

Material Damage Policy Wording

Terms of our policy to cover material damage

Effective on all new policies, items and renewals issued between
1 November 2022 and 1 October 2023



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.**

Contents

Important Information about your FMG policy	5
Cover for your commercial property	7
Automatic benefits	8
Theft	8
Goods in transit	8
Money	8
Temporary accommodation	9
Subsidence	9
Property temporarily removed	10
Loan equipment	10
Property under construction	10
Capital additions	10
Breakdown	11
Customers' goods	12
Employees' personal effects	12
Landlords fixed glass and sanitary fixtures	12
Gradual damage	12
Landscaping	12
Locks and keys	13
Refrigerated or temperature controlled goods	13
Forklifts	13
Claim preparation costs	13
General average and salvage	13
Express freight and overtime labour	13
Prevention of damage	14
Replenishment costs	14
Rewards	14

Employee social club property	14
Damage of property to reinstate a loss	14
Optional benefits	15
Natural disaster	15
Seasonal stock	15
Honey, wine and olive oil	15
Indoor plants	15
What we will pay	16
What you are not insured for	21
General exclusions	25
Excesses	25
Consequential loss	25
Confiscation, nuclear materials, terrorism or war	25
Electronic data	25
Asbestos	25
Making a claim	26
What you must do	26
What you must not do	26
How we will manage the claim	27
General conditions of this policy	29
What you agree to do	29
How we will manage this policy	31
How to interpret this policy	33
Definitions	33

Terms of our policy to cover Material Damage

This policy wording describes the Material Damage policy. Under this policy you can cover your commercial buildings, contents, fixed plant and stock. You can also cover your portable plant and equipment, growing structures, indoor plants, grape plants, olive trees and live shelter belts under this policy.

Important information about your 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.

We are here to help

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).

We will remind you when your policies need to be renewed

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.

We have defined the 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 must provide information and pay your premium

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.

You agree to pay your premiums on time

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 agree to the exclusions and obligations detailed in the policy

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 will be fair in the way we provide this cover

We provide the cover listed on the certificate

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.

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 2020

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 2020. You have rights under the Privacy Act 2020 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 material damage

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

We cover your commercial property

1. We cover your property

1.1 We cover your commercial buildings, contents and stock

Your *commercial buildings, contents and stock* at the *premises* are insured for one of the following, as shown on the certificate:

- *accidental loss*
- *accidental loss* caused by a *defined event*, or
- *accidental loss* caused by fire only.

Fire only means fire, lightning or explosion.

1.2 We cover your portable plant and equipment

Your *portable plant and equipment* shown on the certificate and used for your *business* is insured for *accidental loss* anywhere in New Zealand (including while in transit).

1.3 We cover your growing structures

Your *growing structures* shown on the certificate at the *premises* are insured for *accidental loss* caused by a *defined event*, excluding *flood*.

1.4 We cover your growing plants

Your *indoor plants* shown on the certificate as 'Plants in Growing Houses' are insured for *accidental loss* caused by:

- a *defined event*
- smoke from the *accidental* faulty operation of a furnace or boiler used at the *premises*, or
- water leaking or overflowing from a water system (including any heating installation) in the building that houses your *indoor plants*.

Your *grape plants, olive trees and/or shelter belt* shown on the certificate as 'Plants in the Open' are insured for *accidental loss* caused by:

- fire
- lightning, or
- explosion.

2. The cover includes automatic benefits

You are automatically insured under this section for the following benefits.

2.1 We provide limited cover for theft

You are insured for *accidental loss* by theft, provided the theft is not:

- carried out by you or your *employee*
- conducted through a fraudulent scheme or device, or
- the result of false pretence practised on you or another person who has care of the *commercial property*.

This benefit does not limit the cover for *burglary*.

We will pay up to \$10,000 or any higher amount shown on the certificate for any one *event*.

2.2. Cellphones, laptops and office equipment away from the premises

Your *contents* cover is extended to include *accidental loss* to the following items whilst away from your *premises* anywhere in New Zealand, including while in transit:

- Cellphones,
- Digital cameras,
- Laptops, tablets and other portable computing devices,
- Portable data storage devices, and
- Office equipment at the home of an *employee*.

2.2.1. What we will pay

What we will pay depends on how old the item is.

For an item up to two years old, we will pay the reasonable cost to either:

- repair it as nearly as practicable to the condition it was in when new, or
- replace it, if it cannot be repaired.

If the item is insured for *present-day value* or is over two years old, we will pay the reasonable cost to repair it as nearly as practicable to the condition it was in before the loss, or its *present-day value*, whichever is the lesser.

We will pay up to \$5,000 for any one item and up to \$10,000 for any one event.

You cannot claim for the same items under this benefit (2.2 cellphones, laptops and office equipment) and clause 1.2 (portable plant and equipment).

2.3 We provide limited cover for your goods in transit

Your *insured property* is insured for *accidental loss* when in transit anywhere in New Zealand (including between New Zealand ports).

We will pay up to \$20,000 for any one *event*.

This benefit does not apply to items able to be covered under:

- Clause 1.2(portable plant and equipment)
- Automatic benefit 2.2 (cellphones, laptops and office equipment)
- Automatic benefit 2.7 (temporary removal)

2.4 We cover money

Your *money*, and *money* not belonging to you that is in your care, custody or control and not insured elsewhere, is insured for *accidental loss* in the following circumstances:

2.4.1 'Money Type A'

When this money is:

- at the *premises* and any other place of *business* you may be at during business hours
- in a locked safe or strongroom at the *premises* outside business hours, or
- in transit.

2.4.2 'Money Type B'

When this money is:

- at your or your *employees* dwelling, or
- at the *premises* outside business hours and not secured in a locked safe or strongroom.

2.4.3 What we will pay

We will pay the actual value of money at the time of *loss*. For any one *event* we will pay:

- for 'Money Type A', up to \$5,000 or any higher amount shown on the certificate
- for 'Money Type B', up to \$1,000 or any higher amount shown on the certificate.

During the months of December, March and April the maximum amount payable for 'Money Type A' increases by \$2,500.

2.4.4 What you are not insured for

You are not insured for *loss of money*:

- due to errors in receiving or paying it out
- resulting from it being exchanged for a cheque that is later dishonoured
- directly resulting from theft or fraud by your *employee* unless discovered within 72 hours (excluding Saturdays, Sundays and other public holidays)
- covered by a valid and collectable claim under an insurance policy for Employee Dishonesty or an equivalent form of insurance
- arising from kidnapping, extortion or any threat of these, or a bomb threat or hoax.
- while it is entrusted to any person other than you, a principal, your *employee* or agent, or any professional money carrier
- while it is in an unlocked and unattended vehicle
- from a safe or strongroom that is opened by a key or by using combination details left at the *premises* outside business hours unless the key or combination details has been properly secured
- from an unattended roadside stall.

2.4.5 Definition

Business hours means the period that you or any principal or *employee* entrusted with care, custody or control of *money* are on the *premises* for the purposes of your *business*.

2.5 We cover temporary accommodation

If we agree that residential accommodation insured under this policy cannot be lived in because it has suffered *accidental loss*, or the Earthquake Commission has accepted a claim, we will pay the reasonable additional costs you incur for:

- your temporary accommodation
- your *employees'* temporary accommodation, provided that you are required to do so under a written contract of employment
- any other person's temporary accommodation, provided that you are required to do so under a written contract.

The period of accommodation must not exceed the period reasonably required to reinstate the affected accommodation.

We are entitled to deduct a reasonable allowance for expenses reduced or avoided because the affected accommodation cannot be lived in.

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

You can only claim under this benefit if these costs are not insured under another insurance policy.

2.6 We cover loss caused by subsidence

You are insured for *accidental loss* to *commercial property* caused by *accidental* subsidence of land under or adjacent to it.

We will not pay for *loss* due to normal settling, shrinkage or expansion of a building or its foundations.

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

2.7 We provide limited cover for your property while it is temporarily removed

Your *insured property* is insured for *accidental loss* while it is:

- *temporarily removed* from the *premises* to any other place in New Zealand, and
- in transit to or from that place.

This benefit does not apply to *stock* on consignment to a customer or items that would be covered as *portable plant and equipment* under this policy.

We will pay up to the amount covered under this policy had this loss occurred at the premises.

2.8 We cover limited costs of temporary loan equipment after loss

You are insured for the reasonable labour and hire charges for installing and removing loan equipment after:

- *accidental loss* to your *commercial property* covered under this policy
- *accidental* breakdown covered under automatic benefit 2.10 (breakdown).

We will pay up to \$2,000 for any one *event*.

2.9 We provide limited cover for property under construction

Your *insured property* is insured while it is being installed, constructed, demolished, erected or subsequently tested, provided that:

- this property is owned or will be owned or occupied by you
- the value of the contract work once complete does not exceed \$100,000, and
- the contract work does not involve making structural changes or additions or the removal of support.

We will pay up to \$100,000 in total during the period of insurance. This amount is included in, and not additional to, the sum insured for this policy, as shown on the certificate.

2.10 We cover capital additions once completed

You are insured for *accidental loss* to:

- additional buildings, machinery or plant you purchase or have built during the period of insurance, and
- additions, alterations or improvements to existing *commercial buildings*, machinery or plant completed during the period of insurance.

To be covered, you must:

- provide us with details of the additions or changes within 30 days of completion,
- complete any proposal we require, and
- pay any additional premium we require.

We will pay the *present-day value* of the item up to \$100,000 for any one *event*.

You are not insured for *accidental loss* to any building, machinery or plant while it is being built or undergoing additions, alterations or improvements.

2.11 We cover accidental breakdown

Your *insured property* and *portable plant and equipment* shown on the certificate are insured for *accidental breakdown*.

You are also insured for the following reasonable additional costs to expedite rebuilding, repairs or replacement (if applicable) following a breakdown covered under this benefit:

- overtime work (including penal rates)
- work performed on public holidays
- express freight charges within New Zealand.

2.11.1 What we will pay

We will pay up to \$15,000 or any higher amount shown on the certificate to rebuild, repair or if applicable replace any one item, whichever is less.

If the item is insured for Present-Day Value or is *portable plant and equipment* over two years old, the amount we pay will be reduced to reflect age and wear and tear.

2.11.2 What you are not insured for

You are not insured for the following items if they are the only item that suffers breakdown:

- exchangeable and/or replaceable parts
- belts, dies, ropes, wires, chains, brushes, batteries, thermostats, blades, tools, moulds, flexible pipes, felts or sieves
- coating or engraving on cylinders or rolls
- fabrics, parts made of glass, ceramics, rubber, textiles or synthetics
- lighting, heating elements or protective devices including fuses, overload devices and shear pins, or
- operating media such as fuels, chemicals, catalysts, filters, filter substances, heat transfer media, cleansing agents or lubricants.

You are not insured for:

- fatigue or oxidation
- cleaning, repairing, restoring or altering
- faults to a pressure vessel that you or your *employee* knew about before cover under this benefit began
- breakdown of a pressure vessel connected in any way with cracks, fractures, blisters, lamination flaws or grooving, even when accompanied by leakage
- scratching of painted or polished surfaces
- breakdown resulting from experiments, testing or abnormal loads, or
- breakdown recoverable under a maintenance contract, warranty or guarantee.

You are not insured for breakdown to motor vehicles and their attachments and accessories unless:

- individually shown on the certificate, and
- used solely for a purpose other than as a means of transport.

You are also not insured for breakdown able to be covered under any other FMG policy of insurance.

2.11.3 Definition

Breakdown means *loss* involving the breaking, deforming, seizing of, or electrical or electronic failure to, any part of property that must be repaired or replaced to resume normal operation.

2.12 We cover customers' goods at your premises

You are insured for *accidental loss* to your customers' goods at the *premises* if the customer has not insured these under another insurance policy.

We will pay up to a maximum of \$10,000 or any higher amount shown on the certificate for any one *event*.

2.13 We cover your employees' personal effects

You are insured for *accidental loss* to personal effects (including tools of trade) belonging to your *employees*, provided that these items are:

- at the *premises*, or
- being worn, carried or used by your *employees* while acting in the course of their duties or employment in the *business* anywhere in New Zealand.

We will pay the *present-day value* of the items up to \$2,000 for any one *employee*.

We will pay up to \$5,000 or any higher amount shown on the certificate for any one *event*.

This benefit is not available when these personal effects are covered under another insurance policy.

2.14 We provide limited cover for accidental loss to landlord's fixed glass and sanitary fixtures

You are insured for *accidental loss* to fixed glass, toilet pans or hand basins forming part of a *commercial building* you occupy but do not own, provided that:

- this loss is a result of *burglary* or an attempted *burglary* to that building, and
- you are liable to pay for this loss under a lease agreement.

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

2.15 We provide limited cover for gradual damage to the residential portion of your insured property

The residential portion of your *insured property* 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 appliances installed at your *commercial building*.

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 pay up to \$5,000 for any one event.

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

2.16 We cover landscaping

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

We will pay up to \$2,000 for any one event.

2.17 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 *insured property* if you have reasonable grounds to believe:

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

We will also cover you for the reasonable cost of opening a safe or strong room after the theft of its key or combination.

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

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

2.18 We cover your refrigerated or temperature controlled goods for deterioration or putrefaction following breakdown

You are insured for the deterioration or putrefaction of your goods stored in a purpose-built refrigerated or artificially temperature controlled storage cabinet, chamber or room at the *premises*, caused by a change in temperature directly arising from a *loss* covered by automatic benefit 2.11 (breakdown).

We will pay up to \$3,000 for any one event.

2.19 We cover your forklifts, fork hoists and fork trucks

Your forklifts, fork hoists or fork trucks are insured for *accidental loss*, provided that they are not being used on a public road or thoroughfare.

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

2.20 We cover the costs of preparing your claim

You are insured for the reasonable costs you incur to prepare, present and certify your claim covered under this policy.

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

2.21 We cover general average and salvage charges

You are insured for your liability for general average and salvage charges that arise in respect of the carriage of *insured property* within New Zealand during the period of insurance, provided that the contract of carriage or governing law and practice makes you liable for them.

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

2.22 We cover the costs of express freight and overtime labour after loss

You are insured for the additional costs of express freight and overtime labour reasonably incurred to expedite the reinstatement of your *commercial property* following a *loss* covered under this policy.

We will pay up to \$2,000 for any one event.

2.23 We cover the cost to protect your commercial property from potential loss

You are insured for costs you reasonably and necessarily incur during the period of insurance to control a cause of *loss* potentially covered under this policy that involves, or threatens to involve, *commercial property*.

You are also insured for *loss* to *commercial property* directly resulting from these control measures.

We will pay up to \$20,000 for any one event.

There is no cover under this benefit if the loss is covered under another part of this policy.

2.24 We provide limited cover for replenishment costs

If a *loss* is covered under this policy, you are insured for costs you reasonably and necessarily incur during the period of insurance to:

- gain access to and replenish fire-fighting appliances
- shut off the supply of water from fire-protection equipment following water or other substance of escaping from its intended confines or after *accidental* discharge
- repair and replace property lost or damaged while protecting *commercial property* and *indoor plants* from *loss* covered under this policy.

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

This benefit is not available when these costs are covered under another insurance policy.

2.25 We cover rewards

You are insured for any reward payments you make provided these are offered both:

- to protect or recover your *commercial property* following a *loss* to it that is covered under this policy
- with our consent.

We will pay up to \$5,000 for any one reward.

2.26 We cover employee social club property

You are insured for *accidental loss* to the property of a social club, sports club or similar body that exists for the benefit of your *employees*.

We will treat this property as *insured property* under this policy as if you owned it.

We will pay up to \$5,000 or any higher amount shown on the certificate for any one *event*.

2.27 We cover property that has to be damaged to reinstate a loss

We will cover the cost of demolishing, damaging or removing property or part of property that has not suffered *loss* when this is necessary for the sole purpose of reinstating *loss* to *commercial property* covered under this policy.

We will also cover the cost of reinstating this property to a condition the same as, but no better or more extensive than, its condition immediately before it was demolished, damaged or removed.

We will not pay for the cost of work that is only required to ensure this property complies with a law or bylaw.

3. You can choose to add the following optional benefits

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

3.1 We cover loss caused by natural disaster

If you have bought this benefit, your *commercial property* and *indoor plants* shown on the certificate are insured for *accidental loss* caused by *natural disaster*.

This benefit does not apply to any 'residential building' or 'personal property' as defined in the Earthquake Commission Act 1993.

3.2 We cover seasonal stock increases

If you have bought this benefit, the sum insured for *stock* shown on your certificate is automatically increased by 25% for the four-month period shown on the certificate.

3.3 We cover honey, wine and olive oil for contamination, spoilage and natural disaster

If you have bought this benefit, you are insured for *accidental loss* to your honey, wine or olive oil contained in vats caused by:

- contamination due to *accidental* leakage of refrigerant, or a substance used to artificially regulate temperature, from the refrigeration or artificial temperature control plant of the vats
- spoilage or deterioration following an *accident* to refrigeration, or artificial temperature control, machinery or its controls, electrical switchboards, or reticulation, or
- *natural disaster*.

We will pay the lesser of the following for any one *event*:

- the loss of value of your honey, wine or olive oil, or
- the *present-day value* of your honey, wine or olive oil, or
- the amount shown on the certificate.

You are not covered under this benefit if this loss is insured elsewhere in this policy.

You are not insured for:

- fines or penalties, or
- fees charged for auditing or testing your honey, wine or olive oil or storage procedures.

3.4 We cover indoor plants for frost damage

If your *indoor plants* are shown on the certificate and you have bought this benefit your indoor plants are insured for *accidental loss* caused by frost, provided that:

- the growing house has an adequate heating system with a suitable monitored alarm, and
- this heating system and alarm are in good working order and operating when the *loss* occurs.

We will pay up to the amount shown on the certificate for any one *event*.

4. What we will pay

What we will pay depends on the specific item involved as follows:

- commercial buildings (clause 4.1)
- plastic or cloth cladded buildings (clause 4.2)
- glass (clause 4.3)
- growing structures (clause 4.4)
- contents (clause 4.5.)
- portable plant and equipment (clause 4.6)
- stock (clause 4.7)
- growing plants (clause 4.8).

Additionally, where a benefit refers to a specific limit, that is the maximum amount we will pay for that benefit. The amount payable for automatic benefit 2.8 (property under construction) is included within the sum insured for this policy as shown on the certificate. The maximum amounts payable for all other benefits are in addition to this sum insured.

4.1 What we will pay for your commercial building

What we will pay for your *commercial building* will depend on:

- which of the three types of cover you have: Nominated Replacement, Present-Day Value or Functional Replacement (clauses 4.1.1 to 4.1.3)
- whether changes are required, or professional fees or other costs are involved (clause 4.1.4)
- whether it is rebuilt on another site rebuilt (clause 4.1.5)
- whether you choose not to repair or rebuild it (clause 4.1.6).
- For plastic or cloth cladded buildings see clause 4.2 below. For growing structures see clause 4.4 below.

4.1.1 What we will pay if your commercial building is insured for Nominated Replacement

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

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

4.1.2 What we will pay if your commercial building is insured for Present-Day Value

If the certificate shows that your *commercial building* is insured for Present-Day Value, we will pay the reasonable cost to rebuild or repair the damaged portion of your *commercial building* as nearly as practicable to the same condition it was in prior to the *loss*, using building materials and construction methods in common use at the time of the rebuilding or repairs.

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

4.1.3 What we will pay if your commercial building is insured for Functional Replacement

If the certificate shows that your *commercial building* is insured for Functional Replacement, we will pay the reasonable cost to rebuild, repair or replace the damaged portion of your *commercial building* using building materials and construction methods:

- in common use at the time of the rebuilding, repairs or replacement, and
- which are functionally equivalent to the materials and methods used when the building was originally constructed.

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

4.1.4 What we will pay for changes required, professional fees and other associated costs

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

- your *commercial building* 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 *commercial building* that has suffered loss covered by this policy.

We will also pay the reasonable costs for:

- architect, clerk of works, engineer and surveyor fees authorised by us
- demolishing, dismantling, shoring or propping up your *commercial building*
- recovering, defending, safeguarding, removing, storing and returning *stock*, plant, *contents* of buildings or other chattels (whether or not they are damaged) provided this is not insured under any other policy of insurance.
- disposing of debris from the location and immediate adjacent area including any solid, liquid or gas whether or not this debris is part of your *commercial building*
- clearing, cleaning and repairing gutters, drains and equivalent property.
- temporarily protecting your *commercial building* and the wages or salaries incurred to safeguard it, provided that these costs are connected with a loss covered under this policy.

The amounts we will pay under this clause are included in the amount shown on your certificate for your *commercial building*.

4.1.5 What we will pay when your commercial building is rebuilt on another site

If it is not possible to rebuild your *commercial building* on the same site due to Government or local authority regulations or it does not suit your requirements to rebuild on the same site, 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.

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

4.1.6 What we will pay if you choose not to repair, replace or rebuild your commercial building

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

- the *present-day value* of the damaged part of your *commercial building*, and
- the reasonable cost to demolish and remove the debris.

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

4.2 What we will pay for plastic or cloth cladded buildings

If your *commercial building* is a plastic or cloth cladded building, we treat the solid frame and the cladding differently.

For the solid frame structure, we will pay on a Nominated Replacement (clause 4.1.1) or Present Day-Value basis (clauses 4.1.2), whichever is shown on the certificate for the commercial building.

For the plastic or cloth cladding, we will pay:

- the replacement cost less compounding depreciation over its useful life (as specified by the manufacturer), plus the cost of installing this cladding, or
- if the manufacturer has not specified its useful life, the replacement cost less compounding depreciation based on a lifespan of 5 years from the date the cladding was originally purchased as new, plus the cost of installing this cladding.

We will not pay for any installation costs unless we are paying for the plastic or cloth cladding.

We will pay up to the amount shown on the certificate for any one *event*.

4.3 What we will pay for glass

We will pay the cost incurred to repair or replace broken glass.

This includes the cost of:

- temporary protection and hiring a security service until the broken glass is replaced
- sign writing or ornamentation on glass
- the replacement of burglary alarm tapes on glass
- heat-reflecting material or process on glass
- removing and re-fixing window and showcase frames and fittings.

4.4 What we will pay for growing structures

If the certificate shows your *growing structure* is insured for Nominated Replacement, we will pay either:

- the reasonable cost to repair it as nearly as practicable to the condition it was in when new
- the replacement cost at the time and place of replacement, if it cannot be repaired.

If the certificate shows your *growing structure* is insured for Present-Day Value or you choose not to replace it, we will pay its *present-day value*.

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

4.5 What we will pay for contents

What we will pay for your *contents* will depend on:

- which of the two types of cover you have: Nominated Replacement or Present-Day Value (clauses 4.5.1 and 4.5.2)
- whether you choose not to repair, rebuild or replace them (clause 4.5.3)
- whether there are associated costs involved (clause 4.5.4)
- whether special treatment for the specific contents applies (clauses 4.5.5 and 4.5.6).
- For portable plant and equipment see clause 4.6 below.

4.5.1 What we will pay if your contents are insured for Nominated Replacement

If the certificate shows that your *contents* are insured for Nominated Replacement, we will pay the reasonable cost to either:

- repair or rebuild them as nearly as practicable to the condition they were in when new
- replace them, if they cannot be repaired or rebuilt.

We will pay up to the amount shown on the certificate for any one *event*.

4.5.2 What we will pay if contents are insured for Present-Day Value

If the certificate shows that your *contents* are insured for Present-Day Value, we will pay the reasonable cost to repair or rebuild them as nearly as practicable to the condition they were in before the *loss*.

We will pay up to the amount shown on the certificate for any one *event*.

4.5.3 What we will pay if you choose not to repair, rebuild or replace contents

If you choose not to repair, rebuild or replace your *contents*, we will pay their *present-day value* of the damaged part.

We will pay up to the amount shown on the certificate for any one *event*.

4.5.4 What we pay for associated costs

We will pay the reasonable costs for:

- recovering, defending, safeguarding, removing, storing and returning *stock*, plant, *contents* of buildings and other chattels (whether or not they are damaged).
- disposing of debris from the location and immediate adjacent area including any solid, liquid or gas whether or not this debris is part of the *contents*
- clearing, cleaning and repairing gutters, drains and equivalent property.

The amounts we will pay under this clause are included in the amount shown on your certificate for your *contents*.

We will not pay these costs if they are insured under any other policy of insurance.

How we treat specific contents

4.5.5 What we pay for physical documents

For physical documents we will pay either:

- the reasonable cost of repairing, replacing, reproducing or restoring them including any information contained in them
- the replacement cost of materials as blank stationery at the time and place of the *loss*, if they are not repaired, replaced, reproduced or restored.

4.5.6 What we pay for patterns, models, jigs, templates, dies or casts

For patterns, models, jigs, templates, dies or casts, we will pay either:

- the reasonable cost of repairing or replacing them
- their *present-day value*, if they are not repaired or replaced, provided this does not exceed the cost of their replacement.

4.6 What we will pay for portable plant and equipment

For *loss to portable plant and equipment* away from the *premises* what we will pay depends on how old the item is.

For an item up to two years old, we will pay the reasonable cost to either:

- repair it as nearly as practicable to the condition it was in when new
- replace it, if it cannot be repaired.

For an item over two years old, we will pay the reasonable cost to repair it as nearly as practicable to the condition it was in before the *loss* up to its *present-day value*.

The most we will pay for any one *event* for *portable plant and equipment* that is not electronic is the amount shown on the certificate.

The most we will pay for any one *event* for electronic *portable plant and equipment* is:

- \$10,000 for any one item
- \$25,000, or any lesser amount shown on the certificate, in total.

You cannot claim for the same items under benefit 1.2 (portable plant and equipment) and automatic benefit 2.2 (cellphones, laptops and office equipment).

4.7 What we will pay for stock

What we will pay for *loss of stock* will depend on what stage of the production process it is in and how it will be used.

Finished goods

For finished goods you have produced, we will pay the lesser of:

- the replacement cost of the raw materials, labour and other production costs incurred before an allowance for profit, calculated at the time and place of the *loss*, or
- the cost of restocking them within a reasonable period of time.

Finished goods not replaced or that are obsolete

- If the finished goods are not replaced or obsolete, we will pay the lesser of:
- the original cost of this stock to you, or
- the *present-day value* of the damaged part.

Materials in the process of production

For materials in the process of production, we will pay the replacement cost of the raw materials, labour and other production costs incurred before an allowance for profit, calculated at the time and place of the *loss*.

In determining this amount we will deduct storage, rent, transport and other processing costs that would have been incurred but for the *loss*.

Other stock

For stock not dealt with above, we will pay its replacement cost at the time and place of replacement, provided that this occurs within a reasonable period of time. If you choose not to replace this stock or it is obsolete, we will pay the lesser of:

- the original cost of this stock to you, or
- the *present-day value* of the damaged part of your stock.

All stock

We will pay up to the amount shown on the certificate for any one *event*.

4.8 What we will pay for growing plants

We will pay the reasonable costs you incur to replace and replant your:

- *grape plants* with similar type rootstock
- *olive trees* with grafted, bagged olive plants
- *shelter belt* with similar shelter belt plants
- *indoor plants* with similar plants

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

5. What loss you are not insured for

This section contains specific exclusions for the policy. The general exclusions, starting on page 25, also apply.

5.1 You are not insured for inherent faults, faulty work or materials, maintenance, research or certain other costs

You are not insured for *loss* arising from the inherent nature of the property (including shrinkage, evaporation, loss of weight, change in flavour, colour, texture or finish) or the action of light.

You are not insured for *loss* or expenses connected in any way with an internal part of your building or structure being wet, damp or moist which is caused directly or indirectly by:

- faulty design or specification, including faulty sequence, procedure or programme
- faulty materials
- faulty workmanship when it was built, altered or repaired.

You are also not insured for the cost of:

- repairing or replacing faulty materials or putting right faulty workmanship
- putting right work performed to a faulty or defective design plan or specification,
- putting right faulty or defective work where the fault or defect results from an error or omission in the design plan or specification
- maintenance
- research or development

5.2 Your property is not insured for the action of micro-organisms or pests, deterioration, wear and tear, denting or marring

You are not insured for *loss* arising from:

- mildew, mould, rot, rust, corrosion or gradual damage unless covered under automatic benefit 2.15 (gradual damage)
- normal working or maintenance, wear and tear, *erosion*, slowly developing deformation or distortion, marring or scratching
- action of micro-organisms, rodents, insects or vermin.

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

5.3 You are not insured for property under construction, installation, erection, alteration, testing or demolition

You are not insured for property in the course of its installation, construction, alteration, demolition, erection or testing, unless covered under automatic benefit 2.9 (property under construction).

5.4 You are not insured for subterranean fire or the movement of land or buildings

Unless covered under optional benefit 3.1 (natural disaster), you are not insured for *loss* arising from:

- settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads, driveways or any other structural improvement
- shrinkage, swelling or *erosion* of land
- subterranean fire.

You are not insured for *loss* arising from subsidence of land unless covered under automatic benefit 2.6 (subsidence).

5.5 Your property is not insured for damage caused by its normal production process

You are not insured for property damaged as a result of it undergoing a *production process* where the *loss* is directly caused by the normal operation of that process.

5.6 You are not insured for pollution or contamination

You are not insured for pollution or contamination (including land contamination and the cost of testing or remediation), unless covered by optional benefit 3.3 (honey, wine or olive oil).

You are not insured for *loss* arising from fumes, gas, dust, smoke or smuts.

5.7 You are not insured for natural disaster damage

You are not insured for natural disaster damage, unless covered under optional benefits 3.1 (natural disaster) or 3.3 (honey, wine or olive oil).

5.8 You are not insured for certain types of breakdown

You are not insured for breakdown of a mechanical, electrical or electronic machine unless covered under automatic benefit 2.11 (breakdown).

This exclusion also does not apply when the breakdown arises due to either:

- external impact with the machine
- a hazard originating completely outside the machine provided that it is not:
 - related to lack of service or maintenance,
 - a programming or operating error, or
 - excluded elsewhere in this policy.

5.9 You are not insured for loss when lifting and lowering pumps or the cost of altering refrigeration plant

You are not insured for:

- *loss* caused by lifting or lowering a submersible pump (or their motor) from a well or bore shaft
- the cost of altering refrigeration, artificial temperature control or air-conditioning plant to comply with the Ozone Layer Protection Act 1990.

You are not insured for refrigeration, artificial temperature control or air-conditioning plant where the *loss* is a result of an alteration to this plant to comply with the Ozone Layer Protection Act 1990, unless covered under automatic benefit 2.11 (breakdown).

5.10 You are not insured when property is in transit

You are not insured when property is in transit unless it is:

- at the *premises*
- covered under automatic benefit 2.7 (temporary removal), or
- *portable plant and equipment* as shown on the certificate.

This exclusion does not apply to cover under automatic benefits 2.2 (cellphones, laptops and office equipment) 2.19 (forklifts), 2.3 (goods in transit), 2.4 (money) or 2.7 (temporary removal).

5.11 You are not insured for theft or shoplifting

You are not insured for:

- theft unless covered under automatic benefit 2.1 (theft)
- *shoplifting*.

5.12 Your growing plants are not insured for burglary or intentional damage

Your *growing plants* are not insured for *burglary* by:

- anyone staying at the *premises*
- any of your *employees*.

Your *growing plants* are also not insured for intentional damage other than fire or explosion by anyone staying at the *premises*.

5.13 Your indoor plants are not insured for certain perils

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

- spraying, harvesting or treatment of any kind
- chemicals, fertiliser, hormones or weed killer
- grafting, propagating, pruning or repotting
- disease, bacteria, fungi, virus or infection
- the incorrect application of water, heat, ventilation or light
- experiments, research or development
- defective workmanship, materials or design
- frost unless covered by optional benefit 3.4 (frost).

5.14 Your stock is not insured when hired out or used to transport passengers for reward

You are not insured for *loss* in connection with your *stock* being hired out, rented or leased, unless it is:

- in your care, custody or control when this hiring, rental, or leasing occurs, and
- being used consistently with how you would use it as part of your *business*.

You are also not insured for *loss* in connection with your *stock* being used to carry passengers for hire or reward, other than as part of a car-sharing arrangement where this stock continues to be in your care, custody or control.

5.15 Your money and precious items are not insured in certain circumstances

Money is not insured unless covered under automatic benefit 2.4 (money).

Your jewellery, furs, bullion, precious metals or stones are not insured unless they are *stock*, plant and/or merchandise of your *business*.

5.16 Your pressure vessel is not insured for explosion, overheating or certain other events

You are not insured for *loss* to a pressure vessel:

- as result of explosion, overheating, rupture, bursting, cracking, leakage, or collapse, or
- caused by a lack of heat transfer medium including water.

Pressure vessels include:

- pipes, valves and associated apparatus
- boilers except where used for domestic purposes.

This exclusion does not apply if the pressure vessel is covered under automatic benefit 2.11 (breakdown).

5.17 You are not insured for changes in artificially controlled temperature or atmosphere

You are not insured for *loss* arising from changes in artificially controlled temperature or atmosphere unless covered under:

- automatic benefit 2.18 (refrigerated or temperature controlled goods), or
- optional benefit 3.3 (honey, wine or olive oil).

5.18 You are not insured for storm or water damage to contents and stock normally left in the open

Your *contents* and/or *stock* that are normally left in the open are not insured for *loss* arising from *storm* or water damage.

However, this exclusion does not apply to *loss* that is a direct result of *flood*.

5.19 You are not insured for property left in the open

You are not insured for *loss* arising from exposure to weather conditions where the property is not normally left in the open, unless reasonable precautions have been taken to protect this property from these conditions.

5.20 You are not insured for interruption of utilities

You are not insured for *loss* arising from the interruption of the supply of water, gas, electricity or fuel to the *premises*.

5.21 You are not insured for disappearances or shortages that are unexplained or due to accounting or clerical error

You are not insured for:

- unexplained disappearances or shortages revealed only by taking an inventory
- shortages due to clerical or accounting errors.

5.22 You are not insured for certain assets

The following are not insured unless shown on the certificate:

- standing timber or growing crops
- *growing plants* unless covered under automatic benefit 2.16 (landscaping)
- livestock, birds, fish, other animals or deer velvet
- dams, reservoirs (other than tanks) and their contents
- roadways, railway tracks or road or railway tunnels or bridges
- canals, culverts, docks, piers, or wharves
- mining property located underground
- pasture or any land (including topsoil and backfill).

5.23 You are not insured for vehicles, railway locomotives, watercraft, aircraft or aerial or spatial devices and their accessories

You are not insured for vehicles, railway locomotives and rolling stock, watercraft, aircraft, aerial or spatial devices (including their accessories and spare parts) unless they are:

- *stock* or shown on the certificate, and
- not being used at the time of *loss*.

This exclusion does not apply to the extent the vehicle is covered under automatic benefit 2.19 (forklifts).

6. General exclusions for your property

6.1 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.

6.2 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 of profits
- loss of income
- loss resulting from depreciation
- loss of value.

This exclusion does not apply to the extent there is cover under automatic benefit 2.5 (temporary accommodation), 2.8 (temporary loan equipment) or 2.23 (unharmful property).

6.3 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*
- *war*.

6.4 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* unless this is a direct consequence of a loss insured under this policy.

6.5 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.

7. What you must do

7.1 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.

7.2 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).

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

8. What you must not do

8.1 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.

8.2 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.

9. How we will manage the claim

9.1 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.

9.2 We will only 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.

9.3 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.

9.4 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.

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.

10. What you agree to do

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

10.1 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.

10.2 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.

10.3 You must let us know if your operations cease or the building is vacant for more than 60 days

You must notify us immediately if for over 60 days your:

- operations are going to cease, or
- *commercial building* will be vacant.

Your cover under this policy ends at 4pm on the 60th day, unless we have agreed in writing that it will continue.

10.4 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.

10.5 You must comply with the Building Act 2004

When required to do so under the Building Act 2004, for any *commercial building* insured under this policy you must:

- undertake all inspections and maintenance, and
- prepare all reports required by the compliance schedule.

This policy does not cover *loss* directly or indirectly caused, or contributed to, by circumstances that would not have existed at the time of *loss* had these requirements been met.

10.6 You must pay your premiums 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.

10.7 Monthly stock declarations are required if shown on the certificate

If you choose to insure *stock* on a stock declaration basis (as shown on the certificate), the premium charged at the start of the period of insurance is provisional and represents 75% of the full premium payable for the sum insured for this stock.

You must make declarations of the actual value of *stock* held on the last day of each month within the period of insurance. These declarations must be provided to us no later than four weeks after the end of the period of insurance. At the end of the period of insurance the premium for the *stock* will be recalculated based upon the greatest of the following:

- the average of the monthly declarations for the period of insurance, or
- half the sum insured for this stock.

You are only insured up to the sum insured for the *stock*. If the amount of stock in a monthly declaration exceeds that amount in our calculations we will use the sum insured instead.

If you fail to provide a declaration for a month, the sum insured will apply in its place.

If the recalculated premium exceeds the provisional premium, you must pay us the difference between these amounts. Alternatively, if the recalculated premium is less than the provisional premium, we will refund you the difference between these amounts.

If at the end of the period of insurance you fail to provide at least 75% of the declarations required:

- the premium will be recalculated based on the full premium payable for the sum insured for the *stock*, and
- you must pay the difference between the provisional premium and this recalculated amount.

10.8 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.

11. How we will manage this policy

11.1 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.

11.2 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 refund the unexpired portion of your premium from the date of notification
- 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.

11.3 We will reinstate cover for a partial loss

In the event of a partial loss covered under this policy we will automatically reinstate cover from the date of loss, unless there is prior notice to the contrary.

We may charge a premium for the amount of the cover reinstated.

11.4 Special conditions when people are insured jointly

If this policy insures more than one person or entity, they are treated as if each had been issued with a separate policy.

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.

11.5 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.

11.6 You must comply with the hot spot warranty

If a 'Hot Spot Warranty' is shown on the certificate, cover under this policy is conditional upon a qualified electrician checking potential electrical hot spots and electrical switchboards on the premises at least once every year.

11.7 You must comply with the hot work warranty

If a 'Hot Work Warranty' is shown on the certificate, cover under this policy is conditional upon all terms and conditions of the warranty, as shown on the certificate, being fully complied with before any hot work (including flame or disc cutting, grinding or welding, soldering, bitumen boilers, blow lamps, brazing, burning or open-flame work or using hot air guns) is carried out on the *premises*.

If you are a landlord of the *premises* and do not operate from it, your obligation only extends to:

- informing the occupants of the *premises* of these requirements.
- receiving confirmation from them that they will comply with them.

11.8 We can inspect your property

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.

11.9 You are still covered when legally required to release certain parties from liability

Your cover will not be affected if you are required by legislation or customary contract to release the following from liability arising from *loss* insured under this policy:

- Fire and Emergency New Zealand
- any railway company
- any fire protection equipment suppliers approved by the Insurance Council of New Zealand
- any oil company
- any other party to an agreement that you have declared to us and that we have accepted.

Additionally, your cover will not be affected if you have entered into a contract for the storage of your goods and/or merchandise, or for you to occupy any premises, that restricts the other party's potential liability to you, provided that these terms are customary. The recovery obligations under clause 9.4 (recovering costs) in the 'how we will manage the claim' section above are not applicable if this clause applies and the relevant parties are released from liability.

11.10 You can agree to release your landlord from liability

This clause applies if you have entered into a contract for the storage of your goods, merchandise, or both, or for you to occupy any *premises*.

If the terms of the contract restrict the other party's potential liability to you, and such terms are customary under the circumstances, your agreement to the terms will not prejudice your cover under this policy.

11.11. 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.

11.12 This policy covers property in New Zealand only

This policy covers your insured property while it is 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

12.1. Words in italics have a specific meaning

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

12.2 We use New Zealand currency

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

12.3 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.

12.4 ‘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.

12.5 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.

Burglary means:

- forcible and violent entry into a securely locked building (or part of a building or vehicle) with intent to commit a crime
- forcible and violent exit from a securely locked building (or part of a building or vehicle) after having committed a crime, or
- theft of *insured property* from a building or vehicle 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.

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

Commercial building means any building including:

- structural improvements
- power and telephone poles, overhead and underground lines and associated equipment if directly attached to the building
- underground pipes for gas and water supply and sewage disposal if directly attached to the building
- storage tanks
- signs
- walls, fences and gates
- concrete, paved or asphalt areas
- fixed plant and permanent fittings and fixtures you own at the building but only if these are not insured elsewhere.

Commercial building does not include *growing structures*.

Commercial property means the following:

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

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.

Contents means contents including:

- machinery and plant
- electronic equipment
- tools of trade
- fixtures, fittings, furniture and furnishings
- tenants' improvements and equipment (when you are the tenant but not the owner of the *premises*).

Contents excludes *stock*, *growing plants*, *growing structures*, *money* or customers' goods.

Defined event means:

- fire, lightning or explosion
- hail or snow
- *storm* or *flood*, excluding *storm* or *flood* damage to fences, 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.

Employee means:

- any employee directly employed by you in your *business*, or
- any principal or director of your *business* (but only in their capacity as such).

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

Event means a single *loss* or series of *losses* that have the same cause.

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

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.

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
- *shelter belt*.

Growing plants excludes forestry or arable crops.

Growing structures means installed:

- growing frames
- trellises
- poles
- wires
- permanently attached irrigation systems
- structure(s) designed to support and irrigate your *growing plants* in the open.

Growing structures excludes netting.

Indoor plants means your plants growing in a fully enclosed building specifically designed to grow them and includes:

- plant boxes
- plant trays, and
- expendable equipment.

Indoor plants excludes plants:

- covered under any other policy, or
- growing in the open.

Insured property means the following items shown on the certificate that you own or which belong to others, used by you for your *business* and not insured elsewhere:

- *commercial buildings*
- *contents*
- *stock*, or
- any other items (other than *commercial buildings*, *contents* or *stock*).

Insured property excludes portable plant and equipment, growing plants and growing structures.

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.

Money means the following used for, or received from, the *business*:

- 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.

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.

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

Portable plant and equipment means the following items located away from the *premises* permanently, for an extended period of time, or which return to the *premises* only temporarily (rather than being *temporarily removed*):

- portable machinery and plant
- portable electronic equipment (including cellphones, video data projectors, digital cameras, other audio visual equipment, portable computing devices and portable data storage devices), and
- portable tools of trade.

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

Present-day value means either the:

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

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

Shelter belt means your trees or plants growing in the open on your *premises* for protection against wind.

Shoplifting means unauthorised uplifting of goods by a person from the area of the *premises* usually made available for customer shopping.

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

Stock means the following items of your *business*:

- stock and materials in trade,
- harvested produce, or
- goods held for sale on commission that you are legally liable for, including the value of work done, containers and packaging materials.

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.

Temporarily removed means the temporary removal of property from the *premises* for a particular purpose that is intended to be returned to the premises once it has served that purpose.

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 or 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



FMG Connect - our online service www.fmg.co.nz/connect



Visit our website www.fmg.co.nz



Email us at contact@fmg.co.nz



Write to us PO Box 1943, Palmerston North 4440, New Zealand



Fax us on 0800 366 455



We're easy to contact



Call us on
0800 366 466



FMG Connect - our online service
www.fmg.co.nz/connect



Visit our website
www.fmg.co.nz



Email us at
contact@fmg.co.nz