

Refrigerated Goods Policy Wording

Terms of our policy to cover refrigerated goods

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

**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 refrigerated goods

This policy wording describes the Refrigerated Goods policy. The policy covers refrigerated goods and semen and embryos that suffer spoilage.

Important information about your policy

Please read and file this document and your policy certificate

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

The 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).

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 refrigerated goods

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

We cover your refrigerated goods

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

1. We cover your refrigerated goods at the premises

Your *refrigerated goods* shown on the certificate and stored in *chambers* at the *premises* are insured for *accidental spoilage* resulting from:

- *breakdown of machinery*
- *chamber* refrigerant escaping into the *chamber*
- the *accidental* failure of public electricity or gas supply from your supplier to the *premises*, or
- public electricity or gas supply to the *premises* being disconnected by your supplier without prior warning.

1.1 We cover your semen and embryos

Semen and/or embryos shown on the certificate are insured for *accidental spoilage* that occurs while they are in a case or flask:

- at the *premises*, or
- in transit within New Zealand.

This spoilage must be a result of liquid nitrogen escaping from the case or flask they are stored in.

2. What we will pay

2.1 We will pay to help avoid or minimise spoilage

We will pay the reasonable costs incurred to avoid or minimise *spoilage* of your *refrigerated goods* covered under this policy.

2.2 We will pay to replace damaged refrigerated goods

We will pay the reasonable costs to replace your damaged *refrigerated goods*.

If you choose not to have these goods replaced, or they are unable to be replaced, we will pay you their *present-day value*.

2.3 What we will pay for your semen or embryos

For your semen or embryos, we will pay the lesser of:

- The actual value of the semen per straw or embryo immediately before the *loss*, or
- the amount shown on the certificate.

2.4 The maximum limit that applies

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

3. What you are not insured for

This section contains specific exclusions. The general exclusions, starting on page 8, also apply.

3.1 You are not covered for spoilage that other FMG policies cover

You are not insured for *spoilage* that would be covered under any other FMG policy, whether or not you hold that other policy.

3.2 You are not covered for spoilage if the event that caused it happened over 12 months ago

You are not insured for *spoilage* that is discovered more than 12 months after the *event* that caused it.

3.3 You are not covered for spoilage due to existing faults or defects

You are not insured for *spoilage* resulting from faults or defects in the *refrigerated goods* or *machinery* that:

- existed when this policy was arranged or renewed, and
- were known to you or your responsible engineer or manager.

3.3.1 You are not covered for refrigerant escaping due to wear and tear

You are not insured for *spoilage* due to *chamber refrigerant* escaping as a result of wear and tear.

3.3.2 You are not covered for spoilage due to reckless acts

You are not insured for *spoilage* due to your reckless acts or the reckless acts of your responsible engineer or manager.

3.3.3 You are not covered for loss to semen or embryos from certain causes

Semen and/or embryos are not insured for *loss* caused by or resulting from:

- a damp atmosphere
- an extreme change in temperature, heating or evaporation
- contents leaking
- rust or corrosion
- mechanical breakdown or electrical disturbance
- a latent defect, faulty material or workmanship, or inherent vice
- gradual deterioration or wear and tear
- theft, attempted theft, mysterious disappearances, or losses or shortages on taking inventory.

4. General exclusions

4.1 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.

4.2 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.

4.3 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 arises directly from a *loss* insured under this policy.

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

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

- *confiscation*
- *nuclear materials*
- *terrorism*
- *war*.

4.5 You are not covered for asbestos

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

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.

5. What you must do

5.1 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.

5.2 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).

5.3 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.

6. What you must not do

6.1 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.

6.2 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.

7. How we will manage the claim

7.1 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.

7.2 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.

7.3 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.

7.4 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.

7.5 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.

8. What you agree to do

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

8.1 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.

8.2 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.

8.3 You must tell us immediately if your operations cease or your premises is vacant for more than 60 days

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

- operations are going to cease, or
- premises will be vacant.

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

8.4 You must take reasonable care

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

This includes all of the following:

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

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

8.5 Your premiums must be paid on time

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

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

You must pay your premiums by the due date.

If you suffer a total loss:

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

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

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

9. How we will manage this policy

9.1 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.

9.2 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.

In both cases, the cancellation will be from the date of loss.

9.3 Special conditions when the policy insures more than one person or entity

If this policy insures more than one person or entity, they are insured separately as though a separate policy was issued to each.

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.

9.4 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.

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

9.6 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.

9.7 This policy covers property in New Zealand only

This policy covers your insured property while it is in New Zealand. However, if another location is shown on the certificate, you will also be covered in that location.

How to interpret this policy

10.1 Words in italics have a specific meaning

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

10.2 We use New Zealand currency

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

10.3 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.

10.4 ‘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.

10.5 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.

Breakdown means *loss* involving the breaking, deforming or seizing or electrical or electronic failure of any part of *machinery* necessitating repair or replacement to resume normal operation.

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

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.

Deterioration means deterioration due to a rise or fall in temperature.

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.

Loss means physical loss, damage or destruction during the period of insurance.

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 expense connected with the loss of such data, including data retrieval costs.

Machinery means:

- compressors, condensers, evaporators, fans, pumps and motors used for refrigeration or temperature control including associated refrigerant piping, tanks or receivers, and
- electrical or mechanical supervisor equipment and controllers essential to the process of controlling the *chamber's* temperature.

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.

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

Present-day value means either the:

- market value immediately before the *loss* 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.

Refrigerated goods means temperature controlled, chilled, frozen or refrigerated goods including their containers and packaging, stored in a chamber, or which would have been but for:

- the *breakdown* of your *machinery* where that loss is covered,
- the *breakdown* of *machinery* that you do not own, where that loss is insurable by FMG,
- the *accidental* failure of public electricity or gas supply from your supplier to the *premises*, or
- public electricity or gas supply to the *premises* being disconnected by your supplier without prior warning.

Refrigerated goods excludes semen or embryos.

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

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

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

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

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

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

War means conflict, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to an uprising, insurrection, rebellion, revolution, military or usurped power, and extends to activity connected with controlling, preventing or suppressing such conduct.

Notes

Tell us what you think about us and our service

Your feedback helps us to identify opportunities to make our products and services even better. If you have any feedback—good or bad—we would like to hear from you.

If you have a concern about something that has happened, tell us and we will investigate the issue and inform you of the outcome, either by phone, in writing or by visiting you at a convenient time.

Similarly, if you have received exceptional service, we would like to know about it so we can congratulate our team—so please let us know.

How you can contact us



Call us on 0800 366 466



Contact your local FMG manager



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



Visit our website www.fmg.co.nz



Email us at contact@fmg.co.nz



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



Fax us on 0800 366 455



We're easy to contact



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