

# Farm Buildings Policy Wording

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Terms of our policy to cover  
farm buildings

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Effective on all new policies, items and renewal issued on or  
after 1 July 2024



**FMG**  
Advice & Insurance

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**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 buildings and other farm structures

This policy wording describes the Farm Buildings policy. This policy covers your farm buildings and other farm structures including plant and machinery fixed to these buildings. You can also cover your farm fencing, farm bridges, culverts and underpasses, well or bore shafts and shelter belts under this policy.

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## 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 the Natural Hazards Commission Toka Tū Ake (NHC)/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](http://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 buildings**

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

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## **We cover your farm buildings and other farm structures**

### **1. We cover your farm buildings and other farm structures**

#### **1.1 We cover your farm buildings**

Your *farm buildings* are insured for one of the following, as shown on the certificate:

- *accidental loss*
- *defined events*
- *fire only.*

Your *unspecified farm buildings* are insured for *accidental loss*.

#### **1.2 We cover your farm fencing**

Your *farm fencing* is insured for one of the following, as shown on the certificate:

- *fire only*
- *defined events*

#### **1.3 We cover bridges**

Your farm bridges shown on the certificate are insured for one of the following:

- *fire only*
- *defined events*, including washout.

#### **1.4 We cover underpasses and culverts**

Your following items shown on the certificate are insured for *defined events*, including washout:

- underpass
- culvert
- *unspecified culverts*

#### **1.5 We cover well or bore shafts**

Your well or bore shaft shown on the certificate is insured for *accidental loss*.

#### **1.6 We cover shelter belts**

Your shelter belt shown on the certificate is insured for *fire only*.



## **2. The cover includes automatic benefits**

Your insurance automatically includes the following benefits.

If your *farm building*, farm bridge or shelter belt is insured for Fire Only you are only insured for automatic benefits 2.3 (replenishment costs) and 2.4 (costs of suppressing a fire) for these items.

### **2.1 We cover additions to farm buildings**

You are insured for *accidental loss* to:

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

To be covered, you must complete all of the following:

- provide us with details of the additions or changes within 30 days of completing the purchase, addition, alteration or improvement
- complete any proposal we ask for
- pay any additional premium we require.

You are not insured for *accidental loss* to any *farm buildings*:

- while they are being built
- while they are undergoing additions, alterations or improvements.

We will pay the *present-day value*, up to \$50,000 for any one *event*.

### **2.2 We provide limited cover for gradual damage**

Your *farm buildings* 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 appliances 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*.

### **2.3 We provide limited cover for replenishment costs**

You are insured for the reasonable cost of replenishing your fire-fighting equipment after it has been used to protect your *farm building*, farm bridge or shelter belt from *loss* covered by this policy.

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

### **2.4 We cover the costs of suppressing a fire**

You are insured for the reasonable costs you incur to protect your *farm buildings* from fire that poses an obvious and direct threat to them.

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

We will pay up to \$5,000 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).



## **2.5 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 *farm buildings* if you have reasonable grounds to believe:

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

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

## **2.6 We cover death or permanent injury**

We cover you for death or permanent injury that results from either a fire or intruder at your *farm building* that we have accepted a claim for 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).

## **2.7 We cover rewards**

You are insured for 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 prior consent.

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

## **2.8 We cover theft by paying guests**

You are insured if paying guests at the house you live in steal your property insured under this policy 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*.

## **2.9 We cover the cost of temporary loan equipment**

You are insured for the reasonable labour and hire charges for installing and removing loan equipment after a *loss* covered under this policy.

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 these labour and hire charges is \$10,000 for any one *event* (not \$10,000 under each policy).

### 3. You can choose to add the following optional benefit

This optional benefit only applies if you have purchased it and it is shown on your certificate.

#### 3.1. We cover loss caused by natural hazard (natural disaster)

If you have bought this benefit, your *farm structures* are insured for *accidental loss* caused by *natural hazard (natural disaster)*.

If any part of your *farm structures* are also insured under the Natural Hazards Insurance Act 2023 or the Earthquake Commission Act 1993 (NHI/EQC Acts) for *accidental loss* caused by *natural hazard (natural disaster)*, we will only pay the difference between your maximum Natural Hazards Cover (NHCover/EQCover) entitlement under the NHI/EQC Acts and the cover you have under this policy.

Your maximum NHCover/EQCover entitlement means:

- The amount payable to you by the Natural Hazards Commission Toka Tū Ake (NHC)/EQC under the NHI/EQC Acts for the *accidental loss* to the *farm structures*, or
- The amount that would have been payable to you by the NHC/EQC but for the NHC/EQC declining or limiting the cover payable under the NHCover/EQCover for the *accidental loss* to the *farm structures*, in whole or in part, for any reason whatsoever.
- The amount of any excess payable by you under the NHCover/EQCover or that would have been payable by you but for the NHC/EQC declining or limiting the cover under the NHCover/EQCover for the *loss*, in whole or in part, for any reason whatsoever.

We will not pay any part of your maximum NHCover/EQCover entitlement.

The most we will pay under this benefit for any *event* is the difference between your maximum NHCover/EQCover entitlement and the amount of cover available for your *farm structures* under this policy. The amount we pay is in excess of the maximum NHCover/EQCover entitlement.

### 4. What we will pay

What we pay depends on:

- which of the four types of cover you have: Replacement, Nominated Replacement, Present-Day Value or Smaller Area Replacement (clauses 4.1 to 4.4),
- whether changes are required, or professional fees or the removal of debris is involved (clause 4.5)
- whether your *farm building* is rebuilt (clause 4.6), and
- whether special treatment for the specific item applies (clauses 4.7 to 4.13).

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 your farm building is insured for Replacement

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

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

#### 4.2 What we will pay if your farm building is insured for Nominated Replacement

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

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

#### **4.3 What we will pay if your farm building is insured for Present-Day Value**

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

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

The rebuilding or repairs must be carried out within a reasonable period of time after the loss.

#### **4.4 What we will pay if your farm building is insured for Smaller Area Replacement**

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

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

#### **4.5 What we will pay for changes required, professional fees and the removal of debris**

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

However:

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

We will also pay the reasonable costs for:

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

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

#### **4.6 What we will pay when your farm building is rebuilt on another site or not repaired or rebuilt**

If your *farm building* needs to be rebuilt, you may, with our prior approval, rebuild on another site at your *farm*. However, we will not pay more than the reasonable costs that would have been incurred to rebuild on the original site.

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

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

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

#### **How we treat specific items**

#### **4.7 What we will pay for plastic or cloth-cladded buildings**

If your *farm 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 Replacement (clause 4.1), Nominated Replacement (clause 4.2) or Present-Day Value basis (clause 4.3), whichever is shown on the certificate for the farm 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.

#### **4.8 What we will pay for unspecified farm buildings**

For any one *unspecified farm building* we will pay the lesser of:

- the reasonable cost to rebuild, repair or replace the damaged portion of the *unspecified farm building* as nearly as practicable to an as new condition, using building materials and construction methods in common use at the time of the repairs
- its *present-day value*
- the limit shown on the certificate.

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

#### **4.9 What we will pay for farm fencing**

For your *farm fencing*, we will pay the lesser of:

- the reasonable costs to repair or replace it,
- its *present-day value*
- \$20,000 if the *loss* is caused by *storm* or *flood*, and your farm fencing is covered for storm and flood
- the amount shown on the certificate for any one *event*.

#### **4.10 What we will pay for shelter belts**

We will pay the cost of removing and replanting your shelter belts with new saplings.

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

#### **4.11 What we will pay for bridges, underpasses and culverts**

For your farm bridges, underpasses and specified culverts, we will pay the lesser of:

- the reasonable costs to repair or replace them
- their *present-day value*
- the amount shown on the certificate.

We will also pay up to \$5,000 for the reasonable costs to complete necessary earthworks to land directly adjoining your farm bridges, underpasses and specified culverts, but only if we are paying for your farm bridges, underpasses, or specified culverts.

#### **4.12 What we will pay for unspecified culverts**

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

- the reasonable costs to repair or replace it
- its *present-day value*
- \$5,000.

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

#### **4.13 What we will pay for well or bore shafts**

For your well or bore shaft, we will pay the lesser of:

- the reasonable costs to repair or replace it
- as shown on the certificate, either its:
  - *present-day value*
  - Nominated Replacement value.

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

## **5. What loss you are not insured for**

This section contains specific exclusions for *farm buildings* and structures. The general exclusions, starting on page 15, also apply.

### **5.1 Your farm structures are not insured for some deterioration or actions**

Your *farm structures* 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 under automatic benefit 2.2 (gradual damage)
- action of micro-organisms, rodents, insects or vermin (except possums)
- action of light.

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

### **5.2 Your farm structures are not insured for faults or defects in any materials, work or design**

Your *farm structures* 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 your *farm structure* first affected by the *loss*. You are insured for resulting *loss* to other parts of your *farm structure*, unless otherwise excluded.

### **5.3 Your farm structures are not insured for loss during structural alterations**

Your *farm structures* are not insured for *loss* connected in any way with them being lifted or shifted, or whilst carrying out repairs or alterations to them that involve the removal of support.

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

### **5.4 Your farm buildings are not insured for loss from water damage during building work**

Your *farm structures* are not insured for *loss* connected in any way with water entering your *farm building* or *unspecified farm building* 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 structures are not insured for loss caused by land movement or subterranean fire**

Unless covered under optional benefit 3.1 (natural hazard (natural disaster)), your *farm structures* 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.

## **5.6 Your farm structures are not insured for loss or damage caused by visitors, employees or residents**

Your *farm structures* are not insured for intentional damage (except fire and explosion) by anyone staying at your *farm*.

Your *farm structures* are not insured for theft by:

- anyone staying at the *farm*, unless covered by automatic benefit 2.8 (paying guests), or
- any of your *employees*.

## **5.7 Your farm structures are not insured for loss due to pollution, contamination, cleaning, repairing or restoring**

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

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

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

## **5.8 Your farm structures are not insured for natural hazard (natural disaster) damage**

Your *farm structures* are not insured for *natural hazard (natural disaster)* damage, unless covered under optional benefit 3.1 (natural hazard (natural disaster)).

## **5.9 Your farm structures are not insured for loss from lifting and lowering pumps or altering refrigeration plant**

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

- lifting or lowering submersible pumps (or their motors) from well or bore shafts
- the cost of altering refrigeration or an air-conditioning plant to comply with the Ozone Layer Protection Act 1996.

These exclusions apply only to the part of your *farm structures* first affected by the loss and not the resulting loss to other parts of your *farm structures*, unless otherwise excluded.

## **5.10 You are not insured for certain farm assets**

The following are not insured unless they are shown on the certificate:

- dams
- canals
- reservoirs (other than tanks)
- well or bore shafts
- road or railway tunnels or bridges
- underpasses
- shelter belts
- culverts
- docks
- piers
- wharves
- any land (including topsoil and backfill) unless covered under clauses 4.11 in the 'What we will pay' section of this policy.

## 6. General exclusions for your farm structures

### 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.

### 6.6 You are not covered for communicable diseases

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



## **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 when making a claim**

#### **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](http://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 several people are insured on one policy**

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

However, 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 your farm structures**

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.

### **11.6 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.

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## 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.

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

**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.

**Defined events** means *accidental loss* caused by:

- fire, lightning or explosion
- hail or snow
- *storm or flood*, excluding storm or *flood* damage to fences, unless your *farm fencing* is shown on your certificate, gates, *retaining walls* or glass (including glass houses), shade houses or tunnel houses
- 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 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.

**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.

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



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

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
  - 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.

However, these items are included if they are shown on the certificate.

**Farm fencing** means fencing or artificial wind breaks shown on the certificate used solely for your *farming 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.

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

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

- exhibitions and competitions at shows
- using your property for horse or hunt club activities, except horse racing organised by a racing or trotting (or similar) organisation
- distributing farm material from aircraft, except for 1080, 1081, herbicides, fungicides, pesticides or similar poisons or substances
- 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.

**Fire only** means an *accidental loss* caused by fire, lightning or explosion.

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

**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 hazard (natural disaster)** means earthquake (including earthquake fire), volcanic eruption, tsunami, hydrothermal activity, or natural landslide. Natural landslide means movement (by way of 1 or more of falling, sliding, or flowing) of ground-forming materials (being 1 or more of natural rock, soil, or artificial fill) that, before they moved, formed an integral part of the ground, but not movement of the ground due to below-ground subsidence, soil expansion, soil shrinkage, or soil compaction, or erosion.

**Nuclear materials** means:

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

**Present-day value** means either the:

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

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

**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 culvert** means any culvert, including the concrete structure, culvert pipe and adjoining earthworks (including soil or metal fill), at your *farm* not individually shown on the certificate, provided that the certificate shows Unspecified Culverts.

**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.

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## Notes

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## 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.

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## How you can contact us



**Call us on** 0800 366 466



**Contact your local FMG manager**



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