

Farm Contents Policy Wording

Terms of our policy to cover farm contents

Effective on all new policies, items and renewals issued between
1 November 2023 and 31 October 2024



FMG
Advice & Insurance

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

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Terms of our policy to cover farm contents

This policy wording describes the Farm Contents policy. The policy covers your farm computer, electronic equipment, farm plant, machinery and equipment, farm stores and harvested farm produce not intended for sale. You can also cover your harvested farm produce intended for sale, farm milk, baled hay, baled wool, beehives and deer velvet under this policy.

Important information about your FMG policy

Please read and file this document and your policy certificate

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

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

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 policy needs 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 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 farm contents

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

We cover your farm contents and other goods

1. We cover your farm contents and other goods

Your *farm contents*, *baled hay*, *baled wool*, *beehives* and *harvested farm produce* intended for sale are insured for one of the following, as shown on the certificate:

- *accidental loss*
- *defined events*.

Accidental loss cover for *baled hay* includes cover for *loss* by spontaneous combustion.

Your farm milk and *deer velvet* shown on the certificate are insured for *accidental loss*.

2. The cover includes automatic benefits

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

2.1 We cover additional costs to maintain your farming operations after loss

You are insured for reasonable additional costs to maintain your *farming operations* which are interrupted or interfered with as a direct consequence of *accidental loss* during the period of insurance to:

- your *farm buildings*, *unspecified farm buildings* or *farm contents* that we have accepted a claim for under your Farm Buildings or Farm Contents policy (or would have but for the amount of any excess)
- a building not owned by you but occupied by your *farming operation*, provided that we would have accepted a claim for it had we insured this building under the FMG Farm Buildings policy
- the water or electric power supply to the *farm* from an external source, provided that non-supply exceeds a continuous period of 24 hours.

You are not insured for costs to repair or replace any *farm buildings* or any *farm contents*.

We will pay up to \$10,000 and for up to 12 months for any one *event*.

If you have both Farm Buildings and Farm Contents policies with us the most we will pay for reasonable labour and hire charges for installing and removing equipment after a *loss* is \$10,000 for any one *event* (not \$10,000 under each policy).

2.1.1 We cover claim preparation costs

You are insured for the reasonable costs you incur, with our prior consent, to prepare, present or certify your claim following a *loss* covered under automatic benefit 2.1 (additional costs to maintain your *farming operations* after *loss*), but not costs incurred in disputing the claim.

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

2.2 We cover animals and goods in transit

This benefit covers *harvested farm produce* intended for sale, *farm animals*, *goods* and *beehives* (if shown on the certificate) being transported by *motor vehicle*. This benefit only applies if you have insured your *farm contents*.

2.2.1 Cover for farm animals

Your *farm animals* are insured while in transit for *accidental* death or intentional slaughter certified by a vet and carried out to end incurable suffering occurring as a direct result of:

- an *accident* to the *motor vehicle*
- being loaded into or unloaded from the *motor vehicle*
- falling from the *motor vehicle*.

Your *farm animals* are also insured if they are rejected by a licensed slaughterhouse because of an injury that was sustained due any of the circumstances listed above.

2.2.2 Cover for goods, beehives and harvested farm produce intended for sale

Your *harvested farm produce* intended for sale, *goods* and *beehives* (if shown on the certificate) are insured while in transit for *accidental loss* occurring as a direct result of:

- an accident to the *motor vehicle*
- being loaded into or unloaded from the *motor vehicle*
- falling from the *motor vehicle*.

2.2.3 What we pay

We will pay the *present-day value* of your *harvested farm produce* intended for sale, *farm animals*, *goods* and *beehives* up to \$20,000 (or any higher amount shown on the certificate) for any one *event*.

We will also pay up to \$250 per *event* for the reasonable costs of:

- removing debris from any road or parking area
- clearing the site
- reloading your *harvested farm produce* intended for sale, *farm animals*, *goods* and *beehives* after a *loss* covered by this benefit.

2.2.4 What you are not insured for

Your *harvested farm produce* intended for sale, *farm animals*, *goods* and *beehives* are not insured for any *loss* that you can recover from a person under common law or Part 5 Subpart 1 of the Contract and Commercial Law Act 2017 (carriage of goods).

Except when the *motor vehicle* is stolen or illegally converted, your *harvested farm produce* intended for sale, *farm animals*, *goods* and *beehives* are not insured for any *loss* where the driver of the *motor vehicle*:

- is not licensed in accordance with the Land Transport Act 1998
- is under the influence of any intoxicating substance or drug.

Your *harvested farm produce* intended for sale, *farm animals*, *goods* and *beehives* are not insured for spillage during loading or unloading unless this occurs because the container they are stored in is damaged while being loaded or unloaded.

2.3 We provide limited cover for gradual damage

Your *farm contents* are 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 appliance installed at your *farm buildings*.

Gradual damage is only covered if you:

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

We will pay the reasonable cost to repair the damage.

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

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

2.4 We cover accidental spoilage of certain perishable farm stores

You are insured for *accidental spoilage* of frozen or perishable dog food, semen straws, animal vaccines or animal health products due to changes in artificially controlled temperature or atmosphere in liquid nitrogen containers caused by:

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

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

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

2.5 We cover drones

Your *drone* is insured while in use for *accidental loss* provided you comply with the rules and regulation in place at the time of loss as set out by the Civil Aviation Authority of New Zealand.

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

2.6 We provide limited cover for replenishment costs

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

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

2.7 We cover costs of suppressing a fire

You are insured for the reasonable costs of protecting your *farm contents* from fire where this poses an obvious and direct threat to your *farm contents*.

You are not insured for any cost covered by any other insurance policy.

We will pay up to \$5,000 in total for any one *event*. If you have both Farm Buildings and Farm Contents policies with us the most we will pay for suppression costs is \$5,000 for any one *event* (not \$5,000 under each policy).

2.8 We cover the replacement costs 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 *farm contents* if you have reasonable grounds to believe:

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

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

2.9 We cover farm money

You are insured for *accidental loss* of farm money caused by:

- fire
- *natural disaster*
- *burglary*.

You are not insured for *loss* of farm money from:

- an unlocked and unattended *motor vehicle*
- an unattended roadside stall.

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

Farm money means money that you earn from your *farming operations*, where money is current coin, bank and currency notes, cheques, travellers' cheques, postal notes, money orders, unused postage stamps, redeemable vouchers and tokens, franking machine credits, or Bills of Exchange as defined in the Bills of Exchange Act 1908.

2.10 We cover death or permanent injury

We cover you for death or permanent injury that results from either a fire or intruder at any *farm building*, provided we have accepted a claim under this policy.

We will pay:

- \$5,000 to your estate if you die within 3 calendar months of the *event*
- \$5,000 to you if you suffer total and permanent loss of:
 - the sight of both eyes
 - the use of both hands, or
 - the use of both feet.
- \$2,500 to you if you suffer total and permanent loss of:
 - the sight of one eye
 - the use of one hand, or
 - the use of one foot.

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

If you have both Farm Buildings and Farm Contents policies with us the most we will pay for death or permanent injury is \$10,000 for any one *event* (not \$10,000 under each policy).

2.11 We cover rewards

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

- to protect or recover your property insured under this policy following a *loss* covered by this policy
- with our consent.

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

2.12 We cover theft by paying guests

You are insured if paying guests at the house you live in steal your *farm contents* during the period of insurance. Paying guests means temporary visitors at that house who pay you for hospitality, meals, short term accommodation, or a combination of these.

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

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 accidental spoilage or contamination of your farm milk intended for supply

If you have bought this benefit, you are insured for *accidental loss* of your farm milk intended for supply caused by:

- *Accidental spoilage* and subsequent dumping of your farm milk in the farm vat caused by:
 - an *accident* to your refrigeration machinery or its controls, electrical switchboards or reticulation, or the operation of an overload switch
 - sudden failure of power supplied by a public utility to your rural property
 - *accidental* switching off or failure to switch on refrigeration machinery.
- *Accidental* contamination and subsequent dumping of your farm milk following the receipt of written confirmation of this from your dairy company.

Contamination in clause 3.1 means the contamination of your farm milk intended for supply, by a substance consumed by the herd, or a substance that enters the farm vat and results in the milk being unfit for supply.

We will pay the lesser of:

- the income you lose
- the loss of value of your farm milk
- the *present-day value* of your farm milk
- the amount shown on the certificate.

You are also insured for penalties imposed on you because your farm milk was contaminated, spoiled or dumped.

We will pay, as appropriate:

- the spoilage or contamination penalties imposed on you
- the amount your payment for farm milk is reduced because of the penalties imposed.

The most we will pay under this benefit for any insured penalties imposed on you, for any one *event*, is the lesser of:

- twice the value of your farm milk
- twice the amount shown on the certificate.

Under the Spoilage or Contamination benefit (clause 3.1) we will pay up to two claims per period of insurance.

3.2 We cover the non-collection of farm milk

If you have bought this benefit, you are insured if your farm milk cannot be collected from farm vats because your *farm* cannot be accessed due to *accidental loss* to property, roads or bridges in the vicinity of your *farm* caused by:

- *natural disaster*
- *storm*
- *flood*.

We will pay the lesser of:

- the income you lose
- the loss of value of your farm milk
- the *present-day value* of your farm milk
- the amount shown on the certificate.

3.3 We provide limited cover if prevention of access interrupts your farming operations

If you have bought this benefit, you are insured if your *farming operations* are interrupted or interfered with as a direct consequence of damage to property, roads or bridges in the vicinity of your *farm* which prevents access to this farm, during the period of insurance.

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

3.4 We cover loss caused by natural disaster

If you have bought this benefit, your *farm contents*, *harvested farm produce* intended for sale, *baled hay*, *baled wool*, *beehives*, *deer velvet*, and farm milk (if shown on the certificate) are insured for *accidental loss* caused by *natural disaster*.

4. What we will pay

What we will pay depends on:

- which of the two types of cover you have: Nominated Replacement or Present-Day Value (clauses 4.1 and 4.2), and
- whether special treatment for the specific item applies (Specific Items clauses 4.3 to 4.6)

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

4.1 What we will pay if you have insured your farm contents for Nominated Replacement

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

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

If you choose not to repair or replace your *farm contents*, we will pay their *present-day value*.

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

This clause does not apply to *farm computers*.

4.2 What we will pay if you have insured your farm contents for Present-Day Value

If the certificate shows that your *farm contents* are insured for Present-Day Value, we will pay the lesser of the following:

- the reasonable cost to repair them as nearly as practicable to the condition they were in before the *loss*
- their *present-day value*.

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

This clause does not apply to *farm computers*.

How we treat specific items

4.3 What we pay for farm computers

We will pay the lesser of:

- the reasonable costs to repair your *farm computer* as nearly as practicable to the condition it was before the *loss*.
- the *present-day value* of your *farm computer*.

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

4.4 What we pay for baled hay

We will pay the reasonable cost of both:

- replacing the *baled hay* with *baled hay* of similar quality
- cartage.

You must replace the *baled hay* within a reasonable period of time after the *loss*.

If you choose to not replace the *baled hay*, we will:

- pay the *present-day value* of the *baled hay*, and
- not pay any cartage.

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

4.5 What we pay for beehives

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

- the reasonable costs to repair your *beehives* as nearly as practicable to the same condition they were in before the *loss*
- the *present-day value* of your *beehives*
- the amount shown on the certificate.

4.6 What we pay for deer velvet, baled wool, farm milk and harvested farm produce intended for sale

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

- the *present-day value* of the *harvested farm produce* intended for sale, *deer velvet*, *baled wool*, or farm milk
- the amount shown on the certificate.

5. What loss you are not insured for

This section contains specific exclusions for the policy. The general exclusions, starting on page 15, also apply.

5.1 Your farm contents and goods are not insured for some deterioration or other actions

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for loss connected in any way with:

- normal maintenance, wear and tear, slowly developing deformation or distortion
- mildew, mould, rot, rust, corrosion or gradual damage, unless covered by automatic benefit 2.3 (gradual damage)
- action of micro-organisms, rodents, insects or vermin (except possums), unless it is farm milk covered under this policy
- action of light
- changes in artificially controlled temperature or atmosphere unless covered by automatic benefit 2.4 (perishable farm stores) or optional benefit 3.1 (spoilage or contamination of farm milk)
- the cost of altering refrigeration or air-conditioning plant to comply with the Ozone Layer Protection Act 1990.

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

5.2 Your farm contents and goods are not insured for loss from machine or pressure vessel breakage

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for loss connected in any way with any machine or pressure vessel exploding, overheating, rupturing, bursting, cracking, leaking or collapsing.

5.3 Your farm contents and goods are not insured for faults or defects in any materials, work or design

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for loss connected in any way with:

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

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

5.4 Your farm contents and goods are not insured for loss from water damage during building work

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for loss connected in any way with water entering your *farm structures* because roofing materials, exterior cladding, doors or windows have been removed, unless the area is covered by a securely fastened tarpaulin.

5.5 Your farm contents and goods are not insured for natural disaster

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for *natural disaster* damage, unless covered by optional benefit 3.4 (natural disaster).

5.6 Your farm contents and goods are not insured for loss from land damage or subterranean fire

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for loss connected in any way with:

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

5.7 Your farm contents and goods are not insured for unexplained disappearance

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for unexplained disappearances or shortages. This exclusion applies only to the part of the insured item first affected by the *loss*. You are insured for resulting *loss* to other parts, unless otherwise excluded.

5.8 Your farm contents and goods are not insured for certain losses by visitors, employees or residents

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for:

- intentional damage (except fire and explosion) by anyone staying at the *farm*
- theft by your *employees* or anyone staying at your farm unless covered under automatic benefit 1.12 (paying guests)

5.9 Your farm contents and goods are not insured for loss due to certain activities

Your *harvested farm produce* intended for sale, *farm contents*, *baled hay*, *beehives*, *deer velvet*, farm milk and *baled wool* are not insured for loss connected in any way with:

- pollution or contamination (including land contamination) unless covered by optional benefit 3.1 (spoilage or contamination of farm milk)
- cleaning, repairing or restoring
- carrying out repairs or alterations to your *farm structures* that involve removing support
- lifting or shifting your *farm structures*
- altering refrigeration or air-conditioning plant to comply with the Ozone Layer Protection Act 1990
- transportation unless covered by automatic benefit 2.2 (animals and goods in transit)
- undergoing the normal operation of a *production process*.

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

5.10 Your deer velvet, bees, farm milk and baled hay have specific exclusions

Your *deer velvet* is not insured for theft from unlocked premises.

You are not insured for *loss* of bees from disease, illness, injury, mite infestation or spray drift.

Your farm milk is not insured for any fees charged for auditing or testing it or any farm milk procedures.

Your *baled hay* is not insured for *loss* by birds.

5.11 You are not insured for any loss arising from a communicable disease

You are not insured for any *loss* connected in any way with a *communicable disease*, including the fear or threat (whether actual or perceived) of a *communicable disease* regardless of any other cause contributing concurrently or in any other sequence to the *loss*.

However, the exclusion will not apply if the *loss* is directly caused by or arises from:

- *Natural Disaster*,
- *Defined Event*,
- Windstorm,
- Falling object, or
- Meteor/asteroid impact.

This exclusion does not apply to *loss* or penalties as a result of optional benefit 3.1 (Accidental spoilage or contamination of farm milk)

6. General exclusions for items covered under this policy

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 resulting from depreciation
- loss of value.

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.

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.

9.5 We can choose whether or not to salvage

If your claim relates to damaged property, we are entitled to retain possession of the damaged property and deal with salvage in a reasonable manner.

You cannot abandon any property to us.

General conditions of this policy

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

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 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.

10.4 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.

10.5 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 14 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 14 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 Special conditions when people are insured jointly

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

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

11.4 We will add Goods and Services Tax where applicable

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

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

All excesses include GST.

11.5 We can inspect the 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 a policy.

11.6 We can give information and make payments to interested parties

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

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

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

11.7 This policy covers events and 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.

Baled hay means your hay, straw, lucerne, balage or silage shown on the certificate that has been baled, bagged or stacked. This includes its wrapping, tying or covering materials.

Baled wool means your baled wool shown on the certificate.

Beehives means your beehive structures and their contents shown on the certificate, and includes honey and bees associated with your beehives. These are covered anywhere in New Zealand including:

- in storage
- in transit to the extent covered under automatic benefit 2.2 (animals and goods in transit)
- in the open.

Burglary means:

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

- theft of insured property from a building or *motor 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.

Communicable Disease means any disease, including (but not limited to) those caused by viruses, bacteria, parasites, and prions transmitted in any manner where the disease can cause or threaten damage to, or loss of, human or animal health or welfare, or property.

Confiscation means confiscation, 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.

Deer velvet means harvested and stored deer velvet that you own.

Defined events means *accidental loss* caused by:

- fire, lightning or explosion
- hail or snow
- *storm or flood*
- 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.

Drone means remote-controlled aircraft used for your *farming operations* or business.

Electronic equipment means any electronic equipment at the premises and used for your *farming operations* excluding *farm computers* and motors.

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

Employee means:

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

Homestay activities means your accommodation of temporary visitors to the house you live in who pay you for hospitality, meals, accommodation, or any combination of these for a short term (paying guests) provided that:

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

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.

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

Farm animals means the animals that form part of, or are used in, your *farming operations*. Domestic or feral animals are not included.

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

Farm buildings includes:

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

Farm buildings excludes:

- farm fences
- growing structures
- netting
- wind machines.

Farm computer means a computer used for your *farming operations*.

Computer means a desktop or laptop computer, tablet, or similar device, including hardware, software, and auxiliary equipment but does not include *electronic equipment*.

Farm contents means your farm contents shown on the certificate that you own or have in your care, custody or control, that are used for your *farming operations* and that are:

- *farm computer*
- *electronic equipment*
- portable farm plant, machinery, and equipment
- fixed farm plant, machinery, and equipment not in or attached to a building
- farm stores and *harvested farm produce* that are not intended for sale.

Farm contents excludes:

- livestock
- *deer velvet*
- *baled hay*
- wool
- *motor vehicles*
- aircraft
- watercraft
- well or bore shafts
- netting in use
- *harvested farm produce* intended for sale
- *beehives*
- farm milk.

Farm fencing means fencing or artificial wind breaks used solely for your *farm operations* that conform with the standard *farm fencing* or wind break practices for your type of farm, your local area, or both. Farm fencing excludes stock yards.

Farming operations means your normal regular farming activities including:

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

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

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.

Goods means *farm contents*, *baled hay*, *deer velvet* and *baled wool*, as shown on the certificate.

Harvested farm produce means seeds, extracted honey, grain or other agricultural or horticultural produce harvested as part of your *farm operations* shown on the certificate excluding *baled hay*, *baled wool*, *beehives*, *deer velvet*, livestock, farm milk and wool.

Loss means physical:

- loss
- damage, or
- destruction.

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

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

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

Nuclear materials means:

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

Present-day value means either the:

- market value immediately before the *loss* 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.

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

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

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

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

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

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

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

Unspecified farm building means any farm building at your farm not individually shown on the certificate, provided that the certificate shows Unspecified Farm Buildings.

Unspecified farm buildings includes:

- fittings and fixtures permanently attached to the farm building
- the following that service the farm building:
 - underground pipes for gas and water supply and sewage disposal
 - effluent ponds and associated piping and machinery
- any of the following permanent structures at your *farm*:
 - cattle stops
 - silos
 - tanks
 - gates
 - windmills
 - wind machines
 - stock yards including associated gates, pens and fences (other than *farm fencing*)
 - power or telephone poles, overhead and underground lines and associated equipment provided that:
 - you own them or they are in your custody or control, and
 - they are not insured elsewhere
 - solar panels
 - feed pads.

Unspecified farm buildings excludes:

- well or bore shafts,
- farm bridges or culverts
- *farm fencing*
- tunnel houses,
- glasshouses, or
- greenhouses.

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



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