological, ethnic, economic agenda.

Our definition of 'caused by terrorism' extends to conduct connected with controlling, preventing, suppressing, retaliating against, or responding to such actions.

War means conflict, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, 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.

Notes

Tell us what you think about us and our service

Your feedback helps 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 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 would like to know about it so we can 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


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