



AA Small Business Insurance Policy

Here are the details of your
Business Contents and Stock
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**

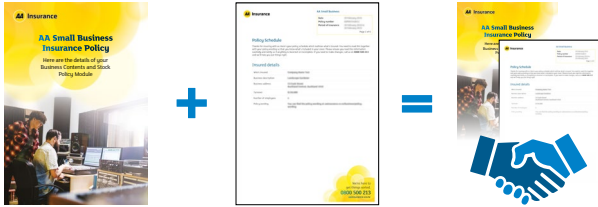
We're here to
get things sorted.

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 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 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 *damage* to any of the *insured property* at the *premises* during the *period of insurance*.

Limits on what we will pay

The most we will pay for all *insured property* is the total *Sum Insured*.

Where you have declared a *Sum Insured* for an item or category of items, the most we will pay is the corresponding *Sum Insured*.

Where you have *insured property* at more than one *premises*, the most we will pay is the corresponding *Sum Insured* for each *premises*.

Sub limits

If any sub limit in this policy document is higher than the *Sum Insured* for the applicable item of *insured property* the sub limit does not apply, and the most we will pay is the *Sum Insured*.

Property insured under any other policy module

If you have cover under this Business Contents and Stock policy module and any other policy module for the same item of property, you are only entitled to cover under one policy module for any one *event*.

Reinstatement of amount of insurance

In the *event* of *damage* for which a claim is payable, the amount of insurance cancelled by such *damage* will be automatically reinstated from the date of the *event*.

You must undertake to pay such pro-rata premium at the rate applicable to the *insured property* concerned as may be required for the reinstatement.

There will be no automatic reinstatement of insurance in the case of *natural disaster damage*.

Automatic extensions

The following extensions are automatically included in your cover.

Money

We will cover you for the physical loss of *money* as set out below.

Section A

We will cover you:

- during *business hours* for loss of *money* at your *premises* or your sites of contract
- outside of *business hours* for loss of *money* that was in a securely locked safe or strongroom
- for loss of *money* while in transit.

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

Section B

We will cover you for:

- loss of *money* at your residential premises or the premises of any *persons insured*, or
- outside of *business hours* for loss of *money* that was not in a securely locked safe or strongroom.

The most we will pay for any one *event* is \$2,000.

Additional cover

We will cover you for loss of *money* directly resulting from theft accompanied by violence or threat of violence to you.

The standard excess shown on your *policy schedule* will apply to claims under this part of this extension.

We will cover you for theft of *money* that is not excluded from cover under this extension.

The burglary excess shown on your *policy schedule* will apply to claims under this part of this extension.

We will cover you for loss of *money* directly caused by, or resulting, from any *natural disaster*.

Additional exclusions

We will not cover you for any of the following:

- loss due to errors in receiving or paying out
- loss occurring while the *money* is entrusted to any person other than you, or any agent, or any professional *money* carrier
- financial loss resulting from payment of *money* in exchange for any cheque that is subsequently dishonoured
- loss occurring while the *money* is in an unlocked and unattended *vehicle*
- financial loss resulting from theft of *money* or fraud by any of your *employees*; however this does not apply to loss discovered within 72 hours of the act of theft or fraud.

Burglary

We will cover you for *damage* directly resulting from burglary or any attempt at burglary at the *premises* accompanied by:

- forcible entry to or exit from any enclosed building; the burglary excess shown in your *policy schedule* will apply to claims under this part of this extension, or
- violence or threat of violence to persons; the standard excess shown in your *policy schedule* will apply to claims under this part of the extension.

Theft

We will cover you for *damage* resulting from theft, or any attempt at theft, of *insured property* at the *premises* but not theft from any of the below:

- by you or by any of your *employees*
- by any fraudulent scheme or device or false pretence practised on you or on any other person having care of the *insured property*
- from any motor *vehicle* that is not securely locked
- of items specifically excluded from cover on your *policy schedule*.

The most we will pay is \$25,000 for any one *event*. The theft excess shown in your *policy schedule* will apply.

Temporary removal

We will cover you for *damage* to any of the *insured property* (except *stock*) while the *insured property* is temporarily removed to any place in New Zealand or while in transit to or from that place, provided the intention is for the *insured property* to be returned to the *premises*.

The most we will pay for *insured property* which is temporarily removed will not exceed the amount for which we would be liable had the *damage* occurred at the *premises*.

This extension does not apply to any of the *insured property* that is intended for use as a portable item (unless removed for service or repair).

Transit

We will cover you for *damage* to *insured property* which is in transit.

The most we will pay for any one *event* is \$5,000.

Rewards

We will cover you for the costs of a reward offered and paid by you for the protection or recovery of *insured property*, provided the reward contributes to the protection or recovery of the *insured property* and you have obtained our prior approval to offer the reward.

Redundant plant and stock

Redundant plant:

We will cover you for redundant:

- interdependent plant, or
- spare parts of the *insured property* affected if an item of *insured property* is lost or damaged beyond repair following an *event*.

Redundant stock:

We will cover you for unavoidable permanent loss of the value of *undamaged stock* resulting from *damage* to other *insured property*.

Removal costs

We will cover you for costs necessarily incurred for any of the following purposes as a result of *damage* to *insured property*:

- removal of *stock*, plant and other *contents* whether damaged or *undamaged*,
- disposal of debris (including any kind of solid, liquid or gaseous matter) from the *premises* and the area immediately adjacent to the *premises*.

The cover provided under this extension does not include any amounts you become legally liable to pay by way of compensation or other damages resulting from pollution or contamination of property by any of the debris.

Electric motors

We will cover you for *damage* to:

- electric motors and starters that do not individually exceed 3.75 kW (5 hp), and
- distribution switchboards and permanently installed electrical reticulation directly caused by failure of electrical insulation, or abnormal electric current, or electrically induced self-heating while located at the *premises*.

This extension does not apply to *refrigeration machinery*.

Undamaged property

We will cover you for the cost to demolish, *damage* or remove any *undamaged insured property* where these costs are incurred for the sole purpose of reinstating damaged *insured property*. We will also cover you for the cost of reinstating that *insured property* to a condition the same as, but not better nor more extensive than, its condition immediately prior to the demolition, *damage* or removal.

These costs are included in the *Sum Insured* of the *insured property*.

Electronic data

We will cover you for the loss of *electronic data* resulting from electronic equipment suffering *damage* which is covered by this policy.

Cover under this extension excludes the value to you of any *electronic data*.

We will not pay for the cost of recreating, gathering or assembling any *electronic data*.

The most we will pay is \$50,000 for any one *event*.

Software

We will cover you for the cost of resetting, reprogramming, or restoring *software* resulting from electronic equipment covered by this policy suffering *damage*.

The most we will pay is \$50,000 for any one *event*.

Employees' effects

We will cover you for *damage* to the personal effects of any *persons insured*. We will cover this property as if it were *insured property* provided the property is at the *premises* or elsewhere while being worn, carried or used by any *persons insured* while acting in the course of their duties or employment.

The most we will pay under this extension is \$5,000 per *persons insured* per *event*.

Stolen keys

We will cover you for the costs reasonably and necessarily incurred in altering or replacing locks and their keys or combinations where any key (including any equivalent device) or combination giving access to *insured property* at the *premises is stolen* or believed on reasonable grounds to have been duplicated without proper authority. This extends to cover the reasonable cost of opening any safe or strongroom following theft of its key or combination. The costs are included in the *Sum Insured* of the *insured property*.

Protection costs

We will cover you for any costs you reasonably incur for the purpose of, and for *damage* directly resulting from, controlling any cause of *damage* that involves or threatens to involve *insured property*.

However, this extension does not apply to costs or *damage* that would be covered in the absence of this extension.

The most we will pay is \$100,000 for any one *event*.

Social club

We will cover you for the property of any social club, sports club or similar body whose activities are principally for the benefit of your *employees*. The property is deemed to be included in the description of *insured property* as if you owned it.

Other interests

We will cover you and any person or corporate body where you are under an obligation to insure their interest in any of the *insured property*.

However:

- we will not provide cover for any person or corporate body whose interest has not been declared to us by the time cover becomes payable
- the most we will pay to any other person or corporate body will be no more than what we would have paid to you
- any such person or corporate body is not an *insured* or *person insured* under the policy and has no right to claim under the policy.

At our sole discretion, any amount payable on account of a valid claim may be paid to the other person or corporate body. This will meet our obligations under this policy.

Professional fees

We will cover you for all reasonable professional fees, salaries and costs necessarily incurred in reinstating *insured property*. The insured fees, salaries and costs are included in the *Sum Insured* for the *insured property*.

This extension does not apply to fees for preparing claims.

Release of liability

Where legislation or contractual agreement requires you to release:

- Fire and Emergency New Zealand, or
- any oil company, or
- any other party to an agreement that has been declared to and accepted by us,

from liability arising from *damage* covered by this policy, the release is allowed without prejudice to your cover and notwithstanding the subrogation condition of this policy.

Notwithstanding any provisions of this extension, your cover will not be prejudiced by any disclaimer clause in any contract entered into by you for:

- the storage of goods, or
 - the leasing of property,
- whether the storage and leasing contracts are declared to us or not.

Expediting costs

Where your claim has been accepted for the cost of reinstating any *insured property* we will also cover you for such additional costs of express freight within New Zealand and overtime labour as are reasonably incurred to expedite that reinstatement.

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.

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.

Natural disaster

The word *damage* extends to include *natural disaster damage*.

Property under construction

We will cover you for property at the *premises* undergoing installation, construction, demolition, erection, or testing following any of them, provided the property is owned or to be owned or occupied by you and provided the completed value of the contract does not exceed the amount shown in your *policy schedule*.

Seasonal stock increase

The *Sum Insured* on *stock* is automatically increased by the amount shown in your *policy schedule*.

Capital additions

We will cover property (including, but not limited to, alterations, additions and improvements to existing property) you acquire, during the *period of insurance*, while at the *premises*.

However, we will not cover any of the following:

- *stock* in trade
- property of any kind expressly excluded from this insurance
- any appreciation of value that is not due to a physical alteration, addition or improvement.

Cover will start in relation to each item of acquired property when the risk in the property passes to you.

Within 28 days of the last day of each quarter of the *period of insurance*, details of all property acquired during that quarter must be given to us. On receipt of those details we will be entitled to charge an additional premium calculated pro-rata from the date on which cover commenced and the terms of this extension will be fully reinstated. Failure to advise us means there will be no cover for that property.

The most we will pay is the limit shown on your *policy schedule*.

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 *damage* 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.

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 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.

How we will settle your claim

We will choose to settle your claim in any of the following ways:

- Repairing the item
- Replacing the item
- Paying the *Market Value*.

Repairing the item

We can repair, or pay for the repair of the item using a supplier of our choice.

Replacing the item

Where we consider that there is a nearest equivalent item available we can:

- replace the item with the nearest equivalent item, or
- make a payment to you in the form of cash, voucher or store credit for the replacement value of the item.

Electronic data

For *electronic data* we will pay the cost of blank media, plus the cost of copying the *electronic data* from backups or originals.

Paying the Market Value

We may determine that there is no suitable nearest equivalent item available and we can settle those items on the basis of the *Market Value* of the item.

Laptops, notebooks, electronic diaries, video data projectors or similar will always be settled at *Market Value* where the item is more than two years old at the time of the *damage*.

Where we settle your claim at *Market Value* we will make a payment to you in the form of cash, voucher or store credit for the *Market Value* of the item.

Natural disaster claims

The most we will pay for *natural disaster damage* in any one *period of insurance* will not exceed the total *Sum Insured* for *natural disaster*. Where more than one *premises*, item and/or category of *insured property* is included in your *policy schedule*, the most we will pay is the *natural disaster Sum Insured* in respect of each *premises*, item and/or category of *insured property*.

The sum insured adjustment for existing *damage* provided for in the Policy condition – 'Sum insured adjustment for existing damage' will apply to all *Sums Insured* for *natural disaster*.

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*.

Progress claim payments

We will make progress claim payments on production of acceptable evidence of insured loss where *damage* occurs that gives rise to a claim. If the aggregate of progress payments exceeds the total amount of the adjusted loss you will immediately refund the difference.

Paying your claim as a total loss

We can choose to settle your claim as a total loss if the total value of your claim exceeds the *Sum Insured*.

What happens if your claim is a total loss

If we have chosen to settle your claim as a total loss, we will pay you the *Sum Insured* with cash, vouchers, or store credits. We will deduct your total applicable excess from your settlement payment.

Your premium and policy when your claim is a total loss

When your claim is a total loss, you must pay the total premium for the entire *period of insurance* shown on your *policy schedule* in full before we can settle your claim. If you are paying your premium by instalments, we will deduct any unpaid instalments from your settlement payment.

Your policy will end on the date of the *event* and you will not be able to claim on any subsequent *event*. You will not receive any refund of your premium.

Salvage

Where *insured property* is damaged, we may:

- enter any building or other place where the *insured property* is located and take all reasonable and necessary steps to take and keep possession of the damaged *insured property*, and
- deal with the salvage in any reasonable manner.

However:

- you are not entitled to abandon any *insured property* to us, and
- we are not entitled to sell or otherwise dispose of salvaged branded goods without your prior consent. Should you decline to give consent you will retain possession of the salvaged goods and their reasonable salvage value will be deducted from the amount of claim that would otherwise be payable. Where it is practical to remove brands, labels or other marks that identify the goods as supplied by you, the salvage value of the goods will be determined after such removal at our expense.

What you are not covered for

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

Property not covered

This policy does not cover any of the following:

- property undergoing installation, construction, demolition, erection, or testing following any of them unless you have chosen Additional extension – ‘Property under construction’
- *money*, except where cover is provided under Automatic extension – ‘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*), that are registered for use on the road, 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, docks, piers, wharves, mining property located beneath the surface of the ground, and any land including topsoil and backfill
- explosives, fireworks or any other items of that nature
- property other than at the *premises* except where cover is provided under Automatic extensions – ‘Temporary removal’ and/or ‘Transit’
- 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.

Natural events

This policy does not cover *damage to insured property* directly or indirectly caused by or resulting from any of the following:

- action or effects of *micro-organisms*, mildew or rot
- *natural disaster*, unless you have chosen Additional extension – ‘Natural disaster’
- subsidence, landslip, erosion, settling, cracking or movement of the *premises*
- gradual deterioration or decay.

Confiscation

This policy does not cover any loss, *damage*, 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).

Criminal acts and disappearance

This policy does not cover *damage to insured property* directly resulting from:

- theft, except where cover is provided under Automatic extensions – ‘Burglary’, ‘Theft’ and/or ‘Money’, or
- any fraudulent scheme or device or false pretence practised on you or on any other person having care of the *insured property*.

This policy does not cover you for *damage to insured property* arising from any of the following:

- unexplained disappearance
- 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 to a machine or pressure vessel* caused by:

- explosion, overheating, rupture, bursting, cracking, leakage or collapse of steam boilers, pipes, 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’.

Transmission and distribution lines

This policy does not cover any above ground transmission and distribution lines, including wire, cables, poles, pylons, standards, towers, other supporting structures and any equipment of any type which is related to such installations.

This exclusion applies both to *damage to* the equipment and all business interruption, consequential loss, and/or other contingent losses related to transmission and distribution lines.

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.

Pollution or contamination

This policy does not cover *damage to insured property*, directly or indirectly caused by contamination or pollution, or *damage* consisting of, or costs or expenses arising from, contamination or pollution from any cause whatsoever.

This policy does not cover *damage to insured property* arising from the manufacture, supply, storage, possession or use of any controlled drug as defined in the Misuse of Drugs Act 1975, including methamphetamine, or any pre-cursor chemicals or materials used in any of these activities in or near the *insured property*.

Other damages

This policy does not cover *damage to insured property* directly or indirectly caused by any of the following:

- fumes, gas, dust, smoke, or 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 *insured property*
- the action of light, atmospheric or climatic conditions
- changes in artificially controlled temperature or atmosphere
- exposure to weather conditions where the *insured property* is not normally left in the open unless reasonable precautions have been taken to protect the *insured property* from those conditions
- interruption of the supply to the *premises* of water, gas, electricity or any fuel
- total or partial cessation of work, retarding or interruption or cessation of any process.

Faulty workmanship

This policy does not cover the cost of putting right, repairing, or replacing any of the following:

- 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.

Moisture penetration

This policy does not cover *damage to insured property* resulting from or 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.

Consequential loss or costs you incur

This policy does not cover any of the following:

- loss of use of the *insured property*
- consequential losses of any kind
- costs or expenses you may incur to prove or help us with your claim
- repairs 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
- expenses and liability incurred due to the *insured property* not being able to be used.

War, terrorism or nuclear incidents

This policy does not cover any loss, *damage*, 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*, 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.

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 that has been caused by a *cyber incident* or *cyber act*.

Electronic data

Except where cover is provided under Automatic extensions – ‘Electronic data’, or ‘Software’, this policy does not cover any *damage*, cost or liability, directly or indirectly caused by, arising from, involving, contributed to by, or in any way connected to any of the following:

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

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.

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.

Misdescription

Your cover will not be prejudiced by:

- any innocent and inadvertent misdescription of property, your *business* or occupancy in the proposal or submission, or
- any act of the occupier of the *premises* whereby the risk of *damage* to *insured property* not in your control 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.

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.

However, your cover will not be prejudiced by any of the following:

- such changes in the use or occupancy of the *premises* as are usual or incidental to your *business*
- the performance of any alterations or repairs to *insured property*, providing the circumstances are reported to us in writing within a reasonable time after you become aware of them, and you agree to pay an additional premium for the increased risk if required
- such changes in your *business*, nature of occupation or other circumstances that you innocently failed to report to us, provided notice is given to us immediately after you become aware of the failure and you agree to pay an additional premium if required.

Sum insured adjustment for existing damage

If there was existing *damage* to *insured property* at the commencement of the *period of insurance* which has not been repaired, replaced or reinstated at the time of *damage* covered by this section, the amount of that existing *damage* will be deducted from the total *Sum Insured* and from any *Sum Insured* declared to us or otherwise specified in your *policy schedule* in respect of that item or category of *insured property* at the *premises*. The amount payable by us to indemnify you for the *damage* will be reduced accordingly.

The amount of existing *damage* is to be calculated as the cost that would have been incurred to repair, replace or reinstate that existing *damage* if it had been repaired, replaced or reinstated by you. This *Sum Insured* adjustment for existing *damage* will apply for all purposes of this policy and all automatic and additional extensions.

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 operating order
- maintain any security protection in efficient operating order and activated 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 your *business* and the ownership, occupation, and use of *insured property*
- 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.

Inspection

We are entitled to inspect *insured property* at any reasonable time and you must provide such information as may be reasonably required by us in respect of the subject matter of this insurance. Neither this condition, nor any inspection performed by us, nor any report arising from such an inspection, are to be regarded as an undertaking by us to determine or warrant that any operations or *premises* are safe.

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.

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

Business

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

Business hours

Any hours during which you are or are usually on the *premises* for the purpose of your *business*.

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.

Contents

Contents of buildings, chattels, tenant's improvements and all other tangible property not more specifically described as *stock* or *specified items*, and glass and other landlord's fixtures and fittings if you are responsible for insuring them.

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 loss or *damage* that you do not intend or expect.

Insured

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

Insured property

Tangible property that is easily transported or conveyed of every description not expressly excluded, all being your own, or held by you jointly, or on commission and for which you are legally responsible within the following categories:

- *contents*
- *stock*, and
- *specified items*.

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.

Market Value

The reasonable retail value of the item immediately before the loss occurred as determined either by us or by an independent valuer.

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.

Money

Current coin, bank and currency notes, cheques, traveller's cheques, postal notes, money orders, unused postage stamps, redeemable vouchers and tokens, franking machine credits, and other negotiable instruments.

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 in your *policy schedule*.

Pressure vessel

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

Refrigeration machinery

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

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.

Software

Programmes, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment including any operating system.

Specified items

Other property as specifically described in your *policy schedule*.

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.

You can discuss the value with us at any time.

By paying the premium you have accepted the Sum Insured.

Undamaged

Not damaged physically and directly by an insured *event*.

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.

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

