



AA Small Business Insurance Policy

Here are the details of your
Public and Products Liability
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

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**

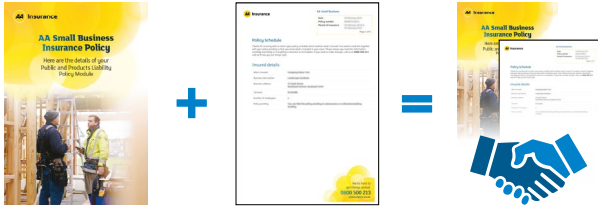
We're here to
get things sorted.

0800 500 213
aainsurance.co.nz

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 15.

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 an *occurrence*, claim or been served with legal proceedings which could be covered under this policy 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 all amounts you become legally liable to pay as direct compensation for:

- *personal injury*, or
- *damage to property*

happening within the *geographical limits* during the *period of insurance* as a result of an *occurrence* in connection with the *business*.

Limits on what we will pay

The total amount payable by us for all amounts in respect of:

- one *occurrence* or series of *occurrences* as a result of or attributable to one source or original cause
- any one *period of insurance* for all claims in respect of *products*, and
- any one *period of insurance* for all claims in respect of releases (including discharge, dispersal, seepage, migration and escape) of *pollutants*

is the limit of indemnity shown in your *policy schedule* irrespective of the number of parties entitled to cover under this policy module.

For the purposes of establishing the total amount payable by us for one *period of insurance*, it is understood that any releases of *pollutants* as a result of or attributable to one source or original cause (regardless of whether the release is continuous or intermittent) will be considered as one release.

If we accept a claim under this policy we will also pay *defence costs* for any actual or threatened legal action against you relating to or otherwise arising from the *occurrence* or *occurrences*.

Automatic extensions

The following extensions are automatically included in your cover.

Compensation for court appearance

We will pay you \$250 per day for each day on which you attend as a witness in connection with a claim brought under this policy.

The most we will pay is \$7,500 in any one *period of insurance*.

Defamation

We will cover you for your legal liability for defamation or invasion of right of privacy.

However, there is no cover arising out of defamation conducted by or on your behalf:

- when the first publication was made before the commencement of the *period of insurance*, or
- made at your direction with knowledge of its falsity, or
- made as part of or relating to:
 - advertising, broadcasting or telecasting activities
 - activities using the internet or intranet
 - publication of newspapers, journals or books.

Employees' personal effects

We will cover you for your legal liability to pay direct compensation as a result of *damage* to the personal effects of your *employees*.

Exemplary damages

We will cover you for your legal liability for exemplary *damages* awarded by any New Zealand court in respect of *personal injury* happening in New Zealand, provided that:

- there is no cover in respect of exemplary *damages* arising out of any dishonest or malicious act or omission by you, and
- you have not revealed the existence or terms of this cover without our written consent, unless legally obliged to do so.

The most we will pay in any one *period of insurance* is \$1,000,000 or the limit of indemnity, whichever is the lesser, inclusive of any *defence costs*.

Indemnity to landlord

We will cover you for your legal liability under a lease agreement to indemnify your lessor against third party actions, suits or demands to pay direct compensation as a result of *personal injury* or *damage to property*.

Product recall

We will contribute to those costs you are legally liable to pay for physically recalling or withdrawing *products* that have already given rise to a claim covered by this policy, if we agree that such recall or withdrawal is necessary to prevent similar claims arising.

Our contribution will be limited to 80% of the costs subject to a maximum contribution by us of \$100,000 in respect of all such costs incurred for all recalls or withdrawals in any one *period of insurance*.

An excess of \$2,500 will apply under this extension for each *occurrence*.

Lost keys and access control devices

We will cover you for your legal liability to pay direct compensation for *damage to property* arising out of loss of keys or access control devices under your care, custody or control.

We will also pay the costs incurred for the necessary replacement or alteration of the locks at third party premises.

An excess of \$1,000 will apply under this extension for each *occurrence*.

Goods on hook

We will cover you for your legal liability to pay direct compensation for *damage to property* not owned by you but under your care, custody or control while being lifted by cranes or fork hoists.

The cover provided under this extension:

- is for your liability to pay the costs of the necessary repair or replacement of the property on the crane's hook or the fork hoist, and
- does not include any liability you may have to pay compensation for consequential loss.

The most we will pay under this extension is \$50,000 in any one *period of insurance*.

An excess of \$1,000 will apply to claims under this extension for each *occurrence*.

Reparation

We will cover you for your legal liability to pay *reparation* in respect of *personal injury* or *damage to property* happening within the *geographical limits* during the *period of insurance* as a result of an *occurrence* in connection with the *business*.

Provided that:

- you notify us immediately if you are charged with any offence in connection with the *business* which has resulted in *personal injury* to another person or *damage to property*,
- you do not make any offer of *reparation* (including as part of any case management conference or sentencing hearing) without our written approval.

The most we will pay for *reparation* claims is \$250,000 irrespective of the number of parties entitled to cover under this policy.

Cover for *defence costs* does not apply to a claim under this extension. We will not pay *defence costs* in relation to an offence or where your liability (in whole or in part) is to pay *reparation*.

This extension does not cover *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015.

Property in care, custody or control

We will cover you for your legal liability to pay direct compensation as a result of *damage to property* in your care, custody or control.

However we will not cover *damage to property*:

- in respect of which and to the extent that you have agreed to provide insurance
- owned, leased, rented or hired by you or under any hire purchase or conditional agreement
- being land or buildings including their fixtures and fittings
- being *vehicles* or *watercraft* held for service or repair
- being property in storage and in your care, custody or control while you store the property as a bailee for reward, or
- while being lifted by cranes or fork hoists and under your care, custody or control.

The most we will pay under this extension is \$500,000 in any one *period of insurance*.

An excess of \$1,000 will apply under this extension for each *occurrence*.

Motor and watercraft repair

We will cover you for your legal liability caused by or arising out of the repair, renovation, maintenance, installation or servicing by you of any:

- *vehicle*
- *watercraft* not exceeding 8 metres in length
- internal combustion engines, or
- accessories or fittings of any of the above

where such items are or have been in your care, custody or control, but are not owned, hired, leased, rented or borrowed by you.

However, cover is not provided for your legal liability to pay the cost of performing, completing, correcting or improving any work done or undertaken or rectifying defective work. This exclusion will not apply to legal liability for resultant *damage* to other separate property or parts that you have not been working on.

The most we will pay under this extension is \$500,000 for any one *occurrence* for the item under repair, renovation, installation or servicing.

An excess of \$1,000 will apply under this extension for each *occurrence*.

We will not cover you under this extension for your legal liability for *personal injury* or *damage to property* that occurs while any *vehicle* or *watercraft* is being driven, sailed or navigated by you if you:

- do not have a valid licence that authorises you to drive the *vehicle* at the time of the *occurrence*
- at the time of the *occurrence* are under the influence of alcohol, drugs or any other intoxicating substance, or you have a blood or breath alcohol level in excess of the legal limit, or refuse to take any test for alcohol or drug content in the body, breath or blood after being lawfully required to do so
- fail to stop or leave the scene of the *occurrence* when it is an offence to do so.

Tenant's liability

We will cover you for your legal liability to pay direct compensation as a result of *damage to premises* (including their fixtures and fittings) leased or rented by you or in your custody or control but not owned by you, or for *damage to property* in *business premises* that you temporarily occupy, but excluding legal liability arising in connection with your failure to arrange insurance on the property.

Vibration or weakening of support

We will cover you for your legal liability to pay direct compensation as a result of *personal injury* or *damage to property* caused by vibration or the withdrawal or weakening of support of any structure or land.

The most we will pay under this extension is \$500,000 in any one *period of insurance*.

An excess of \$5,000 will apply to claims under this extension for each *occurrence*.

Mechanical plant and machinery

We will cover you for your legal liability to pay direct compensation as a result of *personal injury* or *damage to property* arising in connection with any tool of trade or item of mechanically propelled plant or item of machinery that is being operated as such, independent of any *vehicle* whether or not it is attached to a *vehicle*, and not operated solely as a *vehicle*.

Additional extensions, memoranda and endorsements

If any of the following extensions or memoranda apply, they will be shown on your *policy schedule* under 'Additional extensions'.

Unless otherwise stated these extensions and memoranda are subject to all provisions of this policy module.

If there is any conflict or inconsistency between this extension or memoranda, only the more particular extension or memorandum will apply.

Fire risk work away

We will only cover you for the application of heat involving a naked flame or open heat source that takes place away from your own *premises*, if all of the following apply:

- the area of the work is cleared of combustible material for a safe distance from or beneath the place where such work is being carried out. A safe distance will be at least six metres from the place where welding or cutting operations are carried out. Where these precautions cannot practically be met, the combustible material will be covered with fireproof blankets or similar protective equipment. Combustible parts of *premises* will also be protected
- a fire extinguisher of a type and capacity suitable for the combustible material and the *premises* is kept immediately adjacent to the area of work and available for immediate use
- the equipment providing the heat or flame is lit or switched on for as short a time as possible before use and extinguished immediately after use
- lighted or heated equipment is not left unattended
- a thorough examination for any signs of combustion is made within or below the area in which work has been undertaken half an hour after the termination of each period of work
- before applying heat to metal built into or projecting through walls, floors or ceilings an examination is made to ensure that the other end of the metal is not in hazardous proximity to combustible material.

Defective workmanship

We will cover you for your legal liability to pay direct compensation (including liability for resulting loss of use) consequent upon *accidental damage to property* on which you are or have been working, where the *damage* is caused by your defective *workmanship*, providing that:

- the defective *workmanship* is done or undertaken by you during the *period of insurance*; and
- the *damage to property* happens within the *geographical limits*.

The most we will pay under this extension is the limit shown on your *policy schedule*, in any one *period of insurance* inclusive of any *defence costs*.

An excess of \$1,000 will apply to claims under this extension for each *occurrence*.

Deep frying equipment

If, at the *premises*, there is any deep frying with oil or fat you warrant that:

- each vat is fitted with a close-fitting steel lid that is shut when the vat is not in use, and the lid is readily available to cover the vat in the *event* of a fire
- a fire blanket with minimum dimension of 1.8m by 1.8m is installed in a conspicuous place close to, but not less than 2m from, the frying operation and that the fire blanket is readily accessible for immediate use during any deep-frying operation
- a fully charged wet chemical extinguisher or other similar 'F'-rated fire extinguisher complying with the New Zealand Standard NZS 4503 (Hand Operated Fire Fighting Equipment) is installed in a conspicuous place close to, but not less than 2m from, the frying operation and is accessible for immediate use during any deep-frying operation
- all thermostats, pans, blankets and extinguishers are always maintained in good working order
- extraction filters are cleaned weekly and extraction flues and ducting inspected monthly and cleaned as necessary
- where the fryer is an electric fryer a separate non-adjustable manual reset thermostat is fitted to it and set to disconnect the power supply when the temperature of the cooking liquids reaches 220 degrees centigrade, and
- all cooking liquids for disposal are always stored in a metal bin with a close-fitting metal lid until removal from the *premises*.

If you are not the occupier of the *premises* or operator of the equipment, you will in writing instruct the occupier and operator to carry out all the requirements above to ensure that the terms of this extension are always met.

Hairdressers and beauty therapists treatment risk

We will cover you for your legal liability for direct compensation as a result of *personal injury* to customers arising in connection with treatment prescribed or administered by you provided that:

- no claims will be admitted for any *personal injury* sustained or alleged to be sustained or becoming evident more than 30 days after treatment, and
- no claims will be admitted for any *personal injury* sustained arising from surgical beauty treatments or the use of ultraviolet (UV) or any similar radiation.

The most we will pay under this extension is \$100,000 in any one *period of insurance*.

An excess of \$1,000 will apply under this extension for each *occurrence*.

Warrant of Fitness

We will cover you for your legal liability to pay direct compensation for any negligent act, error or omission occurring within the *period of insurance* arising from your inspection and certification of *vehicles* for issuing Warrants of Fitness, other inspection certificates, *vehicle* appraisal services and pre-purchase reports.

Provided that:

- this extension will not apply to your liability in connection with the valuation of any *vehicle*
- this extension will not apply to your liability in connection with Certificates of Fitness
- you are licensed and qualified to issue Warrants of Fitness, and
- you hold any required license or qualification to issue other inspection certificates or pre-purchase reports, or to offer any *vehicle* appraisal services.

The most we will pay under this extension is the figure specified in your *policy schedule* in any one *period of insurance* including claimants' costs and expenses.

The following excesses will apply under this extension for each *occurrence*:

- \$1,000 for Warrants of Fitness
- \$2,500 for pre-purchase reports, *vehicle* appraisal services and other inspection certificates.

Burning in the open air

It is a condition of this policy that when you burn in an open-air location the following precautions must be complied with:

- fires to be in a cleared area and at a distance of at least nine metres from any property
- fires are not to be left unattended at any time
- a suitable fire extinguisher is to be kept available for immediate use, and
- fires are to be extinguished at least one hour before leaving the site.

Warrant of Fitness and Certificate of Fitness

We will cover you for your legal liability to pay direct compensation for any negligent act, error or omission occurring within the *period of insurance* arising from your inspection and certification of *vehicles* for issuing Warrants of Fitness, Certificates of Fitness, other inspection certificates, *vehicle* appraisal services and pre-purchase reports.

Provided that:

- this extension will not apply to your liability in connection with the valuation of any *vehicle*
- you are licensed and qualified to issue Warrants of Fitness or Certificates of Fitness, and
- you hold any required license or qualification to issue other inspection certificates or pre-purchase reports, or to offer any *vehicle* appraisal services.

The most we will pay under this extension is \$1,000,000, in any one *period of insurance* including claimants' costs and expenses.

The following excesses will apply under this extension for each *occurrence*:

- \$1,000 for Warrants of Fitness and Certificates of Fitness
- \$2,500 for pre-purchase reports, *vehicle* appraisal services and other inspection certificates.

Computer services

This policy does not cover you for your legal liability arising in connection with the supply of computer software which does not correctly perform its intended function or which causes *personal injury* or *damage to property*.

Non-efficacy installation

This policy does not cover you for your legal liability for *personal injury* or *damage to property* directly or indirectly caused by or alleged to be caused by the failure of any *products* installed, serviced or repaired by you to correctly perform their intended function where the failure arises from such installation, servicing or repair.

Faulty packing

This policy does not cover you for your legal liability for *personal injury* or *damage to property* directly or indirectly caused by inadequate or incorrect packing.

Paint and cladding products

This policy does not cover you for your legal liability for *damage* to any surface to which any *product* supplied by you is applied.

Amended pollutants exclusion

The *pollutants* exclusion is deleted and replaced by the following:

This policy does not cover you for your legal liability directly or indirectly caused by or arising out of *pollutants* unless caused by or arising out of an identifiable, unexpected and *accidental* release (including discharge, dispersal, seepage, migration and escape) of *pollutants* which commences during any *period of insurance* and is:

- detected within 7 days of its commencement, and
- reported to us within 7 days of its being detected.

The commencement of any intermittent release shall be deemed to be at the start of the first release of the series.

Clean up costs exclusion

This policy does not cover you for any costs arising out of any obligation on you to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise, or in any way respond to or assess the effects of *pollutants* on structures, *premises*, sites or land currently or previously owned, occupied, used by you or under your control where the obligation arises out of such ownership, occupancy, use or control by you.

Genetic modification

This policy does not cover you for your legal liability for *personal injury* or *damage to property* directly or indirectly caused by:

- the production, supply or presence on any *premises* of any genetically modified organism or any other material that has been genetically modified where liability may be directly or indirectly attributed to the genetic characteristics of such organism or material, or
- the spread or the threat of spread of any genetically modified organism characteristics into the environment or any change to the environment arising from research into, testing or production of genetically modified organisms or other material.

Advice, design, formula or specification exclusion

This policy does not cover you for your legal liability arising in connection with error or omission in:

- advice, directions, instructions, markings or warnings given or omitted to be given, or
- design, formula or specification.

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 all the following conditions:

- take all reasonable steps to minimise the loss and prevent further loss
- 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
- tell us if you or any person entitled to cover is charged with any offence which has resulted in *personal injury*
- do not make any offer of *reparation* (including as part of any case management conference or sentencing hearing) without getting our prior consent in writing.

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, or damaged 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 lost or stolen property for which we have paid a claim is later found or recovered, you must:

- tell us immediately, and
- if we request it, hand the property over to us.

We have the right to keep any property, including any proceeds from its sale, for which we have paid a claim under this policy subject to adjustment if you have not been fully indemnified for your loss.

If any person is ordered to make or otherwise makes *reparation* to you for loss or *damage* to any property 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 of limit of indemnity

We may at any time pay to you the appropriate limit of indemnity (after deduction of any amounts already paid) or any lesser amount for which a claim or claims can be settled. Following payment under this section we will relinquish control of the claim or claims and we will be under no further liability in connection with it, except for costs and expenses incurred before the date of the payment.

Contribution to costs

Where the amount paid to settle any claim against you exceeds the limit of indemnity in this policy, our obligation to pay *defence costs* under this policy is limited to a proportion of the *defence costs* that is equivalent to the proportion that the limit of indemnity bears to the total amount paid.

This only applies when we have not exercised our right under 'Payment of limit of indemnity' above.

What you are not covered for

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

Asbestos

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by or arising out of or in connection with:

- the inhalation of
- exposure to
- fears of the consequences of inhalation or exposure to
- cleaning up, removal of, or
- *damage* to or loss of use of any property arising out of asbestos, asbestos fibres or any derivatives of asbestos.

Building defects and mould

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by or arising in connection with any of the following:

- the action or effects of *micro-organisms*, mildew, rot, decay, gradual deterioration, or any similar or like forms present in any building or structure
- the failure of any building or structure to comply with or perform to the requirements of any building code or to meet the level of performance, quality, fitness or durability of its intended purpose
- the failure of any building or structure to contain or incorporate materials, a design, a system or a standard of work which effectively prevents or manages the presence or penetration of moisture or water to which the building or structure might reasonably be subjected.

In addition, this policy does not cover you for any costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of, or in any way responding to or assessing the effects of *micro-organisms*, mildew, rot, decay, gradual deterioration, or any similar or like forms.

However, we will cover you for *personal injury* or *damage to property* that is caused by or arises out of leakage of internal water pipes, cisterns or sewerage systems.

Aerial device products

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by *products* intended specifically for, and installed in or on, any *aerial device*, or directly or indirectly caused by or arising in connection with *products* which you knew would be installed and where such *products* are essential to the operation or navigation of any *aerial device*.

Defective work

This policy does not cover any *personal injury* or *damage to property* where your liability is for the cost of performing, completing, correcting or improving any work done or undertaken by you.

However, we will cover you for your legal liability for resultant *damage* to other separate property or parts that you have not been working on.

This exclusion does not apply where cover is provided under the Additional extension – ‘Defective workmanship’.

Watercraft and aircraft

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by your ownership, possession, operation, repair, maintenance or use of any:

- *aerial devices*, or
- *watercraft* exceeding 8 metres in length.

Vehicles

This policy does not cover any *personal injury* or *damage to property* caused by the ownership, possession, or your use of any *vehicle* which is or should have been registered or is otherwise insured in respect of the same liability.

However if you are not entitled to cover under any other policy, this exclusion will not apply to claims arising from:

- the loading or unloading of a *vehicle* or the bringing to or taking away of a load from a *vehicle*, or
- the use of the *vehicle* as a tool of trade but not use as a motor *vehicle*.

This exclusion does not apply where cover is provided under the Automatic extension – ‘Motor and watercraft repair’.

Property in care, custody or control

This policy does not cover any *damage to property* owned, occupied or held in trust by you or in your care, custody or control other than:

- *premises* that are not owned or rented by you but at which you are undertaking work in connection with the *business*, or
- property in your custody or control in any free car park operated by you.

This exclusion does not apply where cover is provided under the Automatic extensions – ‘Motor and watercraft repair’, ‘Property in care custody or control’ or ‘Goods on hook’.

Fines and penalties

This policy does not cover your legal liability, in respect of any fines, penalties, *reparation*, exemplary, aggravated or liquidated *damages*, except where cover is provided under the Automatic extensions – ‘Exemplary damages’ or ‘Reparation’.

Fraudulent or criminal intent

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by any act or omission having fraudulent, dishonest, criminal or malicious intent.

Loss of use

This policy does not cover any *personal injury*, *damage to property* or loss of use of tangible property that has not been physically damaged or destroyed resulting from:

- a delay in or lack of performance by you of any contract or agreement, or
- the failure of *products* or work performed by you to meet the level of performance, quality, fitness or durability warranted or represented by you.

This does not apply to loss of use of other tangible property resulting from the sudden and *accidental* physical *damage* to or destruction of *products* or work performed by you after such *products* or work have been put to their intended use by any person or organisation other than you.

Product repair or replacement

This policy does not cover in respect of any amount payable for the cost of recalling, withdrawing, replacing, or repairing *products* or of making any refund on the price paid for *products*, provided that this exclusion does not apply to liability for physical loss or *damage to products* caused by other *products* if they were physically independent at the time of such physical loss or *damage*.

This exclusion does not apply where cover is provided under the Additional extension – ‘Defective workmanship’.

Underground services

This policy does not cover any *damage to property* in respect of underground services, pipes or cables or legal liability arising out of that *damage* regardless of how the *damage* is caused unless you have taken all reasonable steps immediately prior to the commencement of the work to establish the position of such services and have taken all reasonable steps to avoid *damage*.

An excess of \$5,000 will apply for each *occurrence*.

Professional duty

This policy does not cover any *personal injury* or *damage to property* arising out of a breach of the duty owed in a professional capacity by you, but this does not apply to services rendered by members of your own first aid or ambulance services.

Consequential loss or costs you incur

This policy does not cover any of the following:

- consequential losses of any kind
- costs or expenses you may incur to prove or help us with your claim
- costs that are not related to your claim.

This exclusion includes, but is not limited to, the following:

- loss of income
- loss of or reduction in value
- additional costs incurred
- your time or anyone else’s time or materials used
- inconvenience or disruption
- any other liability incurred.

Pollutants

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by or arising out of *pollutants* unless caused by or arising out of an identifiable and sudden *accidental* and unexpected release (including discharge, dispersal, seepage, migration and escape) of *pollutants* that takes place in its entirety at a specific time and place.

Employees and Accident Compensation Act

This policy does not cover any *personal injury* to or *damage to property* of:

- any *employee* other than a person hired or borrowed by the *insured* or any labour only subcontractor; or
- any person where the *personal injury* falls within the scope of cover provided by the Accident Compensation Act 2001 or any liability imposed by the provisions of any worker’s compensation legislation or any accident compensation legislation or any industrial award or agreement or determination, or would fall within the scope of cover but for:
 - a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or to claim any amount he or she would be entitled to under the Act for any other reason whatsoever, or
 - the decision of any authority including the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

This exclusion does not apply where cover is provided under the Automatic extension – ‘Employees’ personal effects’.

Liability under agreement

This policy does not cover any *personal injury* or *damage to property* arising out of or in connection with liability assumed under an agreement unless such liability:

- would have attached in the absence of such agreement
- is assumed by you under a warranty of fitness or quality, or is implied by law, in respect of *products*.

This exclusion does not apply where cover is provided under the Automatic extension – ‘Indemnity to landlord’.

Vibration or weakening of support

This policy does not cover any *personal injury* or *damage to property* directly or indirectly caused by vibration or by the withdrawal or weakening of support of any structure or land.

This exclusion does not apply where cover is provided under the Automatic extension – ‘Vibration or weakening of support’.

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).

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.

Intentional or reckless acts

This policy does not cover any *personal injury* or *damage to property* arising directly or indirectly from any intentional or reckless act or omission.

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 of any type, 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.

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 and software being damaged, distorted, deleted, corrupted, altered, misinterpreted, or misappropriated
- error in creating, amending, entering, deleting or using electronic data and software
- inability or failure to receive, send, access or use electronic data and software for any period of time
- any loss of use, reduction of functionality, repair, replacement, restoration or reproduction of any electronic data and software
- the value of any electronic data and software
- 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 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 that has been caused by a *cyber incident* or *cyber act*.

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.

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.

You must tell us if there is a change in 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.

Cross liability

Any claim made by you against any other *insured* or *person insured* will be treated as though you are not an *insured* or *person insured*. Where more than one party is described as an *insured* or *person insured* each such party will constitute a separate *insured* or *person insured* for this clause.

Provided that nothing contained in this condition:

- will operate to increase the limit of indemnity shown on your *policy schedule*,
- overrides the provisions of How we administer your policy – ‘You are jointly insured’.

Premium adjustment

If any part of the premium or renewal premium is based on estimates furnished by you, you will keep an accurate record containing all relevant details and will allow us to inspect such record. Within a reasonable period of the expiry of each *period of insurance* you will provide us with such information as we may require. The premium or renewal premium will be adjusted and the difference paid by or allowed to you.

You must comply with certain conditions

You must avoid loss, damage or liability

You will 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
- 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 and property
- maintain *premises* and plant and everything used in the *business* in proper repair and at your own expense remedy any defect or eliminate any danger that may give rise to *personal injury* or *damage to property*.

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.

Jurisdiction

This insurance will not apply to any judgment delivered by a court outside New Zealand (or any judgment, registration or order obtained in New Zealand to enforce that same judgment) where you are represented in a country outside New Zealand by or through any of the following:

- branch
- trading division
- *subsidiary company*
- associated company or companies
- *employee* or company holding a power of attorney on your behalf.

This condition does not apply to your activities where you have a normal place of residence in New Zealand and are away from New Zealand for a short time in connection with the incidental performance of clerical, managerial, marketing or sales responsibilities, but not the performance of actual assembly, construction, dismantling, farming, manufacture, renovation or repair work, and not involving the performance of any other physical work of a manual nature or in respect of a trade.

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 cancellation 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

Accident / Accidental

An unforeseen and unintended happening or *event* occurring anywhere within New Zealand.

Aerial device

Any type of aircraft, hovercraft, spacecraft or other craft or thing made or intended to float on or in or travel through air or space.

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.

Damages

Amounts payable under any judgment against you and/or settlements negotiated by us, including the other party's costs where applicable, and includes interest on any judgment that accrues after entry of the judgment and before we have paid, tendered or deposited in court that part of the judgment that does not exceed the appropriate limit of liability, limit of indemnity or Sum Insured shown in your *policy schedule*.

Damages do not include fines, penalties, *reparation*, or any other form of criminal sanction, non-pecuniary relief, taxes or any payment deemed to be unlawful to insure against.

Damage to property

Physical loss of or *damage* to tangible property including resultant loss of use and also loss of use of tangible property that has not been physically damaged or destroyed provided such loss of use is caused by an *occurrence*.

Defence costs

All reasonable legal costs and expenses for expert assistance (other than your wages, salaries, lost earnings or fees) incurred by you or on your behalf with our consent (which will not be unreasonably withheld) in defending, investigating, monitoring, settling, or appealing any proceeding made against you.

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.

Geographical limits

- New Zealand; or
- elsewhere in the world but only in respect of *personal injury* or *damage to property* that arises out of:
 - the activities of any *persons insured* whose normal place of residence is in New Zealand but who is away for a short time in connection with the incidental performance of clerical, managerial, marketing or sales responsibilities but not the performance of actual assembly, construction, dismantling, farming, manufacture, renovation or repair work and not involving the performance of any other physical work of a manual nature or in respect of a trade; or
 - *products* supplied from New Zealand but the cover granted for such *products* will not apply to claims happening in the United States of America or its territories or possessions and/or Canada if to the knowledge of any of the *persons insured* such *products* have been or will be supplied to a person, company or organisation within those areas whether or not in their original form.

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 or 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.

Occurrence

An *event*, including continuous or repeated exposure to substantially the same general conditions, that results in *personal injury* or *damage to property* neither expected nor intended by you. All occurrences of a series as a result of or attributable to one source or original cause will be deemed one occurrence.

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.

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapour, soot, fumes, acids, alkalis, *micro-organisms*, chemicals, sewage and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Premises

The business address shown in your *policy schedule*.

Products

Anything including any packaging or container (other than a *vehicle*) supplied, sold, distributed, grown, extracted, manufactured, constructed, erected, installed, serviced, repaired or treated by you in the course of the *business* after it has ceased to be in your possession or under your control, and also includes:

- the design formula or specification of such products;
- directions, markings, instructions, warnings or advice given or omitted to be given in connection with such products.

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.

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.

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.

Workmanship

Work done in the process of manufacturing, constructing, erecting, installing, servicing, repairing or treating property.

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.

We're here to help you

Call us anytime

0800 500 213

Visit us online

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

