



# **AA Small Business Insurance Policy**

Here are the details of your  
Back in Business Policy Module



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# Welcome to AA Insurance

Thank you for choosing AA Insurance. When you need us, we'll get things sorted for you.

This policy document explains your insurance cover, your responsibilities and how to make a claim. Please read it carefully and keep it in a safe place.

## How to contact us

Go to [aainsurance.co.nz/contact](https://aainsurance.co.nz/contact)

Or if you would prefer to phone us:

- For sales, service and general queries, call us on **0800 500 213**
- For claims queries, call us on **0800 500 216**

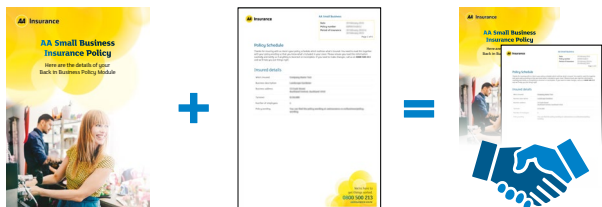
We're here to  
get things sorted.

**0800 500 213**  
[aainsurance.co.nz](https://aainsurance.co.nz)

# The documents that make up your insurance contract

Your insurance contract consists of this policy document and your most recent *policy schedule*.

Your policy document and *policy schedule* are designed to be read together.



This policy document + Your policy schedule = Insurance contract

When read together, your *policy schedule* and policy document outline your cover, which is the insurance we agree to provide you. This cover is governed by the limits, terms and conditions set out within this policy document and your *policy schedule*.

Your *policy schedule* takes priority if the information in this policy document and your *policy schedule* is different.

We agree to provide cover as long as you have paid your premium.

## You have a cooling-off period if you change your mind

We provide you with a 21-day cooling-off period if you change your mind. You can cancel your policy within 21 days from the day your policy started, as long as you have not made a claim.

If you choose to cancel your policy within this period, we will cancel your policy back to the policy start date and refund you the full amount of any premium paid. The cooling-off period does not apply if you renew your policy.

## If you have a concern

We value our customers and aim to deliver the best service possible. We also appreciate and encourage your feedback – the good and the bad. If you're unhappy with one of our policies, our service or a decision on your claim, please tell us.

Often a quick conversation can help sort things out.

If we can't reach a resolution, please let us know. We can explain our complaints procedure to you, and we have a Customer Resolution Service to help you if needed.

# Headings and defined words in your policy

We have used the headings in this policy document to help guide you. These headings are purely descriptive in nature. You should not rely on headings to interpret the policy.

## Words in italics have specific definitions

Some words in this policy document are in italics. These words have specific meanings. We have explained them in the 'Definitions' section at the end of this policy document on page 13.

## The meaning of other common words in your policy document

We use some common terms throughout this policy document. The meaning of these words are explained below.

### 'We', 'us' or 'our'

When we say 'we', 'us' or 'our', we mean AA Insurance Limited.

### 'You' or 'your'

When we say 'you' or 'your', we mean the *insured* and any other *persons insured*.

# Cancelling your policy

## If you choose to cancel your policy

You may cancel your policy at any time, unless you have made a claim.

If you cancel your policy outside the cooling-off period and you have not made a claim, we will refund you any amount we owe after the cancellation date. We will deduct any cancellation fee shown on your *policy schedule* from the amount we refund you.

If you have notified a claim to us prior to the date of cancellation, we will not refund any premium to you.

## If we choose to cancel your policy

We may cancel your policy at any time by notifying you in writing. The cancellation will take effect on the 7th day after we have sent the notice. We will refund you any amount we owe after the cancellation date.

# What you are covered for

We will cover you for your loss if your *business* is interrupted or interfered with as a result of *damage* at the *premises* during the *period of insurance*.

However, in order for cover to be available, your property damaged at the *premises* must be insured under a 'Business Contents and Stock' policy module with us and we must have accepted your claim under this policy module.

We will also cover you for your loss if your *business* is interrupted or interfered with as a result of *damage* to property located anywhere in New Zealand during the *period of insurance*.

However, in order for cover to be available, your property damaged anywhere in New Zealand must be insured under a 'Portable Contents and Stock' policy module with us and we must have accepted your claim under this policy module.

## The insured items

If you have chosen to include the following items they will be shown on your *policy schedule*.

### Item 1 – Gross profit

We will cover you for loss of *gross profit* due to:

- reduction in *turnover*, and
- increase in cost of working.

The most we will pay for reduction in *turnover* is the sum produced by applying the *rate of gross profit* to the amount by which the *turnover* during the *indemnity period* in consequence of the *damage* falls short of the *standard turnover*.

The most we will pay for the increase in cost of working is the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *turnover* that, but for that expenditure, would have taken place during the *indemnity period* in consequence of the *damage*, but not exceeding the sum produced by applying the *rate of gross profit* to the amount of the reduction thereby avoided.

The amount we pay in either case will be reduced by any sum saved during the *indemnity period* in respect of such of the charges and expenses of your *business* payable out of *gross profit* as may cease or be reduced in consequence of the *damage*.

Memo 1: If during the *indemnity period* goods are sold or services are rendered elsewhere than at the *premises* for the benefit of your *business* either by you or by others on your behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the *turnover* during the *indemnity period*.

Memo 2: If this policy does not insure any charges or expenses of your *business* (having been deducted in arriving at the *gross profit* as defined) then the increase in cost of working calculation will use that proportion only of the additional expenditure which the *gross profit* bears to the sum of the *gross profit* and all such uninsured charges and expenses.

### Item 2 – Additional increased cost of working

We will cover you for the additional expenditure beyond that recoverable under any other item of this policy reasonably incurred by you during the *indemnity period* as a result of the *damage* to avoid or diminish a reduction in *turnover* or to resume or maintain normal business operations.

This item does not include:

- any portion of the above costs that would have been recoverable under Item 1 but for the inadequacy of the *Sum Insured* under that item, other than where Item 1 is not insured, or
- costs of reinstating *damage*.

### Item 3 – Reinstatement of records

We will cover you for the clerical, legal and other charges reasonably incurred by you during the *indemnity period* as a result of the *damage* for the replacement or restoration of *business* records.

We will also cover the above while anywhere in New Zealand. However, the most we will pay is 10% of the applicable item shown on your *policy schedule* for this item.

### Item 4 – Claim preparation costs

We will cover you for reasonable fees as may be payable by you to a chartered accountant, solicitor or other professional consultant and reasonable costs incurred by your staff for quantification, but not negotiation of claims under this policy.

The most we will pay is the applicable item *Sum Insured* shown on your *policy schedule* for this item.

## Limits on what we will pay

The most we will pay is the total of the *Sums Insured*, or any *Sum Insured* or limit applicable to any insured item and/or *premises*.

### Reinstatement of amount of insurance

Where a claim is accepted under this module, the amount of cover available for future claims will be automatically reinstated from the date of loss. However, before any amount of your cover is reinstated following loss you must pay any additional premium that we may charge.

This does not apply in respect of any *natural disaster damage*.

### If your claim is for natural disaster

The most we will pay for *natural disaster damage* in any one *period of insurance* is the total *Sum Insured* for *natural disaster*. Where more than one *premises* or item is included in your *policy schedule*, the most we will pay is the *natural disaster Sum Insured* in respect of each *premises* or item.

Any one *event*, or a series of *events* arising from any one cause during any period of 72 consecutive hours, for each *natural disaster* loss, or series of losses will be adjusted separately net of salvage and other recoveries for each *premises*.

## Automatic extensions

The following extensions are automatically included in your cover.

### Contingent business interruption

We will cover you for loss in respect of each item insured under this module resulting from interruption or interference with your *business* caused by any of the circumstances listed below.

The most we will pay in respect of:

- any one loss caused by the circumstances below, and
  - all losses caused by one or more of the circumstances below arising out of any one *event*, source or originating cause;
- will not exceed 10% of the *Sum Insured* or limit applicable to any item and/or *premises* or \$1,000,000 in total, whichever is the lesser.

For any claim under this extension, except for a claim under 'Closure of transport routes', and a claim arising out of *natural disaster*, we will not pay for the first 24 hours of your loss. This 24 hour period commences from the first day a loss would otherwise become payable under this extension.

Where there is loss arising out of *natural disaster* cover is available under this extension only if you have selected the Additional extension – 'Natural disaster'.

For any claim arising from *natural disaster*, we will not pay for the first 21 days of your loss. This 21 day period commences from the first day a loss would otherwise become payable under this extension.

The *indemnity period* applying to any claim under this extension begins at the expiry of the number of days specified in this extension as the period we will not pay for your loss, not at the occurrence of the *damage*.

### Customers' and suppliers' premises

We will cover you for loss arising from *damage* within New Zealand at any:

- *premises* from where you are directly supplied with goods or services, or
- *premises* of any of your direct customers, provided that we would have paid a loss if the *damage* had been to your own property.

We will not cover you for any amount where the *damage* is to the property of any customer or supplier that receives from or sends to the *premises* electricity, gas, natural gas, water, sewage or telecommunications.

Where any loss is covered under both 'Customers' and suppliers' premises' and 'Utilities and services', only 'Utilities and services' will apply.

### **Prevention of access**

We will cover you for loss arising from *damage* to property within a ten kilometre radius of the *premises* that prevents or hinders access to or use of the *premises*. This cover applies whether the *premises* or property are damaged or not.

### **Business that attracts customers**

We will cover you for loss where the *premises* is in a retail shopping complex, and *damage* at the complex causes a major tenant whose business attracts customers for your *business* to temporarily cease business, provided that we would have paid a loss if the *damage* had been to your own property.

The *indemnity period* is limited to 30 days.

### **Public authorities**

We will cover you for loss arising from the closure of the whole or part of the *premises* shown in your *policy schedule* by order of a competent public authority as a result of any of the following:

- *personal injury* to any person on or close to the *premises*
- *damage* to any property
- defects in drains or other sanitary arrangements, but not defects, contaminants or imperfections or inferiority of water or sewage
- vermin or pests
- fumes or escape of any hazardous materials but not a closure as a result of any infectious animal or human disease, or as a result of any *event* or circumstances for which you are responsible.

For the purposes of a claim under this extension, such closure of the whole or part of the *premises* will be deemed to be *damage* under this module.

### **Utilities and services**

We will cover you for loss arising from *damage* to any of the following:

- electricity station or sub-station or power lines
- gas works or natural gas works or gas storage facilities of any gas distributor and any pipe lines of any supply authority (but excluding the Maui and any other off-shore installations and the Kapuni installation)
- waterworks or water treatment plants and any pipe lines of any public supply authority
- sewerage works or sewerage treatment plants and any pipe lines of any public supply authority
- telecommunication lines or cables that are directly connected to the *premises*

from which you receive or send electricity, gas, natural gas, water, sewage or telecommunications.

Where any loss is covered under both 'Customers' and suppliers' premises' and 'Utilities and services', only 'Utilities and services' will apply.

### **Closure of transport routes**

We will cover you for loss where any:

- transport route, port or airport, or
  - port building, wharf or railway warehouse or airport building and/or their contents,
- anywhere in New Zealand is damaged or is closed by order of a competent public authority as a result of property *damage*.

For any claim other than one arising out of *natural disaster*, we will not pay for the first seven days of your loss. This seven day period commences from the first day a loss would otherwise become payable under this extension.

### **Accumulated stock**

Where the *indemnity period* is 12 months or more then in adjusting any claim an allowance will be made if, during the *indemnity period*, *turnover* is temporarily maintained from accumulated *stocks* held by you.

### **Additional premises**

We will cover you for loss arising out of interruption of or interference with your *business* as a result of *damage* to property at additional *premises* in New Zealand that you use or acquire for the purposes of your *business*. This loss will be considered as loss arising out of *damage* to property used by you at the *premises*, provided that:

- separate business interruption insurance in respect of such *premises* has not been arranged, and
- we are given notice of the addition of such *premises* within a reasonable period.

### **Departments**

If your *business* is conducted in departments and independent trading results are ascertainable this module will apply separately to each department affected by the *damage*.

### **Electric motors**

We will cover you for loss arising out of interruption of or interference with your *business* as a result of *damage* to:

- electric motors and starters that do not individually exceed 3.75kW (5hp), and
- distribution switchboards and permanently installed electrical reticulation

directly caused by failure of electrical insulation, or abnormal electric current, or electrically induced self-heating and while located at the *premises*.

This extension does not apply where the *damage* is to *refrigeration machinery*.

## First aid costs

We will cover you for first aid costs you incur at the time of an *event* during the *period of insurance* which gives rise to *damage*, and which is not otherwise covered by entitlements under the Accident Compensation Act 2001.

## Deferral of indemnity period

You may defer the date on which the *indemnity period* begins if:

- you notify us within three months of the date of the *damage* that you have elected to defer the commencement of the *indemnity period*, and
- we have not already paid or agreed to pay a claim for any insured item or interest in consequence of that *damage* (other than for [Item 3 'Reinstatement of records'](#), or [Item 4 'Claim preparation costs'](#)).

The deferred *indemnity period* must begin within the number of months shown in your *policy schedule* as the *indemnity period*, or 12 months from the date of the *damage*, whichever is the earlier, otherwise this option to defer expires.

If you defer the commencement of the *indemnity period* as described above, then:

- you must notify us as soon as possible of the date on which you want the *indemnity period* to commence, and no later than one month after the date on which the deferred *indemnity period* commences
- the amount payable under this module for all insured items or interests as a result of the *damage* will be calculated on the basis that references in the policy to the date of the *damage* are deemed to be references to the date of the commencement of the *indemnity period*. The *standard adjustments* will apply such that the final adjusted figures will represent as nearly as may be reasonably practicable the results that would have been obtained during the deferred *indemnity period* but for the *damage*
- if prior to or during the *indemnity period* goods are sold or services are rendered elsewhere than at the *premises* for the benefit of your *business* either by you or by others on your behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the *turnover* during the *indemnity period*
- if in consequence of the *damage* there is an increase in *turnover* prior to the commencement of the *indemnity period*, the amount of the increase will be subtracted from the reduction in *turnover* during the *indemnity period*.

Once the deferred *indemnity period* commences, there will be no further right of deferral of the *indemnity period* applicable to a claim for any insured item or interest as a result of that *damage*.

## Additional extension

If you have chosen to include the following extension, it will be shown on your *policy schedule*.

### Natural disaster

The word *damage* as defined in this module extends to include *natural disaster damage*.

# Making a claim

This section explains what you need to do when you make a claim.

## Claims conditions

You must co-operate with us and give us any information or help we ask for in relation to your claim.

As soon as you are aware of an *event*, circumstance or occurrence, you must comply with the following conditions:

- take all reasonable steps to minimise the loss and prevent further loss or *damage*
- tell the police in the case of theft, burglary, vandalism or arson, or the attempt at these
- do not admit responsibility for any loss, *damage* or liability
- do not, without our consent, incur any expense or negotiate, pay, settle, or make any agreement in relation to any claim.

As soon as possible you must also:

- tell us of the *event* and give full details and circumstances of what has happened, including details of everyone involved
- send us all relevant communications which you receive
- obtain our permission before you incur any expense, other than the reasonable cost of urgent work to prevent further loss or *damage*
- keep damaged property for our inspection and allow us to inspect any building or other property where loss or *damage* has occurred
- provide a detailed description of the lost, damaged or stolen items, proof of ownership and any other information or evidence that we may require
- let us at our expense and in your name to take any action necessary against any other party and to take over and conduct the defence and settlement of any claim against you
- provide all reasonable assistance and co-operate with us and our assessors, investigators, lawyers or anyone else we appoint to assist, in the making of your claim, its settlement and any defence of a potential claim against you or any action against anyone else.

## If you do not comply with these conditions

If you do not comply with any of these conditions, we can:

- decline your claim
- recover from you what we have already paid.

## After your claim is accepted

If any person, company or entity is ordered to make or otherwise makes *reparation* to you for *damage* for which we have paid a claim under this policy, you must reimburse us for that payment as soon as any *reparation* is made, subject to adjustment if you have not been fully indemnified.

## You will have to pay an excess

An excess is the amount you must pay for each individual *event*. We may deduct your excess from the total settlement amount.

The total excess is determined by the circumstances of your claim. You might have to pay more than one type of excess when you make a claim. The excesses will be noted in this policy document and/or in your *policy schedule*.

If you claim under more than one policy with us for loss, *damage*, or liability caused by a single *event* or occurrence at the same location, you will only have to pay one excess. This will be the highest total applicable excess. This does not apply to any loss caused by *natural disaster damage*.

A series of *events* arising from any one cause during any period of 72 consecutive hours will be treated as one *event* for the purposes of determining the excess you need to pay.

## Instalment premiums

If you are paying your premium by instalments, we will deduct any unpaid instalments from any payments that we make in relation to your claim.



# How we will settle your claim

## Payment on account

We will make payments on account to you during the *indemnity period* where you produce a statement of claim that is certified by a chartered accountant who is appointed by both you and us.

## Salvage sale

If, following *damage* giving rise to a claim under this policy, you hold a salvage sale during the *indemnity period*, we will reduce the amount we pay by the *turnover* during the period of the salvage sale.

## Alternative index

Adjustments may be based on “*turnover*” or “*output*” or whatever other index of business activity we consider affords the most equitable result.

# What you are not covered for

This section explains what your policy does not cover. These exclusions apply to all sections of this policy.

## Faulty workmanship design or materials

This policy does not cover *damage* caused by the work of putting right any of the following:

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

## Criminal acts and disappearance

This policy does not cover loss resulting from any of the following:

- theft by you or by any of your *employees*
- theft unless accompanied by forcible entry to or exit from any enclosed building
- any fraudulent scheme or device or false pretence practised on you or on any other person having care of property insured under this policy
- unexplained disappearances
- shortages revealed only by the taking of an inventory
- shortages due to clerical or accounting errors.

## Damage to machinery

This policy does not cover *damage* in respect of a *machine* or *pressure vessel* caused by:

- the explosion, overheating, rupture, bursting, cracking, leakage or collapse, of steam boilers, or pipes, or economisers, or any other *pressure vessel*, due in each case to generated or applied fluid pressure within or without (excluding pressure caused by chemical explosion), or
- mechanical or electrical breakdown or derangement of any *machine* or *pressure vessel* except where cover is provided under Automatic extension – ‘Electric motors’.

## Moisture penetration

This policy does not cover *damage* in connection with the failure of any building or structure to contain or incorporate:

- materials, or
- a design, or
- a system, or
- a standard of workmanship,

that effectively prevents or manages the presence or penetration of moisture or water to which the building or structure might reasonably be subjected.

### Types of property not covered

This policy does not cover *damage* to any of the following:

- property undergoing installation, construction, demolition, erection, or testing following any of them
- money
- jewellery, precious stones, furs, precious metals or bullion, other than as *stock* of the *business* or as part of any plant
- motor *vehicles*, other mechanically or electrically propelled *vehicles* (including but not limited to railway locomotives and rolling stock), *watercraft* and aircraft of every kind, and accessories contained in them or on them, other than as *stock* of the *business*
- standing timber, growing crops, pastures, livestock, trees, hedges, dams, canals, reservoirs (but not tanks), road or railway tunnels, road or railway bridges, decks, piers, wharves, mining property located beneath the surface of the ground, any land including topsoil and backfill
- property in transit other than at *premises* you own or occupy
- property damaged as a result of it undergoing any process of producing, making, treating or servicing goods where the *damage* is directly caused by the normal operation of that process
- *refrigeration machinery*.

### Electronic data

This policy does not cover *damage*, cost or liability, directly or indirectly caused by, arising from, contributed to by, or in any way connected to any of the following:

- *electronic data* being damaged, distorted, deleted, corrupted, altered, misinterpreted, or misappropriated
- error in creating, amending, entering, deleting or using *electronic data*
- inability or failure to receive, send, access or use *electronic data* for any period of time
- any loss of use, reduction of functionality, repair, replacement, restoration or reproduction of any *electronic data*
- the value of any *electronic data*
- a computer virus.

### Cyber events

This policy does not cover *damage*, cost or liability, directly or indirectly caused by, arising from, contributed to by, or in any way connected to a *cyber act* or *cyber incident*. However we will not apply this exclusion for any of the following:

- an *event* otherwise covered by this policy that causes a *cyber incident*
- *damage* resulting from an *event* otherwise covered by this policy which has been caused by a *cyber incident* or *cyber act*.

### Communicable disease

This policy does not cover any *damage*, cost, any other sum of any kind, or liability, directly or indirectly caused by, arising from, contributed to by, or in any way connected to any of the following:

- communicable disease
- the fear or threat of any communicable disease, whether it is actual or perceived
- actions by any person, entity or public authority to respond to, control, prevent or suppress communicable disease.

Any other sum of any kind also includes any increased or additional costs or expenses of a claim that is otherwise covered by this policy.

Communicable disease means any disease that can be transmitted by any substance or agent, directly or indirectly from one organism to another, including any:

- virus, bacterium, parasite, or any other organism
- any variation of the above, whether considered living or not.

Communicable disease also includes any Infectious Disease or Quarantinable Disease as defined in or declared under the Health Act 1956, future amendments to the Act, or any replacement Act.

This exclusion applies, regardless of any other contributing cause or *event* that happens at the same time or some other time.

### Consequential loss or costs you incur

This policy does not cover any of the following (except as expressly included by this policy):

- consequential losses of any kind
- costs or expenses you may incur to prove or help us with your claim
- loss of interest.

### Pollution or contamination

This policy does not cover any loss, *damage*, *personal injury*, or liability caused by, arising from, or involving, pollution or contamination. This includes any contamination by the use, consumption, storage or manufacture of illegal drugs.

### Natural events

This policy does not cover loss arising out of *damage* directly or indirectly caused by or resulting from any of the following:

- action or effects of *micro-organisms*, mildew or rot, other than direct *damage* by fire as a result of any of these
- normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements
- *natural disaster*, unless you have chosen the Additional extension – ‘Natural disaster’.

### **Other damages**

This policy does not cover *damage* directly caused by:

- fumes, gas, dust, smoke, soot
- normal working, maintenance, wear and tear, erosion, corrosion, slowly developing deformation or distortion, marring or scratching
- action of vermin or insects
- the inherent nature of the property
- the action of light, atmospheric or climatic conditions
- changes in artificially controlled temperature or atmosphere
- exposure to weather conditions where the property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions
- interruption of the supply to the site of water, gas, electricity or any fuel
- total or partial cessation of work, retarding or interruption or cessation of any process.

### **Excesses and other insurance**

This policy does not cover your excess on this or any other policy.

This policy does not provide cover where cover is provided by other insurance or by a warranty or guarantee. We will not contribute towards any claim made under any other policy.

### **Confiscation**

This policy does not cover any loss, *damage*, *personal injury*, liability or prosecution of any type directly or indirectly caused by, arising from, or involving confiscation, nationalisation, requisition or destruction of, or *damage* to property by order of government, public or local authority (unless the order is given to control any loss or *damage* that is covered by this policy).

### **War, terrorism or nuclear incidents**

This policy does not cover any loss, *damage*, *personal injury*, liability or prosecution of any type directly or indirectly caused by, arising from or involving:

- war, invasion, act of foreign enemy, hostilities, civil war or warlike operations (whether war is declared or not)
- mutiny, civil commotion assuming proportions of or amounting to a popular uprising, military uprising, rebellion, revolution, insurrection, military or usurped power
- any act, including but not limited to the threat, or use of violence, which from its nature and context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes including the intention to influence any government and/or to put the public or any member of the public in fear
- nuclear weapons, ionising radiations, or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel.

### **Unlawful or otherwise prohibited to insure**

This policy does not cover any loss, *damage*, *personal injury*, liability or prosecution, directly or indirectly caused by, or arising from any act, *event*, occurrence or thing against which insurance is either:

- unlawful, or
- prohibited by any sanction, prohibition or restriction under the laws or *regulations* of any jurisdiction applicable to us or our parent company or its ultimate controlling entity.

# You must tell us about certain things

Some parts of this policy may cover other people or companies or entities as well as you. To gain the benefit of any cover under this policy they must meet all the same conditions and obligations you are required to meet. No claim will be payable where any person covered under this policy does not meet any of the terms and conditions.

Nothing in this policy affects the common law rights of either party, including our right to avoid your policy for non-disclosure. This means your policy will be treated as if it never existed and any claim payments must be returned to us.

## You must disclose material information and give us full and accurate statements

Your policy with us relies on the accuracy of the information supplied by you, or any person on your behalf. You must advise us of all *material information* before the start of this policy and before each renewal or variation of the policy.

You must also give us full and accurate information and answer honestly, correctly and completely all questions we ask you. Failure to do so entitles us to deny any claim and to cancel this and any other policy you have with us from the date the information should have been provided.

## Alteration of risk

Unless we agree otherwise in writing, your cover will cease if, for any reason other than *damage*:

- your *business* is wound up or carried on by a liquidator or receiver or is permanently discontinued, or
- your interest in your *business* ceases otherwise than by death, or
- with your knowledge any alteration is made, either to your *business* or to the *premises* or property in your *business*, whereby the risk of *damage* is increased.

However, your cover will not be prejudiced by:

- such change in the use or occupancy of *premises* as are usual or incidental to your *business*, or
- the performance of any structural alterations or repairs to property at the *premises*,

providing the circumstances are reported to us within a reasonable time after you become aware of them and you agree to pay an additional premium for the increased risk if required.

## You must tell us if there is a change of circumstances

You must tell us immediately of any change in circumstances that has happened after the start of this policy or that you know is going to happen and which may increase any of the following:

- the amount of the risk
- the risk of loss, *damage*, or liability
- the risk of insuring you.

As a result of these changes in circumstances, or if you fail to tell us immediately of any change in circumstances, we may:

- change your policy terms and make alterations to your premium
- reduce cover or change limits
- not insure you for any loss, *damage* or liability that happens after the date of the change in circumstances
- cancel your policy.

## Misdescription

Your cover will not be prejudiced by:

- any innocent and inadvertent misdescription of the *business* in the proposal or submission, or
- any act whereby the risk of loss is increased without your authority or knowledge,

provided you notify us immediately on becoming aware of any of the above happenings. However, we may require you to pay an additional premium if the risk of loss has changed as a result.

## Adjustment of premium: Item 1 – Gross Profit

The premium for Item 1 – ‘Gross profit’ is provisional and you must tell us the actual insured *gross profit* for the *period of insurance* within three months of the end of each *period of insurance* for us to calculate your final premium.

The premium will be adjusted as follows:

- we will recalculate the provisional premium using the actual amounts, or a multiple of such amounts if the *indemnity period* exceeds 12 months
- in the *event* of a claim occurring during the *period of insurance* the amount paid or payable by us for the loss in respect of the period will be regarded as *gross profit* earned by you.

Any difference between the provisional and the final premiums will either be payable to us as an additional premium, or as a refund of premium to you, however, any refund of premium to you will not exceed 50% of the provisional premiums charged.

If you do not tell us the actual figures within three months, we will consider the premium to be final and no adjustments will be made.

# You must comply with certain conditions

## You must avoid loss, damage or liability

You must take all reasonable care to avoid doing anything that could result in a claim, and at your cost and expense, must take reasonable steps to:

- ensure all property covered by this insurance is kept safe and protected from possible loss or *damage*
- maintain any protective devices, including but not limited to sprinkler systems and alarms, in an operational condition
- keep closed during non-working hours any fire resisting doors and shutters and maintain them in efficient working order
- maintain any security protection in efficient operating order and activate it during non-working hours
- avoid any loss, *damage* or *personal injury* to any person or thing for which you could be held legally liable
- comply with all legal requirements for the safety of people or property
- comply with all statutory, regulatory or local authority requirements pertaining to the ownership, occupation and use of property insured under this policy
- keep any dangerous goods in accordance with the provisions of the Hazardous Substances and New Organisms Act 1996 and the Health and Safety at Work (Hazardous Substances) Regulations 2017.

## You must not transfer your legal rights

You must not assign or transfer or attempt to assign or transfer this policy or your interest in this policy to any other party.

## Building Act 2004 – compliance schedule

Where required under the Building Act 2004 you must ensure that all inspections, maintenance and reports are completed as required by the compliance schedule for any building for which interference or interruption following *damage* is insured. This module does not insure interference or interruption following any loss or *damage* directly or indirectly caused by or contributed to by circumstances that would not have existed at the time of the loss or *damage* if these requirements had been met.

# How we administer your policy

## Paying premiums

If your premium is overdue, we may refuse to make any claim payments until your overdue premiums have been paid.

If there is a change to your premium which remains unpaid, or you do not pay the full amount of your premium, we may reduce the *period of insurance* in line with the proportion of the unpaid premium.

If your premium remains unpaid for 28 days, your policy will automatically be terminated and you will not be sent a notice.

## Sending notices

We will send any notice, *policy schedule* or other written documents to your last known physical, postal or email address.

## Noting interested parties

By noting an Interested Party on your *policy schedule*, you are authorising us to disclose your information to them. If your *policy schedule* shows an Interested Party, we may partially or fully settle your claim by making a payment to them, fulfilling our obligations under this policy. Anyone noted as an Interested Party is not covered by this policy and cannot make a claim under this policy.

## You are jointly insured

All those listed as *insured* are jointly insured and are considered to act with the expressed authority of each other. This means that if anyone does or fails to do anything so that there is no cover, there will be no cover for any of the *insureds*.

Each *insured* has the right to:

- make a change to the policy
- make a claim under the policy
- receive claim proceeds under the policy, and
- cancel the policy.

## Currency

All amounts referred to in your policy are expressed in New Zealand currency and include Goods and Services Tax (GST). We will pay all claims in New Zealand currency.

## Governing law

This policy is governed by New Zealand law, and the New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

# Definitions

## Act

Any Act of the New Zealand parliament that is not an *Excluded Act* in force at the commencement of the *period of insurance*, or which comes into force during the *period of insurance*, and any substitution of, amendment to, replacement of or any *regulation* made under such Act.

Any specific Act referred to also means any substitution of, amendment to, replacement of and any statutory *regulation* made under such Act.

## Business

The business and occupation described on your *policy schedule*.

## Computer system

Any of the following systems:

- computer, communication system, or any other electronic device
- hardware, software, server or cloud
- any microcontroller.

A computer system also includes any system, output or data storage device that is similar to those mentioned above.

## Cyber act

One or more unauthorised, malicious or criminal acts involving accessing, using, processing, or operating of any *computer system*. This also includes any threat or hoax of these acts.

## Cyber incident

Any of the following:

- one or more errors or omissions involving accessing, using, processing, or operating any *computer system*
- one or more occurrences when any *computer system* is partially or totally unavailable
- one or more failures to access, process, use or operate any *computer system*.

## Damage

Sudden, unforeseen, accidental physical loss and sudden, unforeseen, accidental physical damage that occurs at a specific place and time.

## Electronic data

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

## Employee

Any of the following while working for any *insured* in connection with the *business*:

- a person under a contract of service or apprenticeship with any *insured*
- a person hired or borrowed by any *insured*
- a labour only sub-contractor.

## Event

A sudden, accidental and unforeseen occurrence that causes *damage* or *personal injury* that you do not intend or expect.

## Excluded Acts

The following Acts of the New Zealand Parliament and any amendment to, re-enactment or substitution of, regulation of, or other subordinate legislation made under, such Acts:

- Arms Act 1983
- Aviation Crimes Act 1972
- Commerce Act 1986
- Crimes Act 1961
- Criminal Investigations (Blood Samples) Act 1995
- Hazardous Substances and New Organisms Act 1996 but only as it relates to new organisms
- Misuse of Drugs Act 1975
- Criminal Proceeds (Recovery) Act 2009
- Summary Offences Act 1981
- Land Transport Act 1998, or
- any other Act shown in your *policy schedule* as an Excluded Act.

## Gross profit

The amount by which the sum of the *turnover* and the amount of the closing *stock* will exceed the sum of the amount of the opening *stock* and the amount of the uninsured working expenses.

Note: The amount of the opening and closing *stocks* will be arrived at in accordance with your normal accounting methods, due provision being made for depreciation. The words and expressions used will have the meaning usually attached to them in your books and accounts including uninsured working expenses listed in your *policy schedule*.

## Indemnity period

The indemnity period means the continuous period beginning with:

- the date of occurrence of the *damage*; or
- if you have elected Automatic extension – ‘Deferral of indemnity’, the date to which you have deferred the commencement of the indemnity period in accordance with the extension and ending not later than the expiry of the number of months shown in your *policy schedule* during which the results of the *business* are affected in consequence of the *damage*.

**Insured**

The person, company, or entity listed as 'Who's insured' on your *policy schedule* domiciled in New Zealand.

**Machine**

Any contrivance for the conversion and direction of motion or energy, or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

**Material information**

Any information which might influence the decision we make as to whether to provide insurance and if so on what terms and at what premium.

**Micro-organisms**

Living things such as amoeba, bacteria, fungi, mould, protozoa, and any similar or like forms.

**Natural disaster**

Earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, subterranean fire, or fire resulting from any of these.

**Natural disaster damage**

Any of the following:

- *damage* directly or indirectly caused by or resulting from *natural disaster*;
- *damage* occurring (whether accidentally or not) as the direct result of measures taken under proper authority to avoid the spreading of, or otherwise to reduce the consequences of, any such *damage* but does not include any *damage* for which compensation is payable under any *Act*.

**Period of insurance**

When your policy starts, to when it ends. It is shown on your *policy schedule*, unless the policy is ended earlier.

**Personal injury**

Any of the following:

- death, or physical external or internal bodily injury
- illness, sickness, disease, debilitating or degenerative condition, or disability
- mental injury, mental anguish, shock, or fright.

**Persons insured**

Any of the following:

- any person who holds the position of or performs the duties of director, executive officer, trustee, secretary, manager, partner, or who holds any other position as an *employee* of the *insured* while acting in that capacity
- the officers, committees and members of the *insured's* own canteen, social sports and child care facilities or welfare organisations, first aid, fire and ambulance services, pension fund management and administrative committees in their respective capacities as such
- any *subsidiary company*.

**Policy schedule**

The most recent policy schedule we have sent you which includes, who's insured, business description, business address and the policy modules you have selected.

**Premises**

The business address shown on your *policy schedule*.

**Pressure vessel**

A vessel that, in normal use, is subject to generated or applied fluid pressure.

**Rate of gross profit**

Subject to any *standard adjustments*:

- where your *business* has been trading for less than 12 months: the rate of gross profit earned on the *turnover* during the period between the date of the commencement of your *business* and the date of the *damage*, or
- in all other cases: the rate of gross profit earned on the *turnover* during the financial year of the *business* immediately before the date of the *damage*.

**Refrigeration machinery**

Refrigeration units ordinarily used for the storage of food including all integral parts of them.

**Regulations**

Any regulations made under or framed in accordance with any *Act*, or any regulation or bylaw of any local authority.

Any specific regulation referred to also means any substitution of, amendment to or replacement of such regulation.

**Reparation**

An amount ordered by a New Zealand Court under Section 32 of the Sentencing Act 2002 to be paid to the victim of an offence. Reparation does not include:

- damages, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against, or
- your defence costs in relation to an offence.

**Standard adjustments**

Any adjustments necessary to provide for:

- the trend of your *business*; and
- variations in your *business*; or
- other special circumstances affecting your *business*; that occur before or after the *damage*, or would have affected your *business* had the *damage* not occurred.

The final adjusted figures will represent as nearly as may be reasonably practicable the results that would have been obtained during the relative period after the loss but for the insured *damage*.

**Standard turnover**

Subject to any *standard adjustments*:

- where your *business* has been trading for less than 12 months: the proportional equivalent, for a period equal to the *indemnity period*, of the *turnover* realised during the period between the commencement of your *business* and the date of the *damage*, or
- in all other cases; the *turnover* during that period in the 12 months immediately before the date of the *damage* that corresponds with the *indemnity period*.

**Stock**

Stock and materials in trade.

**Subsidiary company**

Any of the following:

- any company that, at the inception of the *period of insurance*, by any applicable legislation, was or is deemed to be a subsidiary of the *insured*
- any company in which the company named in your *policy schedule*:
  - owns or directly or indirectly controls more than fifty percent of the issued share capital
  - controls the composition of the board of directors
  - exercises effective management and control, either directly or through one or more of its subsidiary companies, or
- any other company whose accounts are consolidated into those of the company named in your *policy schedule* in accordance with the relevant New Zealand Accounting Standard.

**Sum Insured**

The applicable Sum Insured shown on your *policy schedule*. The Sum Insured is the amount determined when your policy begins and at each renewal. It is shown on your *policy schedule* and you can discuss the value with us at any time.

**Turnover**

The money paid or payable to you for goods sold and delivered and for services rendered in course of the *business* at the *premises*.

**Vehicle**

Any type of *machine* on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such *machine* while attached to it.

**Watercraft**

Any type of craft, vessel or thing made or intended to float on or in or travel through water.



# Can we help with anything else?

## Home Insurance

Protection for the place you love to call home.

## Contents Insurance

Cover for your personal belongings at home and around New Zealand.

## Limited Contents Insurance

Cover to protect your contents against burglary, fire, storm, flood or natural disaster.

## Comprehensive Car Insurance

Comprehensive cover with optional extras to suit your car.

## Third Party, Fire and Theft Car Insurance

All the benefits of Third Party Car Insurance and cover if your car is stolen or damaged by fire.

## Third Party Car Insurance

Cover if you accidentally damage another person's vehicle or property.

## Landlord Insurance

Protection for your investment property.

## Classic Vehicle Insurance

Specialised cover to protect your pride and joy.

## Motorhome Insurance

Cover for your home away from home.

## Caravan/Trailer Insurance

Put your worries about what you're towing behind you.

## Motorcycle Insurance

Tailored cover to suit your motorcycle.

## Small Business Insurance

Flexible cover to suit your small business needs.

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## We're here to help you

Call us anytime

**0800 500 213**

Visit us online

**[aainsurance.co.nz](https://aainsurance.co.nz)**

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