



Rural

MATERIAL DAMAGE

POLICY WORDING

Rural/MATERIAL DAMAGE INSURANCE POLICY

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INTRODUCTION

WELCOME

Welcome to NZI. Thank **you** for selecting **us** as **your** insurer. This is **your** Rural Material Damage Policy Document.

It will tell **you** what **you** are insured for and what **you** are not insured for, as well as any obligations that **you** or **we** must abide by to ensure an enforceable policy. This policy document is a legal contract so please read it thoroughly and keep it in a safe place. If **you** need help with understanding **your** policy document, please contact **your** insurance broker.

AGREEMENT

You agree to pay **us** the premium described in the **schedule** and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

POLICY CONTRACT

This policy consists of the following parts:

1. **your** application for insurance, and any oral or written supporting statements or documents supplied by **you**, and
2. this policy wording (including any endorsements or warranties), and
3. the **schedule**.

INTERPRETING THIS POLICY

Certain words in this policy have a specific meaning. These words appear in **bold** and **you** will find the meaning listed in the 'Definitions' section at the end of this policy. The definitions apply to the plural and any derivatives of the bolded words.

You will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy.

DAMAGE TO INSURED PROPERTY

DAMAGE TO INSURED PROPERTY

You are insured for **accidental loss** to **insured property**.

AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'Damage to Insured Property' above, **we** also provide the following automatic policy extensions.

Unless stated otherwise, Automatic Extensions are included within the Total Sum Insured shown in the **schedule**. They are not additional.

A. ANIMAL FEED IN THE OPEN

You are insured for **accidental loss** to **your animal feed** that is in the open, caused by any of the following:

1. fire, lightning or explosion,
2. hail, snow or **food** (but not if the **animal feed** is laying cut or windrowed in an open field),
3. impact by any vehicle or animal.

Provided that **animal feed** is shown as an insured item in the **schedule**.

'Exclusion K' does not apply to this extension.

B. ARTIFICIAL WINDBREAKS

You are insured for **accidental loss** to **your artificial windbreaks** at **your rural property** caused by any of the following:

1. fire, lightning or explosion,
2. aircraft or other aerial or spatial devices or articles dropped from them,
3. impact by any vehicle or animal,
4. riot or labour disturbance,
5. hail or snow.

We will pay the reasonable costs of clearing debris and re-erecting.

An excess of \$500 applies to this extension.

The most **we** will pay under this extension is \$5,000 for any **event**, unless a higher amount is shown in the **schedule**.

'Exclusion A Item 4.11' does not apply to this extension.

Rural/MATERIAL DAMAGE INSURANCE POLICY

C. BULK FERTILISER IN THE OPEN **You** are insured for **accidental loss** to **bulk fertiliser** at **your rural property** that is in the open caused by any of the following:

1. fire, lightning or explosion,
2. hail or snow,
3. **flood**,
4. impact by any vehicle or animal.

'Exclusion K' does not apply to this extension.

D. CAPITAL ADDITIONS COVER **You** are insured for:

1. **accidental loss** to **buildings** or **other assets** that **you** acquire during the **period of insurance**, provided **you** own or are responsible for the property, and
2. appreciation in value of **buildings** or **other assets** that results from a physical:
 - 2.1 alteration, or
 - 2.2 addition, or
 - 2.3 improvement.

provided that **you** notify **us** within 90-days of **you** acquiring the property or the physical works being completed.

Once **you** have notified **us**:

1. **we** may charge **you** additional premium, and
2. any increased value of the property will be added to **your** Sum Insured.

The most **we** will pay under this extension is:

1. \$50,000 during the **annual period**, or
2. 25% of the sum insured for **buildings** and **other assets**, whichever is the lesser.

E. CULVERTS **You** are insured for **accidental loss** to culverts at **your rural property** caused by:

1. fire, lightning or explosion, or
2. aircraft or other aerial or spatial devices or articles dropped from them, or
3. impact by any vehicle, animal, power pole, tree, mast or aerial, or
4. any of the following:
 - (i) riot or labour disturbance, or
 - (ii) theft, or
 - (iii) malicious acts of persons,other than by **you** or any member of **your** family or any employee of **yours**, or
5. **flood**, or
6. windstorm, or
7. hail or snow.

The most **we** will pay under this extension during the **annual period** is \$5,000.

'Exclusion A Item 4.12' does not apply to this extension.

An excess of \$2,500 will apply to any **loss** that is caused by: **flood**, windstorm, hail, or snow, unless a different excess is shown in the **schedule**.

F. DEER VELVET COVER **You** are insured for **accidental loss** to **your** deer velvet at **your rural property**. **You** are not insured for theft, unless the deer velvet was stored in a building that was secured by locks and alarms, and all those locks and alarms were activated and operating at the time of **loss**. **We** will pay the **actual value** of any deer velvet. The most **we** will pay under this extension is \$5,000 for any **event** unless a higher amount is specified in the **schedule**. 'Exclusion A Item 4.14' does not apply to this extension.

G. DEMOLITION COSTS COVER **You** are insured for reasonable costs **you** incur to:

1. demolish, dismantle, shore or prop **insured property**, and
2. dispose of debris (including any kind of solid, liquid or gas), and
3. clear, clean and repair gutters, drains and the like, and
4. recover, defend, safeguard, remove, store, and return **other assets**, **animal feed** and **produce** whether damaged or **undamaged**, and

5. temporarily repair and secure **insured property** to make it comply with safety rules and regulations or suitable for continued use, provided that the costs arise from a **loss** covered under this policy.

H. ELECTRIC FUSION COVER

You are insured for **accidental loss** to the following **insured property** that is at **your rural property**:

1. electrical motors and starters that:
 - 1.1 do not exceed:
 - (i) 1.5Kw (2hp) for **submersible pumps**, or
 - (ii) 5Kw (6.75hp) for all other electric motors and starters, and
 - 1.2 have an individual **replacement value** of less than \$7,500, and
 - 1.3 are stand alone units and not integrally designed as part of a larger machine,
2. distribution switchboards and permanently installed electric reticulation, provided the damage is caused by fusion or burnout that is **immediately preceded by**:
 - (a) the failure of electrical insulation, or
 - (b) abnormal electric current, or
 - (c) electrically induced self-heating.

You are also insured for any costs **you** reasonably incur to:

1. dismantle and re-assemble the motor, and/or
2. to hire a replacement motor during the time taken to repair or replace the damaged motor.

The most **we** will pay, in total, under this extension for any **event** is \$7,500.

We will not pay for **accidental loss**:

- (a) to any **submersible pump** that is not recovered to the surface, or
- (b) that is a result of inadequate maintenance and/or a failure to maintain regular servicing of the **submersible pump**.

'Exclusion F Item 1' does not apply to this extension.

I. EMPLOYEES EFFECTS COVER

You are insured for **accidental loss** to the personal property of **your** directors and employees.

We will cover this property as if it were **other assets**, provided that:

1. the property is at **your rural property**, or
2. the property is being worn, carried or used by **your** directors or employees while they are acting in the course of their duties or employment, anywhere in New Zealand.

The most **we** will pay under this extension:

- (a) is \$5,000 for any **event**, per person, and
- (b) in total during the **annual period** is the sum insured for **other assets**.

J. EXPEDITING COSTS COVER

You are insured for the reasonable costs of express freight and overtime to expedite the repair or replacement of **insured property** following a **loss** covered under this policy.

You must have **our** prior approval before incurring any costs.

Our approval will be based on the economic benefit gained.

K. FEES AND OTHER COSTS

You are insured for reasonable costs **you** incur for:

1. architects, engineers, surveyors, building consultants, council, legal fees, and
2. training consultants, IT technicians,

to reinstate **insured property** following a **loss** covered under this policy.

This extension does not include fees for preparing a claim made under this policy.

L. FENCES COVER

You are insured for **accidental loss** to **your fences** caused by any of the following:

1. fire, lightning or explosion,
2. aircraft or other aerial or spatial devices or articles dropped from them,
3. impact by any vehicle or animal,
4. riot or labour disturbance.

We will pay the reasonable costs of clearing debris and re-fencing or re-planting.

The most **we** will pay under this extension is \$5,000 for any **event**, unless a higher amount is shown in the **schedule**.

'Exclusion A Item 4.2' does not apply to this extension for any hedge that is a part of a **fence**.

Rural/MATERIAL DAMAGE INSURANCE POLICY

M. HAZARDOUS SUBSTANCE EMERGENCY

You are insured for any charge the New Zealand Fire Service is authorised to impose on **you** in respect of any Hazardous Substance Emergency at **your rural property** during the **period of insurance**.

We will pay these costs where there is damage or threat of damage to the **insured property**. 'Hazardous Substance Emergency' is as defined in the Fire Service Act 1975.

The most **we** will pay under this extension is \$10,000 for any **event**.

N. INCREASED COST OF WORKING

You are insured for any reasonable additional costs that **you** incur following **insured damage**, provided:

1. the costs occur during the **indemnity period**, and
2. the costs are incurred to resume or maintain **your** normal **business operations**, and
3. **you** support **your** claim with documentation and/or accounts prepared by **your** accountant.

We will indemnify **you** for any reasonable fees incurred by **you** for quantification (but not negotiation) in preparing this claim.

The most **we** will pay under this extension is \$25,000 for any **event**.

O. INCREASED COST OF WORKING – SHAREMILKER

If **you** are a sharemilker, **you** are insured for any reasonable additional costs that **you** incur following **accidental loss** to:

1. farm buildings, or
2. other farm plant, farm machinery or building contents (of the same nature as this policy would cover if **you** owned the property),

that are used by **you** and that would be considered as **insured damage** had **you** owned and insured them with **us**,

provided:

- (i) the costs occur during the **indemnity period**, and
- (ii) the costs are incurred to resume or maintain **your** normal **business operations**, and
- (iii) **you** support **your** claim with documentation and/or accounts prepared by **your** accountant.

We will indemnify **you** for any reasonable fees incurred by **you** for quantification (but not negotiation) in preparing this claim.

You have this cover provided:

- (a) the buildings and/or other property are insured by the property owner, and
- (b) that the property owner's insurance does not otherwise cover these additional costs.

The most **we** will pay under this extension is \$25,000 for any **event**.

P. LIQUIDATION, BANKRUPTCY AND RECEIVERSHIP PROTECTION

You are insured for the **actual value** of **your** agricultural produce where:

1. **you** have supplied the agricultural produce to a recognised processor, and
2. the processor goes into bankruptcy, liquidation or receivership, and
3. **you** have not been paid, or have been short paid, for **your** agricultural produce.

The most **we** will pay under this extension for any **event** is \$10,000.

Q. MONEY EXTENSION

You are insured for **accidental loss** of **money**, provided that the **loss** occurs in any of the circumstances outlined below:

Section A

1. **money** in transit, or
2. **money** at **your rural property** during **business hours**, or
3. **money** at **your rural property** in a securely locked safe or strongroom outside **business hours**.

Section B

1. **money** at **your rural property** outside **business hours** and not in a locked safe or strongroom, or
2. **money** at residential premises occupied by **you** or any: director, employee or agent, authorised to have possession of the **money**.

'Exclusion B Item 4.3' does not apply to this extension.

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No cover is provided under this extension for **loss of money**:

- (a) caused by errors in receiving it or paying it out, or
- (b) occurring while the **money** is entrusted to any person other than:
 - (i) **you** or any director or executive officer of **yours**, or
 - (ii) any employee or agent of **yours**, or
 - (iii) any professional **money** carrier, or
- (c) resulting from payment of **money** in exchange for any cheque that is subsequently dishonoured, or
- (d) occurring while the **money** is in an unlocked and unoccupied vehicle, or
- (e) caused by theft or fraud by any of **your** employees, unless the **loss** is discovered within three consecutive **business days** of the act of theft or fraud.

The most **we** will pay under this extension is:

1. \$2,500 for any **event** under Section A, or
2. \$1,000 for any **event** under Section B.

R. PROPERTY UNDER CONSTRUCTION

You are insured for **accidental loss** to **buildings** and **other assets** at **your rural property** during the course of:

1. demolition, or
2. installation, construction or erection, or
3. testing following 1 or 2 above.

Provided that:

- (a) the property is owned, will be owned, or will be occupied by **you**, and
- (b) the completed value of the contract works does not exceed:
 - (i) \$50,000 during the **annual period**, or
 - (ii) 25% of the sums insured for **buildings** and **other assets**, whichever is the lesser.

'Exclusion A Item 1' does not apply to this extension.

S. PROTECTION COSTS COVER

You are insured for reasonable costs **you** incur to prevent or minimise an imminent **accidental loss** to **insured property**, provided that the **loss** would be covered under this policy if it did occur.

The most **we** will pay under this extension during the **annual period** is \$25,000.

No excess applies to this extension.

T. REFRIGERATED SUPPLIES

You are insured for **accidental loss** to **refrigerated supplies** at **your rural property**, provided that the **loss** results from:

1. breakdown or failure of the refrigeration plant, or
2. sudden **accidental** breakage or failure of the cryogenic storage system, or
3. sudden failure of power supplied by a public utility to **your** premises, or
4. the operation of an overload switch, or
5. contamination by the **accidental** escape of refrigerated gas or liquid into the refrigerated chamber.

We will pay the **actual value** of any **refrigerated supplies**.

'Exclusion B Items 2.1 and 2.3' do not apply to this extension.

The most **we** will pay under this extension for any **event** is \$3,000.

U. REWARDS COVER

You are insured for a reward that **you** offer and pay to successfully secure the return of **insured property** that suffers a **loss**, provided:

1. the **loss** is covered under this policy, and
2. **you** have **our** prior approval to offer the reward.

V. RURAL SERVICE UTILITIES COVER

You are insured for **accidental loss** to **your rural service utilities**.

The most **we** will pay under this extension for any **event** is \$10,000.

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W. STOCK WORRYING COVER

You are insured for the **accidental death** of any sheep or other livestock that **you** own provided:

1. the death occurs during the **period of insurance**, and
2. the death is caused by dogs that are not owned by **you**, **your** family or **your** employees.

You are also insured for veterinary fees that **you** reasonably and necessarily incur for treatment that is administered, relating to a claim **we** have accepted under this extension.

The maximum **we** will pay for veterinary fees for any **event** is \$250.

The most **we** will pay under this extension for any one animal is:

- (a) the **actual value** of the animal, or
- (b) \$2,500,

whichever is the lesser.

The most **we** will pay, in total, under the extension for any **event** is \$10,000.

'Exclusion A Items 4.3 and 4.10' do not apply to this extension.

X. STOLEN KEYS COVER

You are insured for the reasonable costs to:

1. open a safe or strongroom, and
2. alter or replace locks, keys and combinations that give access to **your insured property**, provided that the keys or combinations are stolen or believed on reasonable grounds to have been duplicated without proper authority during the **period of insurance**.

The most **we** will pay under this extension for any **event** is \$10,000.

'Exclusion B Item 4.2' does not apply to this extension.

No excess applies to this extension.

Y. SUBMERSIBLE PUMPS COVER

You are insured for **accidental loss** to **submersible pumps** occurring at **your rural property**, including any costs **you** reasonably incur to:

1. dismantle and re-assemble the **submersible pump**, and/or
2. hire a replacement pump during the time taken to repair or replace the damaged **submersible pump**.

The most **we** will pay under this extension, in total, for any **event** is \$7,500 unless a different amount is shown in the **schedule**.

We will not pay for **accidental loss**:

- (a) to any **submersible pump** that is not recovered to the surface, or
- (b) that is a result of inadequate maintenance and/or a failure to maintain regular servicing of the **submersible pump**.

'Exclusion A Item 4.13' does not apply to this extension.

Z. UNHARMED PROPERTY

You are insured for the reasonable cost to:

1. damage, demolish or remove, and
2. subsequently repair, replace or reassemble,

insured property that has not suffered **loss**, if this action becomes necessary when **we** repair or reinstate **insured property** that has suffered a **loss**.

We will pay these costs provided that they are not being incurred solely to comply with any **regulations**.

OPTIONAL POLICY EXTENSIONS

These following optional policy extensions only apply where shown in the **schedule**. Unless stated otherwise, Optional Extensions are included within the Total Sum Insured shown in the **schedule**. They are not additional.

A. NATURAL DISASTER COVER

You are insured for **natural disaster damage** and **natural landslip damage** to **your**:

1. **buildings**,
 2. **other assets**,
 3. **produce**,
 4. **live plants**, and
 5. bridges, underpasses and culverts,
- provided:

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- (a) the **schedule** shows those items are insured for natural disaster cover, and
- (b) the damage occurs during the **period of insurance**, and
- (c) the damage occurs at **your rural property**.

The excess as shown below for each **region** applies to all costs arising from any one **event**.

Region	Excess
Northland, Auckland, Waikato, Otago, Southland, and the Districts of Timaru and Waimate	1% of the loss with a minimum of \$1,000
Bay of Plenty, Gisborne, Hawkes Bay, Taranaki, Manawatu-Wanganui, Nelson, Tasman, West Coast, Canterbury excluding the Districts of Timaru and Waimate	2.5% of the loss with a minimum of \$2,500
Wellington, Marlborough	5% of the total sum insured for: <ol style="list-style-type: none">1. buildings,2. other assets,3. produce,4. live plants, and5. bridges, underpasses and culverts, unless there is a common site, in which case the provisions below apply.

Common Site Earthquake Excess

Where **insured property** is at a **common site** and that **common site** is within the **region** of Wellington, and/or Marlborough, the **site excess** shall apply to the aggregate of all **losses** caused by the earthquake (including fire following earthquake) over a continuous 72 hour period at the **common site**.

'Exclusion Part H' does not apply to this extension.

IF THE PROPERTY IS COVERED BY THE EARTHQUAKE COMMISSION ACT:

This policy does not insure **loss** to the extent it is covered by the Earthquake Commission Act or that would have been covered but for:

1. the deduction of an excess, or
2. the Earthquake Commission exercising its power to decline a claim for that loss.

Where the Earthquake Commission agrees to provide cover, but **your loss** exceeds the Earthquake Commission payment, the most **we** will pay is the difference between what the Earthquake Commission pays, or would have covered, and **your** maximum entitlement under this policy.

B. ADDITIONAL SUSTAINABLE REBUILDING COSTS

You are insured for the reasonable costs **you** incur to upgrade the **building** with **sustainable products**, provided that:

1. the **building** has suffered a total loss, and
2. reinstatement cover applies to the **building**, and
3. **you** reinstate the **building**, and
4. the **sustainable products** are approved by **us** (**we** will not unreasonably withhold **our** approval).

The most **we** will pay under this extension is:

- (a) 5% of the actual cost of reinstatement of the **building**, or
 - (b) \$250,000 in total,
- whichever is the lesser.

Payment under this extension is in addition to the amount shown under 'Basis of Settlement – E Maximum Amount Payable'.

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C. BRIDGES OR UNDERPASSES

You are insured for **accidental loss** to bridges or underpasses caused by:

1. fire, lightning or explosion, or
2. aircraft or other aerial or spatial devices or articles dropped from them, or
3. impact by any vehicle, animal, power pole, tree, mast or aerial, or
4. any of the following:
 - (i) riot or labour disturbance, or
 - (ii) burglary or theft, or
 - (iii) malicious acts of persons,other than by **you** or any member of **your** family or any employee of **yours**, or
5. **flood**, or
6. windstorm, or
7. hail or snow.

Provided:

- (a) the **schedule** shows each insured bridge or underpass as an insured item, and
- (b) the damage occurs at **your rural property**.

We will pay the **replacement value** of any bridge or underpass.

The most **we** will pay under this extension for any **event** is the sum insured for each bridge and underpass shown in the **schedule**.

'Exclusion A Item 4.5' does not apply to this extension.

D. IRRIGATION EQUIPMENT

You are insured for **accidental loss** to **irrigation equipment** caused by:

1. fire, lightning or explosion, or
2. aircraft or other aerial or spatial devices or articles dropped from them, or
3. impact by or with any vehicle, animal, power pole, tree, mast or aerial, or
4. any of the following:
 - (i) riot or labour disturbance, or
 - (ii) burglary or theft, or
 - (iii) malicious acts of persons,other than by **you** or any member of **your** family or any employee of **yours**, or
5. **flood**, or
6. windstorm, or
7. hail or snow.

Provided:

- (a) the **schedule** shows **irrigation equipment** as an insured item, and
- (b) the damage occurs at **your rural property**, and
- (c) the **irrigation equipment** was not used on terrain outside of the manufacturer's specification.

We will pay the **actual value** of any **irrigation equipment**.

The most **we** will pay under this extension for any **event** is the sum insured for **irrigation equipment** shown in the **schedule**.

The following excesses apply under this extension:

- (a) \$2,500 for each **event** that is caused by 1, 2, 3, or 4 above, and
 - (b) \$5,000 for each **event** that is caused by 5, 6, or 7 above,
- unless a different excess is shown in the
- schedule**
- .

'Exclusion A Item 4.15' does not apply to this extension.

E. LIVE PLANTS

You are insured for **accidental loss** to **your live plants** caused by any of the following:

1. fire, lightning or explosion,
2. aircraft or other aerial or spatial devices or articles dropped from them,
3. impact by any vehicle, animal, power pole, tree, mast or aerial,
4. any of the following:
 - (i) riot or labour disturbance, or
 - (ii) burglary or theft, or
 - (iii) malicious acts of person,other than by **you** or any member of **your** family or any employee of **yours**,

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5. water which leaks or overflows, or is discharged from any fixed heating installation in or on the **premises**,
6. **flood**,
7. windstorm, following **loss** covered by this policy to the **premises** caused by windstorm,
8. hail or snow, following **loss** covered by this policy to the **premises** caused by hail or snow,
9. frost, but only where the **loss** occurs following failure of any permanently installed heating systems contained on the **premises**,
10. electrical short circuit or burning out of the permanent wiring, permanent points, permanent switches, or permanent switchboards (which form part of the **premises**), but excluding electrical short circuit or burning out caused by:
 - (i) wear and tear,
 - (ii) failure of fuses or protective devices, lighting or heating elements.

Provided:

- (a) the **schedule** shows **live plants** as an insured item, and
- (b) the damage occurs on **your rural property**.

We will pay the costs **you** have actually incurred to date, in growing the **live plants** towards their full maturity.

Example:

<i>Purchase price per plant /seedlings</i>	<i>\$0.50</i>
<i>Fertilisers, pest sprays, and the like</i>	<i>\$0.40</i>
<i>Irrigation costs</i>	<i>\$0.10</i>
<i>Labour costs</i>	<i>\$0.60</i>
<i>Total growing costs per plant</i>	<i>\$1.60</i>
<i>5,000 plants at \$1.60</i>	<i>= \$8,000</i>

We will not pay for:

- (a) development or research costs, or
- (b) costs relating to **buildings** or **other assets**, or
- (c) any allowance for profit margin associated with the **live plants**.

We may make an allowance for harvesting, transportation and other expenses that are not incurred as a result of the **loss**. This allowance will be deducted from what **we** pay **you**.

The most **we** will pay under this extension for any **event** is the sum insured for **live plants** shown in the **schedule**.

'Exclusion A Item 4.1' does not apply to this extension.

F. LIVESTOCK

You are insured for the **accidental death** of **your livestock** caused by any of the following:

1. fire, lightning, explosion or electrocution,
2. aircraft or other aerial or spatial devices or articles dropped from them,
3. impact by any vehicle,
4. smothering caused by panic resulting from 1, 2 or 3 above.

Provided the **schedule** shows **livestock** as an insured item.

Your livestock are covered while they are:

- (a) on **your rural property**, or
- (b) held in an enclosure such as a building, covered yards, stock yards and the like, or
- (c) grazing on a roadside behind the protection of an operating electric fence, or
- (d) held on enclosed pasture on another rural property.

The most **we** will pay under this extension for any one animal is:

- (i) the **actual value** of the animal, or
- (ii) \$1,500,

whichever is the lesser.

The most **we** will pay under this extension for an **event** where **livestock** are held in an enclosure such as a building, covered yard, stock yard and the like, that is not owned by **you** is \$100,000 unless a higher amount is shown in the **schedule**.

The most **we** will pay under this extension for any **event** is the sum insured for **livestock** shown in the **schedule**.

'Exclusion A Items 4.3 and 4.10' do not apply to this extension.

G. MILK BENEFITS

You are insured for the following Events in relation to **your** milk:

EVENT 1: MILK CONTAMINATION AND RESULTANT FINES AND PENALTIES

You are insured for:

1. **accidental loss** to **your** milk caused by contamination, and
2. any resultant fines or penalties that are imposed on **you** by **your** dairy company due to that contamination, where that fine or penalty exceeds the value of **your** milk.

You are not insured for the cost of any audit or testing of **your** milk required by your dairy company.

You are not insured for the loss of any milk that does not belong to **you**. *This loss may be insured under your liability policy. You should contact your insurance advisor for confirmation of this.*

The most **we** will pay for Event 1 is \$10,000, unless a higher amount is shown in the **schedule**.

'Exclusion B Item 3.1' does not apply to Event 1, Part 1.

'Exclusion D' does not apply to Event 1, Part 2.

EVENT 2: MILK DETERIORATION

You are insured for the deterioration of **your** milk, caused by:

1. breakdown or failure of the refrigeration plant, or
2. sudden failure of power supplied by a public utility to **your rural property**, or
3. the operation of an overload switch, or
4. contamination by the **accidental** escape of refrigerated gas or liquid into the refrigeration chamber.

The most **we** will pay for Event 2 is \$10,000, unless a higher amount is shown in the **schedule**.

'Exclusion B Items 2.1 and 2.3' do not apply to this Event.

EVENT 3: PREVENTION OF ACCESS

You are insured for **your** milk that must be disposed of because it cannot be collected by **your** dairy company because access to **your rural property** is prevented by:

1. storm or **flood**, or
2. **natural disaster damage** and **natural disaster landslip**, but only if **you** have purchased the Natural Disaster Cover Optional Extension available under this policy, or
3. **property damage** in the **vicinity** if access is prevented for more than 24 hours, or
4. danger to human life, injury to any person, or murder or suicide of any person, occurring in the **vicinity**, or at the situation, or
5. closure to **your rural property** by any lawful authority due to defects in drains or other sanitary arrangements, or the escape of fumes or hazardous material.

You are not insured for the non-collection or disposal of **your** milk resulting from an organism notifiable under the Health Act 1956.

The most **we** will pay for Event 3 is \$10,000, unless a higher amount is shown in the **schedule**.

Where any compensation for uncollected milk is available to **you**:

- (a) from **your** dairy company, any other person or organisation, or
- (b) any government body,

the most **we** will pay **you** under Event 3 is:

- (i) the difference between:
 - ▶ the **actual value** of the milk, and
 - ▶ the compensation available to **you**, or
- (ii) the **actual value** of the milk, or
- (iii) \$10,000, unless a higher amount is shown in the **schedule**, whichever is the least.

BASIS OF SETTLEMENT

You may only claim once from Event 1, or Event 2, or Event 3 for the same milk.

We will pay for:

1. the **actual value** of the milk, and
2. the reasonable costs **you** incur in disposing of the milk.

The most **we** will pay under this extension for any one **event**, and for all **events** in an **annual period** is \$10,000, unless a higher amount is shown in the **schedule**.

An excess of \$1,000 applies for each **event** under this extension, unless a different excess is shown in the **schedule**.

H. PRODUCE, GOODS & LIVESTOCK IN TRANSIT

You are insured for **accidental loss** to:

1. **your livestock**, or
2. **your produce**, or
3. goods owned by **you**,

while they are in transit within New Zealand, caused by:

- (a) an **accident** to the vehicle or the trailer in which they are being transported, or
- (b) an **accident** during loading or unloading of the vehicle or the trailer, or
- (c) any of them **accidentally** falling off the transporting vehicle.

If **your** goods or **produce** require refrigerated transit **you** are also insured for any **loss** to the goods or **produce** that arises from the failure of the refrigerated plant on the conveying vehicle occurring as a direct result of an **accident** to the vehicle. 'Exclusion B Items 2.1 and 2.3' do not apply to this provision.

We will pay the **actual value** of any **livestock, produce** or goods lost.

We will not pay more than:

1. \$2,500 for any one bin or standard pallet load, or
2. \$2,500 for any one unit of goods, as defined by the Carriage of Goods Act 1979, or
3. \$2,500 for any one animal.

The most **we** will pay under this extension for any **event** is \$25,000 unless a higher amount is shown in the **schedule**.

Where the **livestock, produce** or goods are in the possession or control of another person or a carrier, **our** payments for any **loss** will only be in excess of any amount that is recoverable from them at law.

If **you** have taken this extension the definition of **produce** is extended to include the transit of **your produce** within New Zealand.

An excess of \$250 applies for each **event** under this extension.

I. STANDING TIMBER

You are insured for the following Events.

EVENT 1: LOSS OF TREES

You are insured for **accidental loss** to **your trees** and **your harvested trees** caused by:

1. fire, lightning or explosion, or
2. thunderbolt.

The most **we** will pay under Event 1 of this extension is:

- (a) the market value of the **trees**, or
- (b) the agreed value per hectare (if shown in the **schedule**), multiplied by the number of hectares of **trees lost**, or
- (c) the sum insured shown in the **schedule**, whichever is the least.

An excess of \$500 applies to Event 1 of this extension.

We will deduct the value of any salvage from the amount payable.

'Exclusion A Item 4.1' and 'Exclusion A Item 4.2' do not apply to this extension.

EVENT 2: RE-ESTABLISHMENT COSTS

You are insured for costs **you** reasonably incur for:

1. clearing and preparing the land for re-planting, and
2. the purchase of new seedlings and their initial re-planting, following a **loss** to **your trees** covered by Event 1 of this extension.

The most **we** will pay for any one **event** under Event 2 of this extension is:

- (a) the actual costs **you** incur, or
- (b) a maximum of \$750 per hectare, or
- (c) a maximum of \$7,500, whichever is the least.

No excess applies to Event 2 of this extension.

EVENT 3: FIRE FIGHTING EXPENSES

You are insured for **fire fighting expenses you** reasonably incur in extinguishing a fire that:

1. involves **your trees** and **your harvested trees** insured by Event 1 of this extension, or
2. threatens to involve **your trees** and **your harvested trees** insured by Event 1 of this extension, provided the **loss** would be covered by this extension if it had occurred.

The most **we** will pay under Event 3 of this extension for any one **event** is \$10,000.

An excess of \$500 applies to Event 3 of this extension.

MAXIMUM AMOUNT PAYABLE

The most **we** will pay under all parts of this extension for any one **event** is:

1. the amount payable under Event 1, plus
2. the amount payable under Event 2, plus
3. the amount payable under Event 3.

STANDING TIMBER EXCLUSION

You are not insured under Event 1, Event 2 or Event 3 for **loss to your trees or your harvested trees** caused directly or indirectly by fire, that is ordered by or resulting from an order of a public authority, other than a fire ordered under Section 36 of the Forest and Rural Fires Act 1977.

STANDING TIMBER SPECIAL CONDITIONS

SALVAGE

1. **You** must notify **us** within 45-days of the **loss** if **you** wish to sell the damaged **trees** or utilise them for **your** own use. **We** will not unreasonably withhold **our** permission.
2. If **we** agree that **you** sell the damaged **trees** then it is **your** responsibility to do this.
3. The value of the salvage will be assessed where the **trees** are standing. The assessment will be by two independent forest consultants or other competent people: one will be appointed by **us** and the other by **you**.
4. **You** may not abandon the damaged **trees** to **us**.

PLANNED BURN OFF

When **you** or **your** agent plan a set-burn **you** must comply with the Forest and Rural Fires Act 1977 and any other statutory or local body regulation or requirement relating to the lighting of fires.

If **we** request it, **you** must provide **us** with:

1. the date of the proposed set-burn, and
2. a copy of the burn plan, and
3. the name of the authority or person permitting the proposed set-burn, and
4. a copy of the fire permit.

J. ORCHARD TREES

You are insured for **accidental loss to your orchard trees** caused by:

1. fire, lightning or explosion, or
2. thunderbolt.

Provided:

- (a) the **schedule** shows **orchard trees** as an insured item, and
- (b) the damage occurs on **your rural property**.

We will pay for the costs **you** reasonably incur for:

- (i) clearing and preparing the land for re-planting, and
- (ii) the purchase of new seedlings of the same genus and species, and
- (iii) the re-planting of seedlings.

The most **we** will pay under this extension is the sum insured for **orchard trees** shown in the **schedule**.

You are not insured for:

- (a) development or research costs, or
- (b) any costs relating to **buildings or other assets**, or
- (c) any costs relating to trellising, poles, fencing or other kinds of support for the **orchard trees**, or
- (d) the value of fruit, nuts, flowers or any other kind of crop on the **orchard trees**, or
- (e) any allowance for profit margin associated with the **orchard trees**.

'Exclusion A Item 4.2' does not apply to this extension.

EXCLUSIONS

A. TYPES OF PROPERTY NOT COVERED

This policy does not insure:

1. any **insured property** during:
 - 1.1 demolition, or
 - 1.2 installation, construction or erection, or
 - 1.3 testing following any of 1.1 or 1.2 above.
2. jewellery, precious stones, furs, precious metals or bullions. This exclusion does not apply if these items are a component of any plant or machinery.
3. any of the following:
 - 3.1 any vehicle or trailer that is required to be registered or licensed to travel on a public road,
 - 3.2 any mechanically or electrically propelled vehicles (including railway locomotives and rolling stock),
 - 3.3 watercraft of any kind,
 - 3.4 aircraft of any kind,
 - 3.5 accessories in or on any of the vehicles or craft in 3.1 to 3.4 above.
4. any of the following property:
 - 4.1 standing timber, growing crops or live plants,
 - 4.2 trees or hedges,
 - 4.3 livestock,
 - 4.4 dams, canals, or reservoirs,
 - 4.5 road tunnels or bridges,
 - 4.6 railway tunnels or bridges,
 - 4.7 docks, piers, jetties or wharves,
 - 4.8 mining property located below ground level,
 - 4.9 any land (including topsoil and backfill),
 - 4.10 any insect, animal or other living creature,
 - 4.11 **artificial windbreaks,**
 - 4.12 culverts,
 - 4.13 **submersible pumps,**
 - 4.14 deer velvet,
 - 4.15 **irrigation equipment.**

These excluded items may be insured by this policy. Where this applies it will be advised in the policy wording, as an automatic or optional extension, or shown as an insured item in **your schedule**.

B. LOSSES NOT COVERED

This policy does not insure:

1. any of the following types of damage to **insured property**:
 - 1.1 slowly developing deformation or distortion,
 - 1.2 marring or scratching,
 - 1.3 gradual deterioration,
 - 1.4 rot or mildew,
 - 1.5 shrinkage, evaporation, leakage, chemical reaction.
2. **loss immediately preceded by** any of the following:
 - 2.1 interruption of the supply of water, gas, electricity, or any other fuel to **your rural property,**
 - 2.2 total or partial stoppage of work, or interruption or cessation of any process,
 - 2.3 a change in artificially controlled temperature or atmosphere.
3. **loss** caused by any of the following:
 - 3.1 action of micro-organisms, vermin or pests, other than opossums,
 - 3.2 corrosion (caused only by atmospheric conditions), action of light, or inherent nature of the property,
 - 3.3 wear and tear,
 - 3.4 fumes, gas, dust, smoke or soot,
 - 3.5 maintenance of **insured property,**

- 3.6 inherent fault,
- 3.7 discolouration, change in temperature, humidity, sunlight.

This exclusion only applies to the property first affected. It does not apply to any resultant **accidental loss** to other parts of the **insured property**.

- 4. **loss** caused by any of the following:
 - 4.1 unexplained disappearances; shortages revealed only by the taking of an inventory; and shortages resulting from clerical or accounting errors,
 - 4.2 any fraudulent scheme or device, or false pretence practised on **you** or any other person,
 - 4.3 theft, attempted theft or fraud by **you** or an employee of **yours**.
- 5. **loss** following any of these events:
 - 5.1 landslip, subsidence, erosion or expansion of the ground,
 - 5.2 normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements.

C. BUILDING DEFECTS

This policy does not insure **loss**, liability, prosecution or expense of any type connected in any way with a building or structure being affected by:

- 1. moisture or water build-up or the penetration of external moisture or water, or
- 2. the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,

that is caused directly or indirectly by:

- (a) non-compliance with the New Zealand Building Code, or
- (b) faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme, or
- (c) faulty materials, or
- (d) faulty workmanship,

when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.

This exclusion does not apply however to **loss** that is caused by or directly arises from the leakage of internal pipes, internal water systems or internal cisterns.

D. CONSEQUENTIAL LOSS

This policy does not insure any kind of consequential loss (e.g. *financial loss that occurs as a result of the loss of insured property*), including the following:

- 1. penalties, or
- 2. loss of use of any property, or
- 3. delays, or
- 4. loss of market.

E. COSTS NOT INSURED

This policy does not insure the cost of:

- 1. repairing or replacing faulty materials, or
- 2. fixing faulty workmanship, or
- 3. fixing any work performed to a faulty:
 - 3.1 design plan, or
 - 3.2 design specification, or
- 4. altering or modifying any part of any refrigeration or air conditioning plant to enable the plant to operate with a more environmentally friendly refrigerant.

This exclusion does not apply to any resultant **loss** arising from the above.

F. DAMAGE TO MACHINERY, BOILERS AND PRESSURE VESSELS

1. MACHINERY

This policy does not insure any mechanical or electrical breakdown, derangement or failure of any **machine**.

This exclusion does not apply to:

- (a) any damage originating completely outside the **machine** that then results in the mechanical or electrical breakdown, derangement or failure of the **machine**. However this proviso does not apply to damage originating from any:
 - (i) error in: setting, programming or operating the **machine**, or
 - (ii) object (including part of the **machine**) being drawn into the **machine**, or
 - (iii) failure to service or maintain the **machine** correctly, and

(b) **accidental loss:**

- (i) caused by fire or explosion to other separately identifiable parts of the **machine**, or
- (ii) to other separate **insured property**,
that occurs as a result of mechanical or electrical breakdown, derangement or failure of the **machine**.

2. **BOILERS OR PRESSURE VESSELS**

This policy does not insure the cost of repairing or replacing any part of a boiler or **pressure vessel** that suffers **loss** through internal failure or breakdown, including:

- 2.1 collapse or overheating, or
- 2.2 cracking or leaking, or
- 2.3 the generation of fluid pressure or vacuum (but not pressure caused by chemical explosion), or
- 2.4 explosion, overheating, rupture or bursting,
of the boiler or **pressure vessel**.

This exclusion does not apply to **accidental loss:**

- (a) caused by fire or explosion to other separately identifiable parts of the boiler or **pressure vessel**, or
- (b) to other separate **insured property**,
that occurs as a result of the boiler or **pressure vessel** failure or breakdown.

**G. ELECTRONIC DATA
& PROGRAMS**

This policy excludes loss of or damage to **electronic data** from any cause whatsoever including, but not limited to, a **computer virus**.

This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

However this exclusion does not apply to physical damage to other **insured property** that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.

H. NATURAL DISASTER

This policy does not insure **loss**, liability, prosecution or expense of any type in connection with **natural disaster damage** or **natural landslip damage**.

I. NUCLEAR

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with:

- 1. ionising radiation or contamination by radioactivity from:
 - (a) any nuclear fuel, or
 - (b) any nuclear waste from the combustion or fission of nuclear fuel.
- 2. nuclear weapons material.

J. PRODUCTION PROCESSES

This policy does not insure **loss** of **insured property** while undergoing any **production process** caused by the inherent failure of that process, and not by an unrelated insured peril external to that process.

K. PROPERTY IN THE OPEN

This policy does not insure **loss** to the following types of property, unless that property is in a building that has at least a roof and three enclosed sides:

- 1. **animal feed**,
- 2. **bulk fertiliser**.

**L. SEEPAGE, POLLUTION
AND CONTAMINATION**

This policy does not insure **loss**, liability, prosecution or expense of any type in connection with seepage, pollution or contamination.

M. TERRORISM

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

N. WAR

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

O. INFECTIOUS DISEASES

This policy does not insure **loss**, damage or interruption in connection with a Notifiable Infectious Disease under the Health Act 1956.

BASIS OF SETTLEMENT

A. INSURED PROPERTY

We will indemnify **you** for **loss** to **insured property**.

We will settle **your** claim using one of the following options:

1. pay the **actual value** of **your insured property**, or
2. pay the **replacement value** of **your insured property**, or
3. pay the **full replacement value** of **your building**.

The type of cover **you** selected for **your insured property** will be shown in **your schedule**.

B. SPECIAL PROVISIONS

The following special provisions apply to certain types of **insured property**:

1. BUILDINGS

1.1 Where **your building** is a structure with plastic or cloth cladding:

- (a) the frame of the **building** will be insured for either **actual value** or **replacement value** as shown in the **schedule**, and
- (b) the plastic or cloth cladding is insured for **actual value**, and
- (c) the **actual value** of the plastic or cloth cladding will be depreciated over the lifetime of the product based upon the manufacturer's UV rating, and
- (d) a minimum excess of \$1,000 will apply to any **loss**, and
- (e) an excess of \$2,500 will apply to any **loss** caused by: storm, **flood**, snow, or hail, unless a different excess is shown in the **schedule**.

1.2 Where **your building** is a glasshouse:

- (a) a minimum excess of \$1,000 will apply to any **loss**, and
- (b) an excess of \$2,500 will apply to any **loss** caused by: storm, **flood**, snow, or hail, unless a higher excess is shown in the **schedule**.

1.3 Where **your building** is a **sundry building**:

- (a) the **building** is insured for the **replacement value**, and
- (b) the most **we** will pay for any one **sundry building** is \$7,500.

2. OTHER ASSETS

2.1 **We** will pay the **replacement value** of **your other assets**, excluding motors.

2.2 **We** will pay the **replacement value** for motors that are less than 5 years old. For all other motors **we** will pay the **actual value**. Included in **our** payment are any costs to:

- (a) dismantle and reassemble the motor, and
- (b) hire a replacement motor during the time taken to repair the damaged motor.

2.3 Where the **other assets** are **office equipment**, **we** will pay the cost for **you** to replace the equipment with an alternative model(s) of **office equipment**, provided that:

- (a) the alternative model has more energy-efficient features, and
- (b) the alternative model has otherwise comparable features and capabilities, and
- (c) the **office equipment** was uneconomic to repair, and
- (d) **we** approve the upgrade (**we** will not unreasonably withhold **our** approval).

3. ANIMAL FEED

We will pay the **replacement value** of **your animal feed**.

4. PRODUCE

We will pay the **actual value** of **your produce**.

5. ANY OTHER PROPERTY

For all other property, if the **schedule** does not show the type of cover, **we** will pay the **actual value** of the property.

C. REINSTATEMENT CONDITIONS

Our agreement to **reinstate** is subject to the following special conditions:

1. COMPLIANCE WITH REGULATIONS

All reasonable costs and expenses incurred in complying with **regulations** are included in the amount payable for **reinstatement**, except for the following:

- 1.1 work that **you** had already been ordered to carry out,
- 1.2 **undamaged** property or **undamaged** parts of property other than that expressly covered

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under 'Automatic Policy Extension X Stolen Keys'. This applies even if the **undamaged** property or **undamaged** part comprises a separate item of plant or equipment.

2. LOCATION OF REINSTATEMENT

Where **reinstatement** is required, it must be carried out on the same site unless:

- 2.1 this is not allowed because of any **regulations**, or
- 2.2 this is not suitable to **your** reasonable requirements (in this case, and provided **we** agree, **reinstatement** may be carried out on any alternative site).

3. LIMITATIONS ON THE AMOUNT PAYABLE

3.1 The most **we** will pay is the amount **we** would have been liable to pay if **reinstatement** had been carried out based on a building that is as similar as possible to the **building** that was destroyed and that:

- (a) uses equivalent building materials and techniques currently available, and
- (b) incorporates any alterations necessary to comply with any **regulations** or other legal requirements.

3.2 The most **we** will pay if the **insured property** is damaged but not destroyed will be the amount **we** would have been liable to pay had the property been destroyed.

4. CIRCUMSTANCES WHERE REINSTATEMENT DOES NOT APPLY

We will not pay the cost of **reinstatement**:

- 4.1 if **you** do not **reinstatement** the property, or
- 4.2 if **reinstatement** is not started within a reasonable period of time, or
- 4.3 until the actual costs of **reinstatement** have been incurred, or
- 4.4 if any of the following apply:
 - (a) repair of the damage is not permissible under any **regulations**, or
 - (b) repair of the damage is not permissible because of the **undamaged** portion of the property.

In any of these circumstances, **we** will settle **your loss** on the same basis as if **reinstatement** cover had not applied to the property.

5. VALUATION OF THE PROPERTY

If **we** request it, **you** must provide **us** with a professional property valuation certificate at the start of each **annual period**. This certificate:

- 5.1 is required for all items of **insured property** that are covered for **reinstatement**, and
- 5.2 must cover the forthcoming **period of insurance**, and
- 5.3 must contain all information that **we** ask for.

6. RATES, TAX AND OTHER CHARGES

The amount payable to **you** does not include any:

- 6.1 rate, tax, duty, development charge, or
- 6.2 other charge or assessment arising out of capital appreciation, that is payable to comply with any **regulations**.

D. EXCESS

The excess shown in the **schedule** will be deducted from the amount of the **loss** for each **event** unless a different excess or nil excess is shown in the policy wording.

E. MAXIMUM AMOUNT PAYABLE

The most **we** will pay:

1. for any one item is the specific sum insured shown in the **schedule** for that item, and
 2. for all items within a category is the total sum insured shown in the **schedule** for that particular category,
- during an **annual period** unless a different amount is shown in this policy wording.

F. REINSTATEMENT OF THE SUM INSURED

After **we** have paid a claim under this policy, **we** will reinstate **your** sum insured. **We** may ask **you** to pay an additional premium for this. If **we** do, **you** must pay the additional premium.

Rural/MATERIAL DAMAGE INSURANCE POLICY

- G. SUB LIMITS** The most **we** will pay under any automatic or optional extension is:
1. the amount specified in this policy wording, or
 2. the amount specified in the **schedule**, whichever is the higher.
- H. EQ COVER CONTRIBUTION** Whenever any **insured property** has insurance cover under EQCover (NZ EQC – Earthquake Commission) **you** must claim under the EQCover insurance before **you** claim under this policy. *This usually only occurs when the insured property is a residential property.*
- I. PAYMENT ON ACCOUNT** **We** will make interim payments provided **you** produce evidence to **our** satisfaction of a claim covered by this policy.

MANAGING YOUR CLAIM

A. YOUR OBLIGATIONS

- 1. ADVISE US** If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.
- 2. MINIMISE THE LOSS** **You** must take all reasonable steps to minimise the claim and avoid any further **loss** or liability arising.
- 3. NOTIFY THE POLICE** **You** must immediately lay a complaint with the Police if **you** suspect burglary, theft, arson or intentional damage has occurred.
- 4. PROVIDE FULL INFORMATION** When **you** make a claim **you** consent to **your** personal information in connection with the claim being:
- 4.1 disclosed to **us**, and
 - 4.2 transferred to the Insurance Claims Register Limited.
- You** must:
- (a) give **us** free access to examine and assess the claim, and
 - (b) send any relevant correspondence or documents to **us**, and
 - (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and
 - (d) provide any other information, proof of ownership or assistance that **we** may require at any time.
- 5. BE TRUTHFUL** If **your** claim is dishonest or fraudulent in any way, **we** may:
- 5.1 decline **your** claim either in whole or in part, or
 - 5.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.
- This is at **our** sole discretion.
- 6. DO NOT ADMIT LIABILITY** **You** must not:
- 6.1 admit **you** are liable, or
 - 6.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.
- 7. DO NOT DISPOSE OF PROPERTY** **You** must not dispose of any property involved in **your** claim until **we** have given **you** permission to do this.
- 8. INCURRING COSTS** All costs claimed for under this policy must be necessarily and reasonably incurred. **You** are not authorised to start any repairs without **our** permission unless the repairs are necessary to prevent further **loss** or liability.

B. MANAGING YOUR CLAIM

- 1. SUBROGATION**

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.
If **we** initiate a recovery **we** will include **your** excess, and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.
- 2. RECOVERIES**

If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to us if **we** request it.
We have the right to keep any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.
- 3. REPARATION**

If any person is ordered to make reparation to **you** for **loss** to any property that **we** have paid a claim under this policy for, then **you** must tell **us**. Any payments received, must first reimburse **our** claims payment up to the amount of any reparation received.
- 4. BRANDED STOCK**

If any salvage is branded goods or merchandise, **we** will not dispose of these items by sale unless **you** agree. If **you** do not agree, the value of the salvage will be deducted from any claim payment.

GENERAL CONDITIONS

A. HOW WE ADMINISTER THIS POLICY

- 1. CANCELLATION AND MODIFICATION**
 - 1.1 By You
You must ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.
 - 1.2 By Us
We may cancel or modify this policy by advising **you** (or **your** Broker or Agent) by letter, fax or email. Cancellation or modification will take effect at 4:00pm, on the 30th day after the date of **our** advice.
We will refund the proportion of unused premium paid, calculated from the date of cancellation. If **you** pay **your** premium by instalments, **you** must pay **us** any unpaid instalments that are due.
- 2. OTHER INSURANCE**

You must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.
If **you** or anyone else who is covered under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.
- 3. INTERESTS OF OTHER PARTIES**

If **we** are advised of any party having a financial interest over **your** insured assets, **we** may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of **our** obligations to **you** under this policy.
You must consent to **us** transferring **your** relevant personal information to that party.
- 4. SEPARATE INSURANCE**

If more than one person or entity is named as "Insured" in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the maximum amount **we** will pay to all parties is the amount stated in each part of this policy.
- 5. GST**

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

 - 5.1 all sums insured exclude GST, and
 - 5.2 all sub limits exclude GST, and
 - 5.3 all excesses include GST, and
 - 5.4 GST will be added, where applicable, to claim payments.

6. INSTALMENT PREMIUMS

If **you** choose to pay the premium other than annually, then:

6.1 **you** must use the Deduction Authority **we** require, and

6.2 this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

The policy will be renewed for further periods of insurance (e.g. monthly/quarterly – as indicated in the **schedule**) by payment of each instalment premium due under the Deduction Authority.

7. PREMIUM ADJUSTMENTS

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within 3 months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

B. LAWS AND ACTS THAT GOVERN THIS POLICY

1. ACTS OF PARLIAMENT

Where this policy refers to any Act of Parliament, it also includes any subordinate legislation made under it, and any other subsequent Acts or **regulations**.

2. GOVERNING LAW AND JURISDICTION

The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.

3. INSURANCE LAW REFORM ACTS

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

C. YOUR OBLIGATIONS

1. COMPLY WITH THE POLICY

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** fail to comply, **we** may not pay **your** claim.

2. PROVIDE ACCURATE INFORMATION

You must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.

3. REASONABLE CARE

You must take reasonable care at all times to avoid circumstances that could result in a claim. **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

4. CHANGE IN CIRCUMSTANCES

You must tell **us** immediately if there is a material:

4.1 increase in the risk insured, or

4.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

(a) declare this policy unenforceable, or

(b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

Information is 'material' where we would have made different decisions about either:

(i) *accepting your insurance, or*

(ii) *setting the terms of your insurance,*

if we had known that information. If in any doubt, notify us anyway.

DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words. *For example, the definition of 'accidental' also applies to the words 'accidentally', 'accident' and 'accidents'.*

accidental	Unexpected and unintended by you .
accidental death	A death that is caused solely and directly by violent, accidental , external and visible means. This includes death due to intentional slaughter, where it is carried out on humane grounds and it is confirmed by a veterinary surgeon that it was necessary to destroy the animal to end its incurable suffering.
act of terrorism	Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: (a) involves violence against one or more persons, or (b) involves damage to property, or (c) endangers life other than that of the person committing the action, or (d) creates a risk to health or safety of the public or a section of the public, or (e) is designed to interfere with or disrupt an electronic system.
actual value	The cost of reinstating your property less an allowance for its age, condition, and any depreciation or deferred maintenance. In the case of non-depreciating property such as animals, the market value of the property if it had been sold immediately prior to the loss .
animal feed	Hay, straw, lucerne and similar animal feeds: that may be loose, wrapped or baled, at your rural property but not including any growing crops.
annual period	The period of insurance . However, if: (a) you pay the premium by instalments less than annually, or (b) the period of insurance is for more than 12 months, the annual period is any one 12 month period calculated from the date this policy first started, and consecutively thereafter.
artificial windbreak	A purpose built artificial windbreak but not trees or hedges.
buildings	Any of the following provided they are located at your rural property at the start of the period of insurance : (a) buildings, (b) platforms, yards, railings, races and associated works that form an integral part of the building, (c) retaining walls that form an integral part of the building, (d) underground and above ground services directly associated with the building, (e) tanks that are permanently attached, (f) permanent signs.
bulk fertiliser	Fertiliser (including lime) that is not contained in bags.
business days	The days your business usually operates.
business hours	The hours that: (a) you or any director or manager of yours , or (b) any of your employees who are entrusted with the care, custody or control of money , are on your business premises for the purpose of your business.
business operations	Your agricultural and/or horticultural activities.

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common site	A common physical location where the insured property is linked to achieve a common business purpose at that location.
computer virus	A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.
electronic data	Facts, concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
event	Any one event or series of events arising from one source or original cause.
fences	Fences, gates, live hedges and live shelter belts that are on your rural property , and are owned by you or that are in your care, custody or control. This includes any yards, railings, races and associated works that do not form an integral part of the building .
fire fighting expenses	Any of the following costs, that you incur for the purpose of fire suppression: (a) wages paid at normal rates to your employees, (b) hireage of equipment, (c) running costs of your own equipment, (d) other person costs for their time and services.
flood	Water that has overflowed from the normal confines of any: natural or artificial watercourse, lake, reservoir, swamp, sea, canal or dam; onto normally dry land. In addition, rainwater will be considered as flood where that rainwater: (a) cannot run-off into a: natural or artificial watercourse, lake, reservoir, swamp, sea, canal or dam; because it has overflowed or flooded, and/or (b) mixes with existing floodwater as described above. Flood arising from the following events are not covered: 1. seepage of artesian water, drains or irrigation races, 2. surface flooding where run-off surface water has saturated land.
full replacement value	The cost of reinstating your building to its size and extent at the time of the loss .
general stores	Grain, fertilisers (including lime), spraying materials, packing materials, fuel oils and the like.
harvested trees	Trees that have been felled but remain on a temporary basis within the compartment being harvested, pending transportation from the forest.
immediately preceded by	The event occurring immediately in sequence prior to the loss . <i>If there is a chain of events, this will be the last event occurring immediately prior to the loss.</i>
indemnity period	The period that: (a) starts when the insured damage occurs, and (b) ends no later than 12 months (or other period as shown in the schedule), during which, your business operations are affected because of that insured damage .
insured damage	Loss occurring at your rural property to: 1. buildings , or 2. other assets , provided that the loss : (a) is covered as a claim under this policy, or would be covered if you owned the property, under 'Damage to Insured Property' or under 'Optional Policy Extension A Natural Disaster', or would have been covered but for the excess, or (b) would be covered as a claim under this policy under 'Damage to Insured Property' or under 'Optional Policy Extension A Natural Disaster' if you owned the property, or (c) is caused by the explosion of a pressure vessel .

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insured property	<p>Tangible property (other than money) within the following categories:</p> <ul style="list-style-type: none">(a) buildings,(b) other assets,(c) animal feed,(d) produce,(e) any other property, <p>provided that:</p> <ul style="list-style-type: none">(i) the category is specified in the schedule, and(ii) the property is owned by you (this includes joint ownership with others), or(iii) the property, other than buildings, is in your care, custody or control.
irrigation equipment	<p>Irrigation equipment located:</p> <ul style="list-style-type: none">(a) above ground, and(b) in the open, and(c) at your rural property, <p>including:</p> <ul style="list-style-type: none">(i) fixed plant and mobile plant, and(ii) above ground piping, and(iii) hoses and associated equipment, <p>but not including any submersible pumps.</p>
live plants	<p>Live plants, seeds, bulbs, and visible growing crops, that are:</p> <ul style="list-style-type: none">(a) shown in the schedule, and(b) on your rural property, and(c) contained only in a building specifically designed for the cultivation or storage of such plants or crops, and(d) owned by you or for which you are legally responsible, <p>including:</p> <ul style="list-style-type: none">(i) soil (as well as the costs incurred in the soil's sterilisation and fertilisation),(ii) plant supports,(iii) plant boxes,(iv) punnets and pots. <p>This definition does not include any property more specifically insured under the buildings, other assets, or produce sections as defined in this policy.</p>
livestock	<p>Livestock that are shown in the schedule and are owned by you or for which you are legally responsible.</p>
loss	<p>Physical loss or physical damage occurring during the period of insurance.</p>
machine	<p>Any device that:</p> <ul style="list-style-type: none">(a) converts and directs motion or energy, or(b) performs any electronic process, <p>including any protective component connected with that device.</p>
money	<p>Any of the following, where they are associated solely with your business operations:</p> <ul style="list-style-type: none">(a) current coin, bank and currency notes,(b) cheques and travellers' cheques,(c) bank drafts and money orders,(d) phone cards,(e) unused postage and revenue stamps,(f) credit card vouchers, redeemable vouchers and tokens,(g) franking machine credits,(h) other negotiable instruments.

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natural disaster damage	Damage that results directly from: (a) earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these, or (b) measures taken under proper authority, following an event listed in (a) to: (i) avoid its spreading, or (ii) reduce its consequences.
natural landslip damage	Damage that results directly from the movement (whether by way of falling, sliding or flowing, or by a combination thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such materials, which, before movement, formed an integral part of the ground; but does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.
office equipment	Any of the following: desktop or laptop computers, fax machines, monitors, printers, document scanners, refrigerators and dishwashers.
orchard trees	The fruit trees, nut trees and flowering trees that you own, which are maintained and grown for the purposes of commercial harvesting, at your rural property .
other assets	Tangible property that is contents of buildings including the following types of property: (a) fixed and portable machinery and plant, (b) tools, (c) general stores , (d) wool or milk, but not any of the following: (i) motor vehicles or motorcycles, (ii) aircraft, (iii) watercraft, (iv) agricultural implements that are either: self propelled or trailer/tractor drawn, unless listed specifically in the schedule . Provided that the property is: 1. shown in the schedule , and 2. normally located on your rural property , and 3. owned by you or in your care, custody or control.
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
premises	A building specifically designed for the cultivation or storage of live plants .
pressure vessel	The parts of any insured property or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including: (a) all integral parts, and (b) controls, and (c) systems (other than systems forming part of a building or structure).
produce	Your normal agricultural and/or horticultural produce, owned by you or that you are legally responsible for, while: (a) it is contained in a building , or (b) it is being loaded onto a vehicle, being loaded off a vehicle, or being conveyed on a vehicle on your rural property to your building .
production process	Any process of producing, making, treating or servicing goods.
property damage	Loss to property that would be covered as a claim under this policy if you owned and insured the property.

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refrigerated supplies	<p>Your agricultural or horticultural supplies that are:</p> <ul style="list-style-type: none">(a) used on your farm for your farming activities, including animal food, animal vaccines, animal medicines, semen straws, embryos, and(b) normally kept under refrigerated conditions at your rural property.
region	The areas of land in the Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.
regulations	Building regulations or other regulations that are: <ul style="list-style-type: none">(a) made under, or(b) framed pursuant to, any Act of Parliament or any local authority regulation or by-law.
reinstatement	<ul style="list-style-type: none">(a) Where property is destroyed: replacement by an equivalent building or equivalent plant, or(b) Where property is damaged but not destroyed: restoration of the damaged part of the property to a condition substantially the same as, but not better nor more extensive than, its condition when new.
replacement value	The value of reinstating your property.
rural property	The location or locations of your farm or horticultural business, as shown in the schedule .
rural service utilities	<p>Your:</p> <ul style="list-style-type: none">(a) power and telephone poles plus their overhead lines and associated equipment, and(b) underground utility services such as power, water supply, and drainage, not including any culvert used for drainage, <p>that are on your rural property, and are owned by you or for which you are legally responsible.</p>
schedule	The latest version of the Schedule we issued to you for this policy.
site excess	5% of the total insured value under the policy for all the insured property at the common site .
submersible pump	A pump that is designed to/and operate: <ul style="list-style-type: none">(a) wholly or partly under liquid, and/or(b) down a bore-hole.
sundry buildings	Any building not individually specified on the schedule , provided: <ul style="list-style-type: none">(a) the schedule shows sundry buildings as an insured item, and(b) the sundry building is used for your business operations, and(c) the sundry building is on your rural property.
sustainable products	<p>Sustainable products are:</p> <ul style="list-style-type: none">(a) products that increase the efficiency of the building relating to the use of energy and/or water,(b) rebuilding materials that reduce environmental impacts. <p>Sustainable products do not include the following:</p> <ul style="list-style-type: none">▶ fire protection devices or systems,▶ security devices or systems,▶ natural hazard protection. <p><i>Examples of sustainable products include the following:</i></p> <ul style="list-style-type: none">▶ <i>double glazing,</i>▶ <i>solar water heating systems,</i>▶ <i>environmentally friendly timber,</i>▶ <i>environmentally friendly paints and/or carpets,</i>▶ <i>rainwater collection tanks and/or water efficient interior plumbing,</i>▶ <i>natural lighting and/or ventilation,</i>▶ <i>'Best Practice' insulation (as recommended by Standards New Zealand),</i>▶ <i>Energy Star-rated electrical equipment and/or interior lighting systems,</i>

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- ▶ *Energy Star-qualified roof materials,*
- ▶ *facilities to encourage the use of alternative transport, e.g. bicycle storage,*
- ▶ *wind turbines,*
- ▶ *products that achieve the aims of (a) and (b) above.*

trees	The trees shown in the schedule you own that are maintained and grown for commercial timber purposes, at your rural property .
undamaged	Not damaged physically and directly by an event that would be covered by this policy.
vicinity	The surrounding area, no more than 10 kilometres, of your rural property .
we	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words 'us', 'our' or 'company' to describe NZI.</i>
you	The person(s) or entity named in the schedule as 'Insured'. <i>We may also use the word 'insured' to describe you.</i>



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NZI is a business division of IAG New Zealand Limited, a wholly owned subsidiary of Insurance Australia Group, Australasia's largest general insurer. Established in 1859, it is today one of the country's largest and longest-serving fire and general insurance brands, protecting tens of thousands of New Zealanders every year.

Through our broad range of commercial, personal, marine, professional risks and rural insurance products, we pride ourselves on helping people to achieve the best protection for their assets.

We partner with a network of skilled and experienced brokers and other insurance intermediaries who distribute our products. We pay remuneration to our brokers and intermediaries when they issue our policies, and when these policies are renewed or varied.

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