

Material Damage 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.
- 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 commercial buildings, contents, fixed plant and stock** shown on the **certificate** at the **premises** are insured for either:
 - (a) **accidental loss**, or
 - (b) **accidental loss** caused by:
 - (i) **defined events**, or
 - (ii) fire only,as shown on the **certificate**.
2. **Your growing structures** shown on the **certificate** at the **premises** are insured for **accidental loss** caused by a **defined event** (excluding **flood**).
3. (a) **Your money** shown on the **certificate** as “Money Type A”, including **money** not belonging to **you** but which is under **your** custody or control and which is not insured elsewhere, is insured for **accidental loss** in the following Type A situations:
 - (i) while at the **premises** and at any other place of **business you** may be during **business hours**,
 - (ii) while in a locked safe or strongroom at the **premises** outside **business hours**, or
 - (iii) while in transit.(b) **Your money** shown on the **certificate** as “Money Type B”, including **money** not belonging to **you** but which is under **your** custody or control and which is not insured elsewhere, is insured for **accidental loss** in the following Type B situations:
 - (i) while in **your** dwelling or the dwelling of **your employees**, or
 - (ii) while in the **premises** outside **business hours** when such **money** is not secured in a locked safe or strongroom.
4. **Your portable plant and equipment**, shown on the **certificate** and used for **your business**, is covered for **accidental loss** anywhere in New Zealand, including while in transit.
5. **Your indoor plants** shown on the **certificate** as “Plants in Growing Houses” are insured for **accidental loss** caused by:
 - (a) a **defined event**,
 - (b) smoke from the **accidental** faulty operation of the furnace or boiler used at the **premises**, or

- (c) water which leaks or overflows from any water system (including any heating installation) in the building in which **your indoor plants** are housed.

6. **Your:**
 - (a) **grape plants**,
 - (b) **olive trees**, and/or
 - (c) **live shelter belt** plants,shown on the **certificate** as “Plants in the Open” are insured for **accidental loss** caused by:
 - (i) fire,
 - (ii) lightning, or
 - (iii) explosion.

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.

The maximum amounts payable for each Additional Benefit are in addition to the sum insured for this Policy shown in the **certificate**.

1. Capital Additions

- (a) **You** are insured for **accidental loss** to:
 - (i) additional buildings, machinery or plant **you** purchase or have built during the **period of insurance**, and
 - (ii) additions, alterations or improvements to existing **commercial buildings**, machinery or plant completed during the **period of insurance** provided **you**:
 1. notify **us** of the details within 30 days of the date the purchase, building, 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 any building, machinery or plant whilst they are:
 - (i) being built, or
 - (ii) undergoing any addition, alteration or improvement.
- (c) **We** will pay the **present day value**, up to \$100,000 for any one **event**.

2. Claims Preparation Costs

- (a) **You** are insured for the reasonable costs **you** incur to prepare, present and certify **your** claim covered under this Policy.
- (b) **We** will pay up to \$10,000 for any one **event**.

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3. Customers' Goods

- (a) **You** are insured for **accidental loss** to **your** customers' goods at the **premises** if the goods are not insured by the customer under any policy of insurance.
- (b) **We** will pay up to a maximum of \$10,000, or any higher amount shown on the **certificate** for any one **event**.

4. Electrical Breakdown

- (a) **You** are insured for **accidental loss** to:
 - (i) electric motors and starters which do not individually exceed 7.46kW (10hp), and
 - (ii) distribution switchboards and permanently installed electrical reticulation at the **premises**, directly caused by failure of electrical insulation, or abnormal electric current, or electrically induced self-heating arising from the artificially generated electric current.
- (b) **We** will not pay for **loss** to:
 - (i) lighting or heating elements, fuses or protective devices or electrical contacts at which sparking or arcing occurs in ordinary working, or
 - (ii) submersible pumps, sealed and semi-sealed compressors, portable power tools, or other machinery to which the electric motor is not a separate identity in itself.
- (c) **We** will pay up to \$10,000 for any one **event**.

5. Employees' Effects

- (a) **You** are insured for **accidental loss** to personal effects (including tools of trade) that belong to **your employees**, but only while the effects:
 - (i) are at the **premises**, or
 - (ii) are being worn, carried, or used by **your employees** while they are acting in the course of their duties or employment in the **business** anywhere in New Zealand, and
 - (iii) are not insured under any other policy of insurance.
- (b) **We** will pay the **present day value** up to \$2,000 for any one **employee**.
- (c) **We** will pay up to \$5,000 or any higher amount shown on the **certificate**, for any one **event**.

6. Expediting Costs

- (a) **You** are insured for any additional costs of express freight and overtime labour as are reasonably incurred for the purpose of expediting the reinstatement of **your commercial property** for **loss** covered under this Policy.
- (b) **We** will pay up to \$2,000 for any one **event**.

7. Forklifts

- (a) **Your** forklifts, fork hoists or fork trucks are insured for **accidental loss** provided they are not registered to travel on a public road or thoroughfare.
- (b) **We** will pay up to \$5,000 for any one **event**.

8. Frozen Goods

- (a) **You** are insured for the deterioration or putrefaction of **your** frozen goods stored in **chambers** at the **premises** caused by a change in artificially controlled temperature directly arising from a **loss** covered by the Electrical Breakdown Additional Benefit.
- (b) **We** will pay up to \$3,000 for any one **event**.

9. General Average

- (a) **You** are insured for General Average and Salvage charges payable according to Foreign Statement or to York Antwerp Rules in accordance with a contract of carriage of **insured property** within New Zealand during the **period of insurance**.
- (b) This extension of cover is not subject to any **excess**.

10. Landlord's Glass

- (a) **You** are insured for **accidental loss** to fixed glass, toilet pans or handbasins forming part of the **commercial building** at the **premises** resulting from **burglary** or any attempt thereat to that **commercial building**, if:
 - (i) the **commercial building** is occupied, but not owned, by **you**, and
 - (ii) **you** are liable to pay for the **loss** under any lease agreement.
- (b) **We** will pay up to \$10,000 for any one **event**.

11. Landscaping

- (a) **You** are insured for **accidental loss** to **your** lawn, flowers, trees or shrubs at **your premises** provided **your commercial building** at those **premises** also suffers **loss** covered by this Policy arising from the same **event**.
- (b) **We** will pay up to \$2,000 for any one **event**.

12. 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) that give access to the **insured property** if:
- (i) they have been lost, damaged, stolen or duplicated,
 - (ii) the combination number of an electronic keypad for external doors has become known to someone else, or
 - (iii) **you** have reasonable grounds to believe either of the above,
- without **your** consent during the **period of insurance**.
- (b) **We** will also cover **you** for the reasonable cost of opening any safe or strongroom following theft of its key or combination during the **period of insurance**.
- (c) The **excess** does not apply to this Additional Benefit.
- (d) **We** will pay up to \$5,000 for any one **event**.

13. Protection Costs

- (a) **You** are insured for the costs necessarily and reasonably incurred by **you** during the **period of insurance**:
- (i) for the purpose of controlling any cause of **loss** potentially covered under this Policy that involves or threatens to involve the **commercial property**, and
 - (ii) for damage to **commercial property** directly resulting therefrom.
- (b) **We** will not pay under this Additional Benefit any costs or damage which would be payable under this Policy in the absence of it.
- (c) **We** will pay up to \$20,000 for any one **event**.

14. Replenishment Costs

- (a) After a **loss** covered by this Policy, **you** are insured for the following costs necessarily and reasonably incurred by **you** during the **period of insurance**:
- (i) gaining access to, and replenishing, fire-fighting appliances,
 - (ii) charges incurred for the purpose of shutting off the supply of water or other substance following **accidental** discharge from any fire-protective equipment or otherwise escaping from intended confines, and

(iii) the repair and replacement of property which is lost or damaged while protecting **commercial property** and **indoor plants** against **loss** or damage from any cause not excluded, but only where such costs and charges are not insured elsewhere in this Policy.

- (b) **We** will pay up to \$5,000 for any one **event**.

15. Rewards

- (a) **You** are insured for any payment **you** make by way of reward, if:
- (i) the reward contributed towards the protection and/or recovery of all or part of the **commercial property**,
 - (ii) the **loss** to that **commercial property** is covered under this Policy, and
 - (iii) **we** agree to the terms of the reward prior to it being offered.
- (b) **We** will pay up to \$5,000 for any one reward.

16. Social Club Property

- (a) **You** are insured for **accidental loss** to the property of any social club, sports club or similar body whose activities are principally for the benefit of **your employees**. The property is deemed to be included in the description of **insured property** as if **you** owned it.
- (b) **We** will pay up to \$5,000 or any higher amount shown on the **certificate** for any one **event**.

17. Subsidence

- (a) **You** are insured for **accidental loss** to any **commercial property** caused by **accidental** subsidence of land beneath or adjacent to the **commercial property**.
- (b) **We** will not pay for **loss** consequent upon the normal settling, shrinkage, or expansion of any building or its foundations.
- (c) **We** will pay up to \$100,000 for any one **event**.

18. Temporary Accommodation

- (a) If **we** agree that any residential accommodation insured by this Policy cannot be lived in because of **accidental loss** for which:
- (i) **we** have accepted a claim under this Policy, or
 - (ii) The Earthquake Commission has accepted a claim,

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we will pay the reasonable additional costs **you** incur to provide temporary alternative accommodation for:

1. **you**,
 2. **your employees**, if **you** are required to do so under a written contract of employment, or
 3. any person, if **you** are required to do so under any written contract, provided that:
 - a. the costs are not otherwise insured, and
 - b. the period for which costs are covered shall not exceed the period reasonably required to reinstate the affected accommodation.
- (b) **We** are entitled to deduct a reasonable allowance for expenses reduced or avoided because the affected accommodation cannot be lived in.
- (c) **We** will pay up to \$10,000 for any one **event**.

19. Temporary Loan Equipment

- (a) **You** are insured for the reasonable labour and hire charges for the installation and removal of loan equipment following **accidental loss** to **your commercial property** covered under this Policy.
- (b) **We** will pay up to \$2,000 for any one **event**.

20. Temporary Removal

- (a) **Your insured property** (except **stock** on consignment to a Customer), is covered for **accidental loss** whilst:
- (i) **temporarily removed** to any place in New Zealand, and
 - (ii) in transit to or from that place.
- (b) **We** will not pay more than the amount for which **we** would be liable had the **loss** occurred at the **premises** from which the **insured property** is **temporarily removed**.

21. Theft

- (a) **You** are insured for **accidental loss** by theft, provided the theft is not:
- (i) **burglary**,
 - (ii) carried out by **you** or **your employee**,
 - (iii) conducted through a fraudulent scheme or device, or
 - (iv) the result of false pretence practised on **you**, or on any other person who has care of the **commercial property**.
- (b) **We** will pay up to \$10,000 or any higher amount shown on the **certificate** for any one **event**.

22. Unharmed Property

- (a) If, for the sole purpose of reinstating **loss** to **commercial property** which is insured under this Policy, it is necessary to demolish, damage or remove any property or part unharmed, **we** will cover **you** for the cost of doing so.
- (b) **We** will also cover **you** for the cost of reinstating the property or part to a condition the same as, but not better nor more extensive than, its condition immediately prior to the demolition, damage or removal.
- (c) **We** will not pay for the cost of any work to undamaged property necessary solely to comply with any law or by-law.

Optional Benefits

These Optional Benefits apply only if **you** have purchased them and they are shown on the **certificate**. These benefits are subject to the terms of this Policy except to the extent those terms are expressly varied in each benefit.

1. Contamination, Spoilage or Deterioration of Wine or Olive Oil

- (a) **You** are insured for **accidental loss** of **your** wine or olive oil contained in vats, caused by:
- (i) contamination due to **accidental** leakage of refrigerant from the refrigeration plant of the vats,
 - (ii) spoilage or deterioration following an **accident** to refrigeration machinery or its controls, electrical switchboards, or reticulation, or
 - (iii) **natural disaster**,
- provided that this **loss** is not otherwise insured under this Policy.
- (b) **You** are not insured for:
- (i) any fines or penalties, or
 - (ii) any fees charged for auditing or testing **your** wine or olive oil or any storage procedures.
- (c) **We** will pay the least of either:
- (i) the loss of value of **your** wine or olive oil,
 - (ii) the **present day value** of **your** wine or olive oil,
 - (iii) the amount shown on the **certificate**,
- for any one **event**.

2. Frost

- (a) **Your indoor plants** are insured for **accidental loss** caused by frost provided:
- (i) the growing house has an adequate heating system with a suitable monitored alarm, and

- (ii) the heating system and alarm are in good working order and operating at the time of the **loss**.
- (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.

3. Natural Disaster

- (a) **You** are insured for **accidental loss to your commercial property** (other than any “residential building” or “personal property”, both as defined in the Earthquake Commission Act 1993) and **indoor plants** caused by **natural disaster**.

4. Seasonal Stock Increase

- (a) Under this Policy, the sum insured for **stock** (if any) is automatically increased by 25% for the four-month period shown on the **certificate**.

What we will pay

1. For Buildings

- (a) If the **certificate** shows that **your commercial building** is insured for Nominated Replacement, **we** will pay the reasonable cost to rebuild, replace or repair the damaged portion of **your commercial building** as nearly as practicable to the same condition and extent that it was as new, using building materials and construction methods in common use at the time of rebuilding, replacing or repairing.
- (b) If the **certificate** shows that **your commercial building** is insured for Present Day Value, **we** will pay the reasonable costs to rebuild or repair the damaged portion of **your commercial building** as nearly as practicable to the same condition and extent that it was in prior to the **loss**, using building materials and construction methods in common use at the time of rebuilding or repairing.
- (c) **We** will pay the reasonable costs of:
 - (i) making any changes required by the Government or a Local Authority. However, **your commercial building** must have complied at the time it was built or altered. **We** pay for changes to only that part of the **commercial building** which has suffered **loss** covered by this Policy,
 - (ii) architects’, clerk of works’, engineers’, and surveyors’ fees in respect of the rebuilding or repairs where authorised by **us**,
 - (iii) demolition, dismantling, shoring or propping up of the **commercial building**,

- (iv) recovery, defence, safeguarding, removal, storage and return of **stock**, plant, **contents** of buildings and other chattels, whether damaged or undamaged,
- (v) disposal of debris (including any kind of solid, liquid or gas, including any hazardous substance subject to the Asbestos General Exclusion and the clearing, cleaning and repairing of gutters, drains and the like), whether or not the debris is part of the **commercial building**, from the location and the area immediately adjacent to such location. **We** will not pay for any damage consequent upon pollution or contamination of property (including land contamination) by any debris or the escape of any debris, and
- (vi) the cost of temporarily shuttering, boarding up and/or other protection and/or the wages and salaries of **your own employees** incurred in the safeguarding of the **commercial building** provided that the cost is connected with a **loss** that is covered under this Policy and is not insured under any other Policy of insurance.

- (d) If **you** choose not to rebuild, repair or replace **your commercial building** **we** will pay:
 - (i) the **present day value** of the damaged part of **your commercial building**, and
 - (ii) the reasonable cost to demolish and remove debris.
- (e) If rebuilding on the same site:
 - (i) is not permissible due to Government or Local Authority regulations then with **our** consent, rebuilding of **your commercial building** may be carried out at an alternative site, or
 - (ii) is not suitable to **your** requirements then with **our** consent, rebuilding of **your commercial building** may be carried out at some other site on the property, provided that will not pay more than the costs to rebuild on the original site.
- (f) The most **we** will pay for **commercial buildings** is the amount shown on the **certificate** for any one **event**.

2. For Contents

We will pay on the basis as set out below for the different categories of **contents**:

- (a) For machinery and plant at the **premises**, excluding portable plant and equipment:
 - (i) if **you** choose to rebuild, repair or replace:
 - 1. if the **certificate** shows that **your** property is insured for Nominated Replacement:

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- a. **we** will pay the reasonable costs to replace the damaged portion of **your** machinery and plant with **equivalent plant**, as the case may require, or
 - b. where **your** machinery or plant is damaged but not destroyed, **we** will pay the reasonable costs to repair or rebuild the damaged portion as nearly as practicable to the same condition and extent that it was when new.
2. if the **certificate** shows that **your** property is insured for Present Day Value, **we** will pay the reasonable costs to rebuild or repair the damaged portion of **your** machinery and plant as nearly as practicable to the same condition and extent that it was in prior to the **loss**, using building materials and construction methods in common use at the time of rebuilding or repairing.
 - (ii) if **you** choose not to rebuild, repair or replace, **we** will pay the **present day value** of the damaged portion of **your** machinery or plant.
- (b) For any physical documentation:
- (i) **we** will pay the reasonable cost of repairing, replacing, reproducing or restoring same, including information contained therein or thereon,
 - (ii) if repair, replacement, reproduction or restoration is not carried out, **we** will pay the replacement cost of materials as blank stationery at the time and place of the **loss**.
- (c) For patterns, models, jigs, templates, dies or casts:
- (i) **we** will pay the reasonable cost of repair or replacement,
 - (ii) if repair or replacement is not carried out, **we** will pay the **present day value** of such property but not exceeding the cost of replacement.
- (d) For **contents** not otherwise categorised:
- (i) if **you** choose to rebuild, repair or replace:
 1. if the **certificate** shows that **your** property is insured for Nominated Replacement, **we** will pay the reasonable costs to rebuild, replace or repair the damaged portion of **your contents** as nearly as practicable to the same condition and extent that they were when new, using building materials and construction methods in common use at the time of the repairs,
 2. if the **certificate** shows that **your** property is insured for Present Day Value, **we** will pay the reasonable costs to rebuild or repair the damaged portion of **your commercial contents** as nearly as practicable to the same condition and extent that they were in prior to the **loss**, using building materials and construction methods in common use at the time of rebuilding or repairing.
 - (ii) if **you** choose not to rebuild, repair or replace, **we** will pay the **present day value** of the damaged part of **your contents**.
 - (e) **We** will pay the reasonable costs of recovery, defence, safeguarding, removal, storage and return of **stock**, plant, **contents** of buildings and other chattels, whether damaged or undamaged. This cover does not apply if these costs are insured under any other Policy of insurance.
 - (f) **We** will pay the reasonable costs for disposal of debris (including any kind of substance subject to the Asbestos General Exclusion and clearing, cleaning and repairing of gutters, drains and the like), whether or not the debris is part of the commercial contents, from the location and the area immediately adjacent to such location. **We** will not pay for any damage consequent upon pollution or contamination of property (including land contamination) by any debris, or the escape of any debris, or any costs insured under any other Policy of insurance.
 - (g) The most **we** will pay for **contents** is the amount shown on the **certificate** for any one **event**.
- ### 3. For Glass
- (a) **We** will pay the cost incurred to repair or replace the broken glass including:
 - (i) temporary shuttering and/or hiring of security service pending replacement of broken glass,
 - (ii) signwriting or ornamentation on glass,
 - (iii) replacement burglar alarm tapes on glass,
 - (iv) removing and re-fixing of window and showcase frames and fittings, and
 - (v) heat-reflecting material or process on glass.
- ### 4. For Growing Structures
- (a) If the **certificate** shows that **your growing structure** is insured for Nominated Replacement:
 - (i) **we** will pay the reasonable cost to repair **your growing structure** as nearly as practicable to the same condition it was in as new, or

(ii) if **your growing structure** cannot be repaired, **we** will pay the replacement cost at the time and place of replacement.

(b) If:

(i) the **certificate** shows that **your growing structure** is insured for **present day value**, or
(ii) **you** choose not to replace **your growing structure**, **we** will pay up to its **present day value** at the time and place of **loss**.

(c) The most **we** will pay for a **growing structure** is the amount shown on the **certificate** for any one **event**.

5. For Money

- (a) **We** will pay the actual value of the **money** at the time of the **loss** up to the maximum amount shown on the **certificate** for Type A Situations and Type B Situations.
- (b) Christmas and Easter Carry: **we** will increase the maximum amount for Type A Situations by \$2,500 during the months of December, March and April.

6. For Growing Plants

- (a) **We** will pay the reasonable costs, plus replanting costs, **you** incur to replace **your**:
- (i) **grape plants** with similar type rootstock,
 - (ii) **olive trees** with grafted, bagged olive plants,
 - (iii) **live shelter belt** with similar shelter belt plants, and
 - (iv) **indoor plants** with similar plants.
- (b) **We** will pay up to the amount shown on the **certificate** for any one **event**.

7. For Plastic or Cloth-Cladded Buildings

- (a) If **your commercial building** is a plastic-cladded or cloth-cladded building:
- (i) and the **certificate** shows that it is insured for Nominated Replacement:
 - 1. **we** will pay the reasonable cost to repair the solid frame structure as nearly as practicable to the same condition it was in as new, or
 - 2. if the solid frame structure cannot be repaired, **we** will pay the replacement cost at the time and place of replacement.
 - (ii) and the **certificate** shows that it is insured for **present day value**, or
 - (iii) **you** choose not to repair or replace the **commercial building**, **we** will pay up to the **present day value** of the solid frame structure at the time and place of **loss**.

(iv) in respect of the plastic cladding or cloth cladding of **your commercial building**:

- 1. **we** will pay the replacement and installation cost less depreciation of 30% per annum, or
- 2. **we** will not pay for any plastic cladding or cloth cladding that is more than five years old,

(v) **we** will pay up to the amount shown on the **certificate** for any one **event**.

8. For Portable Plant and Equipment

- (a) For any unspecified portable machinery and plant, unspecified electronic equipment and unspecified tools of trade:
- (i) while at the **premises**, **we** will pay the **present day value** up to the amount shown on the **certificate** for all unspecified portable machinery and plant, unspecified electronic equipment and unspecified tools of trade,
 - (ii) while away from the **premises**, **we** will pay the **present day value** up to:
 - 1. \$5,000 per item of electronic equipment,
 - 2. \$10,000 in total for all electronic equipment,
 - 3. the amount shown on the **certificate** for all unspecified portable machinery and plant, unspecified electronic equipment and unspecified tools of trade,for any one **event**.

9. For Stock

- (a) **We** will pay on the basis as set out below for the different categories of **stock**:
- (i) for finished goods produced by **you**, **we** will pay the lesser of:
 - 1. the replacement cost of the raw materials, and the cost of labour and other production costs expended thereon before any allowance for profit, calculated at the time and place of **loss**, or
 - 2. the cost of re-stocking such goods within a reasonable time.
 - (ii) if such goods are not replaced or are obsolete, **we** will pay the lesser of:
 - 1. the original cost to **you**, or
 - 2. the **present day value** of the damaged part of **your** finished goods produced by **you**.
- (b) For materials in the process of production:
- (i) **we** will pay:
 - 1. the replacement cost of the raw materials,
 - 2. the cost of labour, and

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3. other production costs expended thereon before any allowance for profit calculated at the time and place of the **loss** less storage, rent, transport and other processing costs which would have been incurred but for the **loss**.
- (c) For **stock** not categorised above:
- (i) **we** will pay the replacement cost at the time and place of replacement, provided that replacement shall have been carried out with reasonable despatch, and
 - (ii) if **you** choose not to rebuild, repair or replace, or the property is obsolete, **we** will pay the lesser of the:
 1. original cost to **you**, or
 2. **present day value** of the damaged part of **your stock**.
- (d) The most **we** will pay for **stock** is the amount shown on the **certificate** for any one **event**.

What you are not insured for

1. What Property is Not Insured

- (a) This Policy does not insure:
- (i) property in the course of installation, construction, alteration, demolition, erection or testing,
 - (ii) property in transit unless it is:
 1. at the **premises**,
 2. **money** specified on the **certificate**, or
 3. portable plant and equipment, shown on the **certificate**, anywhere in New Zealand.This exclusion does not apply to cover under the:
 - a. Forklifts, or
 - b. Temporary Removal, Additional Benefits,
 - (iii) standing timber, growing crops, **growing plants** (unless covered under the Landscaping Additional Benefit), livestock, animals, birds, fish, deer velvet, dams and reservoirs (other than tanks) and their contents, roadways, railway tracks, road or railway tunnels, road or railway bridges, canals, culverts, docks, piers, wharves, mining property located underground, pasture, any land including topsoil and backfill, unless specified on the **certificate**,
 - (iv) any pressure vessel (including a boiler, other than a boiler used for domestic purposes) including pipes, valves and other associated apparatus suffering **loss**:

1. as result of explosion, overheating, rupture, bursting, cracking, leakage, or collapse, or
 2. caused by lack of heat transfer medium including water.
- (v) property damaged as a result of the property undergoing any **production process** where the **loss** is directly caused by the normal operation of that process,
- (vi) any refrigeration or air-conditioning plant where the **loss** is a result of any modification made to enable the plant to operate with a more ozone-friendly refrigerant as required by the Ozone Layer Protection Act 1990,
- (vii) **money**, unless specified on the **certificate**,
- (viii) jewellery, furs, bullion, precious metals or precious stones other than as **stock**, plant and/or merchandise of **your business**, or
- (ix) vehicles (unless covered under the Forklifts Additional Benefit) and the following, including their accessories and spare parts:
 1. railway locomotives and rolling stock, watercraft and aircraft of every kind, aerial or spatial devices,unless they are:
 - a. **stock**, or
 - b. specified on the **certificate**,and the item is not being used at the time of the **loss**.

2. What Loss is Not Insured

- You** are not insured for:
- (a) **loss**, liability, prosecution or expense of any type connected in any way with an internal part of **your** building or structure being wet, damp or moist that is caused directly or indirectly by:
 - (i) faulty design or faulty specification including faulty sequence, procedure or programme,
 - (ii) faulty materials, or
 - (iii) faulty workmanship when it was constructed, altered or repaired,
 - (b) theft, unless covered by the Theft Additional Benefit,
 - (c) **shoplifting**,
 - (d) breakdown of an electrical, electronic or mechanical machine unless:
 - (i) covered by the Electrical Breakdown Additional Benefit, or
 - (ii) arising from:
 1. an external impact with the machine, or

- 2. a hazard originating completely outside the machine that is not:
 - a. lack of service or maintenance,
 - b. a programming or operating error, or
 - c. excluded elsewhere by this Policy.
- (e) the lifting or lowering of submersible well pumps or their motors,
- (f) pollution or contamination, including land contamination and the cost of testing or remediation, unless covered under the Contamination, Spoilage or Deterioration of Wine or Olive Oil Optional Benefit,
- (g) the **loss of money**:
 - (i) due to errors in receiving or paying out,
 - (ii) occurring while the **money** is entrusted to any person other than **you**, or any principal, or any of **your employees** or agents, or any professional money carrier,
 - (iii) resulting from payment of **money** in exchange for any cheque which is subsequently dishonoured,
 - (iv) occurring while the **money** is in an unlocked and unattended vehicle,
 - (v) occurring from a safe or strongroom opened by a key or by use of details of a combination, either of which has been left at the **premises** outside **business hours** unless such key or combination details have been properly secured,
 - (vi) directly resulting from theft or fraud by any of **your employees**, except where the **loss** is discovered within 72 hours (excluding Saturdays, Sundays and other public holidays) of the act of theft or fraud,
 - (vii) covered by a valid and collectable claim under a Policy of Employee Dishonesty (or equivalent) form of insurance,
 - (viii) from an unattended roadside stall, or
 - (ix) arising from kidnapping, bomb threat, hoax or extortion, or any threat of these,
- (h) unexplained disappearances or shortages revealed only by taking an inventory,
- (i) shortages due to clerical or accounting errors, and
- (j) **natural disaster** damage unless covered by the Natural Disaster Optional Benefit.

3. What Costs are Not Insured

You are not insured for:

- (a) Any additional cost of altering or modifying any part of **your** refrigeration or air-conditioning plant to enable the plant to operate with more ozone-friendly refrigerant as required by the Ozone Layer Protection Act 1990.

- (b) The cost of:
 - (i) repairing or replacing faulty materials, or putting right faulty workmanship,
 - (ii) putting right work performed to a faulty or defective design plan or design specification,
 - (iii) putting right faulty or defective work where the fault or defect results from an error or omission in design plan or design specification, and
 - (iv) maintenance.
- (c) The cost of research or development.

4. Consequential Loss

- (a) **You** are not insured for 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 of profits,
 - (vi) loss of income,
 - (vii) loss resulting from depreciation, or
 - (viii) loss of value,
 unless covered by the Temporary Accommodation, Temporary Loan Equipment or Unharmed Property Additional Benefits.

5. What Causes are Not Insured

- (a) **You** are not insured for **loss** arising from:
 - (i) mildew, mould, rot, rust, corrosion or gradual damage,
 - (ii) normal working, normal maintenance, wear and tear, **erosion**, slowly developing deformation or distortion, marring or scratching,
 - (iii) fumes, gas, dust, smoke or smuts,
 - (iv) interruption of the supply to the **premises** of water, gas, electricity or any fuel,
 - (v) changes in artificially controlled temperature or atmosphere unless covered under the Frozen Goods Additional Benefit or the Contamination, Spoilage or Deterioration of Wine or Olive Oil Optional Benefit,
 - (vi) **storm** or water damage to **contents** and/or **stock** normally left in the open. This exclusion does not apply to **loss** as a direct result of **flood to contents** and/or **stock** in the open,
 - (vii) exposure to weather conditions where the property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions,

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- (viii) action of micro-organisms, vermin, rodents or insects,
- (ix) the inherent nature of the property (including shrinkage, evaporation, loss of weight, change in flavour, colour, texture or finish), or the action of light,
- (x) normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, driveways or any other structural improvement,
- (xi) subsidence of land unless covered by the Subsidence Additional Benefit,
- (xii) shrinkage, swelling or **erosion** of land, and
- (xiii) subterranean fire.

6. Your growing plants are not insured for:

- (a) **Burglary** by:
 - (i) anyone staying at the **premises** whether temporarily or otherwise, or
 - (ii) any of **your employees**.
- (b) Intentional damage (other than fire or explosion) by anyone staying at the **premises** whether temporarily or otherwise.

7. Your indoor plants are not insured for **loss** connected in any way with:

- (a) spraying, harvesting or treatment of any kind,
- (b) any chemical, fertiliser, hormone or weed killer,
- (c) grafting, propagating, pruning or repotting,
- (d) any disease, bacteria, fungi, virus or infection,
- (e) the incorrect application of water, heat, ventilation or light,
- (f) experiments, research or development,
- (g) defective workmanship, materials or design,
- (h) frost, unless covered by the Frost Optional Benefit,
- (i) settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, driveways or any other structural improvement,
- (j) subsidence, shrinkage, swelling or **erosion** of land, or
- (k) subterranean fire.

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

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. Average

- (a) The Condition of Average applies to any item of **commercial property** shown on the **certificate** if the sum insured for that item is below 85% of its:
 - (i) replacement value if insured for Nominated Replacement, or
 - (ii) **present day value** if insured for Present Day Value at the commencement of the **period of insurance**.
- (b) An example of the application of the Condition of Average:
 - (i) **your** assets are worth \$200,000. **You** insure them for \$100,000. **You** suffer a **loss** of \$50,000. The maximum amount **we** will pay is \$25,000.
- (c) The Condition of Average does not apply to:
 - (i) dwelling house or domestic contents,
 - (ii) claims of less than 5% of the item sum insured, or
 - (iii) where **your commercial property** suffers a **total loss**.

3. Building Compliance

- (a) Where required under the Building Act 2004, **you** must undertake all inspections and maintenance and prepare all reports required by the compliance schedule for any **commercial building** insured under this Policy.
- (b) This Policy does not insure any **loss** directly or indirectly caused by or contributed to by circumstances that would not have existed at the time of the **loss** if the requirements of this condition had been met.

4. 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,
 - (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**.

5. 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**.

6. 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.

7. Contract Storage and Leased Buildings

- (a) If **you** have entered into a contract for the storage of **your** goods and/or merchandise, or for the occupancy of any **premises** by **you**, and the terms restrict the other party's potential liability to **you** then **your** cover under this Policy will not be prejudiced by **your** agreement to such terms, as long as they are customary.

8. Currency

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

9. 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.

10. 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.

11. Governing Law

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

12. Headings

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

13. Hot Spot Warranty

- (a) If this warranty is shown on the **certificate**, it is a condition precedent to cover under this Policy that potential electrical hot spots and electrical switchboards on the **premises** are always checked by a qualified electrician at least annually.

14. Hot Work Warranty

- (a) If this warranty is shown on the **certificate**, it is a condition precedent to cover under this Policy that prior to any cutting, welding or open-flame work being permitted on the **premises**, NZS4781 (or any replacement Standard) is fully complied with.

15. 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, are 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.

16. Interested Parties

- (a) If **we** are advised in writing of a party holding a financial interest over any 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.

17. Location – in New Zealand only

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

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18. 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.

19. 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, and
 - (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**).

20. Reasonable Care

- (a) **You** must take reasonable care to avoid and minimise **loss** or liability covered under the Policy 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.

21. Reinstatement of the Amount of Insurance

- (a) In the **event** of a **loss** for which a claim is payable under this Policy the amount of insurance cancelled by such **loss** (in accordance with clause 4(c)(iii) above) will be automatically reinstated from the date of **loss** provided **you** agree to pay the pro-rata share of any premium required for the amount of the cover reinstated.

22. Release of Liability

- (a) Where **you** are required by legislation or by customary contractual agreement to release:
 - (i) the Fire Service Commission,
 - (ii) any railway company,
 - (iii) any fire protection equipment suppliers approved by the Insurance Council of New Zealand,
 - (iv) any oil company, or
 - (v) any other party to an agreement which has been declared to and accepted by **us** from liability arising from **loss** insured by this Policy,the release is allowed without prejudice to cover under this Policy and notwithstanding the Recoveries Claims Condition.

23. Separate Insurance

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

24. Stock Declaration

- (a) If **you** have chosen to insure **stock** on a **stock** declaration basis as shown on the **certificate**, the premium charged for cover on **stock** will be provisional and represents 75% of the full premium payable for the sum insured on **stock**.
- (b) The premium is adjustable at the end of the **period of insurance** in accordance with the following conditions:
 - (i) declarations of the actual value of the **stock** insured held on the last day of each month within the **period of insurance** must be made to **us** not later than four weeks after the end of the previous period of insurance,

- (ii) the sum insured on **stock** is the limit of **our** liability in respect of that **stock**. If any monthly declaration exceeds that amount, when computing the average of the monthly declarations the sum insured will be included in place of the actual declaration for that month,
- (iii) if no declaration is recorded for any one month, the sum insured will apply in place of the declaration for that month,
- (iv) the average of these monthly declarations will be computed at the end of the **period of insurance** and the actual premium payable will be assessed on that average (or on one half of the sum insured on **stock**, whichever is greater),
- (v) **we** will refund to **you** the amount by which the provisional premium paid exceeds the actual premium payable as calculated above,
- (vi) alternatively, **you** will pay **us** the amount by which the provisional premium paid falls short of the actual premium, and
- (vii) if, at the end of the previous **period of insurance**, **you** fail to furnish a minimum of 75% of the declarations required, this clause will cease to apply and:
 1. the premium will be calculated on the full sum insured, and
 2. **you** must pay **us** the amount by which the provisional premium falls short of that premium.

25. Transfer of Interest

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

26. Unoccupancy or Cessation of Operations

- (a) **You** must notify **us** immediately where the cessation of **your** operations, or vacancy of **your commercial building**, at the **premises** is going to exceed a period of 60 days.
- (b) **Our** liability under this Policy for any **event** at the **premises** will cease from 4.00pm on the 60th day following such cessation or vacancy, unless **you** have **our** written agreement accepting this change in the risk.

General Exclusions

These exclusions apply to **your** Policy 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:
 - (i) **confiscation**,
 - (ii) **nuclear materials**,
 - (iii) **terrorism**, or
 - (iv) **war**.

3. 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 by this Policy.

4. 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 have to pay only one **excess**. This will be the highest applicable **excess** that **we** could apply under any one of those Policies.

Claims Conditions

These conditions, are important and must 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.

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- (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 make regular progress payments for **your** claim provided that:
 - (i) **you** provide **us** with proof of **your** financial **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.

Definitions

The following definitions apply to **your** FMG 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 this Policy.

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 vehicle with intent to commit a crime,
- (b) forcible and violent exit from a securely locked building (or part of a building) or vehicle after having committed a crime, or

- (c) theft of **insured property** from a building or 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.

Business means the occupation, work, or trade in which **you** are engaged as shown on the **certificate**.

Business hours means any hours during which **you** or any principal or any **employee** entrusted with the care, custody or control of **money** is on the **premises** for the purpose of **your business**.

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

Chamber means a purpose-built refrigerated storage cabinet, refrigerated chamber or refrigerated room.

Commercial building means any building including:

- (a) structural improvements,
- (b) power and telephone poles, overhead and underground lines and associated equipment, underground pipes for gas and water supply and sewage disposal that are directly attached to the building,
- (c) storage tanks,
- (d) signs, and
- (e) walls, paving, fences and gates.

It does not include fixed plant or **growing structures**.

Commercial property means **growing structures** shown on the **certificate, insured property** and **money**.

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.

Contents means contents including:

- (a) machinery and plant,
- (b) electronic equipment,
- (c) tools of trade,

- (d) fixtures, fittings, furniture and furnishings,
- (e) customers' goods,
- (f) **employees'** personal effects, and
- (g) tenants' improvements and equipment (when **you** are the tenant but not the owner of the **premises**).

It does not include **stock, growing plants, growing structures** or **money**.

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, and
 - (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** in, or
- (b) any principal or director (but only in their capacity as such) of, **your business**.

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

Your Material Damage Policy

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) Artificial Insemination Technician activities,
- (e) Farm contracting, provided it does not involve the use of:
 - (i) explosives, or
 - (ii) herbicides and/or fungicides and/or pesticides.
- (f) **Horticulture operations.**

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

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

Grape plants means **your** cultivated grape plantation plants growing in the open at **your premises**.

Growing plants means **indoor plants, grape plants, olive tree** plants and **live shelter belt** trees. Growing plants does not include forestry or arable crops.

Growing structures means installed:

- (a) growing frames,
- (b) trellises,
- (c) poles,
- (d) wires,
- (e) permanently attached irrigation systems, or
- (f) any such structure designed for the support and irrigation of **your growing plants** in the open.

It does not include netting.

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

Indoor plants means **your** plants that are growing in a fully enclosed building designed specifically to grow the plants.

It includes associated:

- (a) plant boxes,
- (b) plant trays, and

- (c) expendable equipment.

It does not include plants covered under any other Policy, or any plants growing in the open.

Insured property means:

- (a) **commercial buildings** as listed on the **certificate**,
- (b) **contents**,
- (c) **stock**, or
- (d) any items (other than (a), (b) and/or (c) above or portable plant and equipment) listed on the **certificate**, owned by **you** or belonging to others and which are not insured elsewhere and which are used by **you** for **your business**. It does not include **growing plants** and **growing structures**.

Live shelter belt means **your** trees grown in the open for protection against wind on **your premises**.

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.

Money means current coin, bank and currency notes, cheques, postal notes, money orders, unused postage stamps, redeemable vouchers and tokens, franking machine credits and other negotiable instruments or Bills of Exchange as defined in the Bills of Exchange Act 1908, used for, or received from, the **business**.

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 thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such material which, before movement, formed an integral part of the ground.

Natural landslip 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.

Olive trees means **your** cultivated olive trees growing in the open on **your premises**.

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

Premises means the land, and the structures on it, at the location shown on the **certificate**.

Present day value means either the:

- (a) market value immediately before the **loss**, breakdown or **spoilage**, 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.

Production process means any process of producing, making, treating, feeding and maintaining, or servicing goods including any process of grading or packing.

Shoplifting means the uplifting of goods by persons unauthorised from that portion of the **premises** usually made available for customer shopping.

Spoilage means deterioration, putrefaction or contamination that occurs during the **period of insurance**.

Stock means:

- (a) stock and materials in trade,
- (b) harvested produce, or
- (c) goods held for sale on commission for which **you** are legally liable, including the value of work done, containers and packaging materials,
of **your business**.

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.

Temporarily removed means removed for a particular purpose with the intention of being returned to the place from which removed once that purpose has been served.

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,
 - (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.

Total loss means the condition that exists when the cost of repairs exceeds the **present day value** of damaged property.

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, and our means **FMG**.

You and your means the persons or legal entities 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

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contact@fmg.co.nz

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Advice & Insurance