

Rural

Business

Interruption.

Policy wording.

ami

About your policy



We've designed this document to help you clearly understand the terms of your policy, but if you're unsure about anything, please call us on **0800 100 200** and we'll be happy to explain.

Contents

Introduction	1
1. Insurance agreement	1
2. What you are covered for	1
3. Insured items	2
4. Contingent business interruption extensions	4
5. Automatic policy extensions	5
6. Optional policy extension	6
7. Exclusions	6
8. What we will pay	9
9. Managing your claim	9
10. General conditions	10
11. Definitions	12

Rural Business Interruption

Policy wording



Introduction

About this policy

Your Rural Business Interruption Policy consists of:

- (a) this policy wording,
- (b) the **schedule**,
- (c) any endorsements that **we** apply.

Your duty of disclosure

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** or anyone on **your** behalf must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

1. to accept or decline **your** insurance,
2. the cost or terms of the insurance, including the excess.

You also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** or anyone on **your** behalf breaches this duty, **we** may treat this policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

Reading this policy

The headings in this policy wording are for reference only and must not be used when interpreting the policy wording.

The examples and comments, which are in *italics*, have been included to make parts of this policy wording easier to understand. They do not affect or limit the meaning of the section they refer to.

If a word is shown in **bold**, it has a specific meaning. There is a list of these words and what they mean at the end of this policy wording.

It is important to read this policy in full to understand what it means and how it operates.

1. Insurance agreement

1.1 Our agreement

You agree to pay **us** the premium and comply with this policy.

In exchange, and in reliance on the information provided in the **application**, **we** agree to insure **you** as set out in this policy.

2. What you are covered for

2.1 Interruption to your business

You are insured for **business interruption** resulting from **insured damage**.

Please also see 4. 'Contingent business interruption extensions' for other circumstances that we consider to be insured damage.

3. Insured items

You only have cover for the following 'Insured items' that are specified in the **schedule**.

3.1 Loss of gross profit

(a) **Reduction in turnover**

You are insured for loss of **gross profit** produced by the following formula:

[the **rate of gross profit**] × [the **reduction in turnover**].

(b) **Increase in cost of working**

You are insured for necessary and reasonable additional expenditure **you** incur solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the sum produced by the following formula:

[the **rate of gross profit**] × [the amount of the **reduction in turnover** avoided by the additional expenditure].

(c) **Reduced margin**

If **turnover** is maintained during the **indemnity period**, but at a reduced **rate of gross profit** in consequence of **insured damage**, an equitable allowance will be made for the **loss of gross profit** resulting from the increase in ratio of: [the cost of materials used and goods sold] to [turnover].

No allowance will be made for loss of **gross profit** that results from any other **uninsured working expenses** that affects this ratio. *This is because the increase may result from a fixed cost element in the expenses that has not been insured.*

(d) **Savings in insured expenses**

We will deduct from **your** claim any sum saved during the **indemnity period** for costs and expenses of **your business** operations (that would be paid out of **gross profit**) that cease or reduce because of the **insured damage**.

3.2 Loss of rent

(a) **Reduction in rent**

You are insured for **reduction in rent**.

(b) **Increase in cost of working**

You are insured for necessary and reasonable additional expenditure **you** incur solely to avoid or diminish the **reduction in rent**. Provided that this additional expenditure does not exceed the amount of the **reduction in rent** avoided by the additional expenditure.

(c) **Savings in insured expenses**

We will deduct from **your** claim any sum saved during the **indemnity period** for costs and expenses of **your business** operations (that would be paid out of **rent**) that cease or reduce because of the **insured damage**.

3.3 Payroll

(a) **Loss in respect of payroll**

You are insured for the sum produced by the following formula:

[the **rate of payroll**] × [the **reduction in turnover**].

(b) **Increase in cost of working**

You are insured for necessary and reasonable additional expenditure **you** incur solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the sum produced by the following formula:

[the **rate of payroll**] × [the amount of the **reduction in turnover** avoided by the additional expenditure].

(c) **Savings in payroll**

We will deduct from **your** claim any sum saved during the **indemnity period** for **payroll** that ceases or reduces because of the **insured damage**.

3.4 Wages in lieu of notice

You are insured for **wages** that **you** have to pay to employees in lieu of notice where their services cannot be used at all during the notice period shown in the **schedule** because of the **insured damage**.

Where, because of **insured damage**, **your** employee's services can only be partially utilised during the notice period, **you** are insured for the difference between the wages that would ordinarily have been due in the notice period and the wages paid for those employee's services.

The most **we** will pay for any week's **wages** is the sum produced by the following formula:

[the Wages in lieu of notice sum insured shown in the **schedule**] ÷ [the number of weeks in the notice period shown in the **schedule**].

3.5 Claims preparation costs

You are insured for:

- (a) fees reasonably incurred to pay **your** accountant, auditor or another professional financial consultant (but not an insurance broker), and
- (b) reasonable costs incurred for **your** own staff,

for quantification (but not negotiation) of claims under this policy and (where applicable) **your material damage policy** that covered the **loss**.

3.6 Book debts

You are insured for:

- (a) the amount that **you** are unable to collect from customers due to **your** accounting or other **business** records suffering **insured damage**. **We** will pay the difference between:
 - (i) the total amount of debit balances in customers' accounts due to **you** and outstanding as at the start of the **indemnity period**, and
 - (ii) the total amount that can be established as owing by identifiable customers, during the 12 months after the start of the **indemnity period**.
- (b) the additional expenditure incurred in reconstructing, establishing, tracing, and recovering those debts, including the additional cost of financing the shortfall in collections.

3.7 Rewriting of records

You are insured for costs reasonably incurred to replace or restore:

- (a) entries, and
- (b) information, and
- (c) **data** (but not **software**),

contained within any of **your business** records, provided that the need to replace or restore is as a result of the **insured damage**.

3.8 Additional increased cost of working

You are insured for necessary and reasonable additional expenses, provided they are incurred during the **indemnity period** solely:

- (a) to avoid or diminish the **reduction in turnover**, or
- (b) to resume or maintain normal **business** operations.

No cover is provided for expenditure which is:

- (i) covered under an 'Insured items – Increase in cost of working', until the amount of cover under that 'Insured items' for those expenses is exhausted (other than because of the inadequacy of the sum insured under any insured item), or
- (ii) incurred for reinstating any property.

4. Contingent business interruption extensions

We provide the following contingent business interruption cover. You only have this cover for the 'Insured items' that are specified in the **schedule**. We will consider each of the **business interruptions** in the following extensions to have resulted from **insured damage** and we will calculate your claim as set out in the relevant 'Insured items' specified in the **schedule**.

Unless expressly stated otherwise, the deferment period under these Contingent business interruption extensions is the first 24 hours for all perils other than for natural disaster.

Maximum amount payable

The most we will pay under all 'Contingent business interruption extensions' in total for any **event** is:

- (a) 10% of the sum insured shown in the **schedule** for each applicable 'Insured item', or
- (b) \$1,000,000 in total,

whichever is the lesser.

The amount payable under these extensions are included within 8. 'What we will pay – 8.1 Maximum amount payable for insured items' and 8. 'What we will pay – 8.2 Maximum amount payable for extensions'. They are not in addition.

- | | |
|---|---|
| 4.1 Prevention of access –
Property damage | You are insured for business interruption resulting directly from property damage in the vicinity that prevents or hinders access to your rural property . |
| 4.2 Prevention of access –
Danger to human life, injury,
murder or suicide | You are insured for business interruption resulting directly from: <ul style="list-style-type: none"> (a) immediate and imminent danger to human life, or (b) injury to any person, or (c) murder or suicide of any person, occurring at your rural property or in the vicinity during the period of insurance that prevents or hinders access to your rural property . |
| 4.3 Prevention of access –
Closure by any authority | You are insured for business interruption resulting directly from closure of your rural property by an unexpected lawful order by a government, public or local authority during the period of insurance due to: <ul style="list-style-type: none"> (a) vermin and pests, and (b) defects in drains or other sanitary arrangements, and (c) the accidental escape of fumes or any hazardous material. |
| 4.4 Failure of utilities | You are insured for business interruption resulting directly from property damage to the buildings, plant, equipment or supply lines, located in New Zealand, of any public utility, that supplies: <ul style="list-style-type: none"> (a) power or gas, or (b) water or sewage disposal, or (c) telecommunications, to your business .
This extension does not insure you for business interruption in connection with property damage to: <ul style="list-style-type: none"> (i) any offshore oil or gas installation including undersea gas pipelines, or (ii) any undersea electric or telecommunication cables. |
| 4.5 Customers' or
suppliers' premises | You are insured for business interruption resulting directly from property damage occurring at a location within New Zealand: <ul style="list-style-type: none"> (a) where you have property stored, deposited, processed, repaired, altered or renovated, or (b) where any of your direct customers are located, or (c) where any of your direct suppliers of goods are located. |

4.6 Closure of transport routes, ports or airports

You are insured for **business interruption** resulting directly from complete closure of any transport route, port, airport or railway terminal occurring anywhere in New Zealand during the **period of insurance** where such closure was due to:

- (a) **property damage** to the transport route, port, airport or railway terminal, or
- (b) an unexpected lawful order by a government, public or local authority, consequent upon any of the following:
 - (i) the occurrence of physical damage to the transport route, port, airport or railway terminal subject to the order, or
 - (ii) identification of an immediate and imminent safety hazard to the transport route, port, airport or railway terminal subject to the order.

The **deferment period** is the first 7 days for all perils other than for **natural disaster**.

5. Automatic policy extensions

In addition to the cover provided under 2. 'What you are covered for' and 3. 'Insured items', **we** also provide the following Automatic policy extensions. Unless expressly stated otherwise, any amounts payable under these Automatic policy extensions are included within 8. 'What we will pay – 8.1 Maximum amount payable for insured items' and 8. 'What we will pay – 8.2 Maximum amount payable for extensions'. They are not additional.

5.1 Contractual commitments

If 3. 'Insured items – 3.1 Loss of gross profit' or 3.2 'Loss of rent' are shown as insured in the **schedule**, **you** are insured for the amount **you** are legally liable to pay under contracts **you** entered into before the **insured damage** occurred, for purchases which **you** are not able to use as a result of the **insured damage**. **We** will deduct from **your** claim any sums received or receivable by **you** in respect of such purchases through any salvage handling operations or resale.

This extension does not cover punitive or exemplary damages.

Maximum amount payable

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

Payment under this extension is in addition to the 8. 'What we will pay – 8.1 Maximum amount payable for insured items'.

5.2 Deferred indemnity period

You may elect to defer the start of the **indemnity period** on the following basis:

- (a) **you** must notify **us** (in writing or by electronic means) within 90 days of the **insured damage** occurring of **your** intention to defer the commencement of the **indemnity period**, otherwise this option to defer expires, and
- (b) the **deferred indemnity period** must start within 12 months of the date the **insured damage** occurred.

You cannot elect to defer the **indemnity period** if **we** have already paid a claim under any 'Insured item' of this Rural Business Interruption policy (other than for Rewriting of records, or Claims preparation costs in respect of **your material damage policy**) for **business interruption** from the **insured damage**.

When **you** do elect to defer commencement of the **indemnity period** as described above, then:

- (a) **you** must notify **us** (in writing or by electronic means) of the actual date on which **you** elect the **deferred indemnity period** to start no later than 30 days after that actual date, and
- (b) the 'Standard adjustments' clause is deleted and replaced with the following:

'When calculating **your** claim under all 'Insured items', **we** will make allowance for adjustments that are necessary to provide for:

 - (i) the trend of **your business** operations, and
 - (ii) variations in **your business** operations, and
 - (iii) other circumstances affecting **your business** operations, that:
 1. occur during the 12 months before the date of the **insured damage**,
 2. occur after the start of the **deferred indemnity period**,
 3. would have affected **your business** operations had the **insured damage** not occurred,

so that the final adjusted figures should represent, as close as is reasonably practicable, the results that would have been achieved during the **deferred indemnity period**, but for the **insured damage**'.



- (c) if prior to or during the **deferred indemnity period** goods are sold or services are rendered elsewhere than at **your rural property** for the benefit of **your business** either by **you** or by others on **your** behalf the money paid or payable in respect of such sales or services will be brought into account in arriving at the **turnover** during the **deferred indemnity period**,
- (d) if in consequence of the **insured damage** there is an increase in **turnover** prior to the commencement of the **deferred indemnity period**, the amount of the increase will be subtracted from the **reduction in turnover** during the **indemnity period**,
- (e) the definition of **standard turnover** is deleted and replaced with:
 'The **turnover** during the period in the previous 12 months immediately before the date of the **insured damage**, subject to any adjustments made in accordance with the amended 'Standard adjustments' clause in (b) above.
 If **insured damage** occurs before the end of the first year in business, the results to date will be the basis for establishing standard turnover.'

5.3 Mechanical, electrical or electronic breakdown

You are insured for **business interruption** resulting directly from mechanical, electrical or electronic breakdown of machinery, provided that the breakdown is covered as a claim:

- (a) under clause 3.6 'Electric fusion' of **your material damage policy**, or
- (b) under clause 3.19 'Refrigerated supplies' of **your material damage policy**, or
- (c) under clause 4.9 'Milk – Event 2: Milk deterioration' of **your material damage policy**, or
- (d) in either case the breakdown causes the machinery to be inoperative for more than 24 hours.

Maximum amount payable

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

5.4 Property not in use

Your property which is not used for **your business** at the time of **insured damage** shall be deemed to be property used by **you** for the purpose of **your business** provided there is evidence that there are plans in place that such property would, but for the **insured damage**, have been used for the purpose of **your business** during the **indemnity period**.

There is no cover for **insured damage** to **your** property that occurs in the course of installation, construction, demolition, erection or testing following any of them unless covered as a claim under **your material damage policy**.

6. Optional policy extension

This Optional policy extension only applies if it is shown in the **schedule** and applies to the 'Insured items' specified in the **schedule**.

6.1 Natural disaster

You are insured for **business interruption** resulting directly from **insured damage** due to **natural disaster** for the 'Insured items' shown as insured in the **schedule**.

The excess for **natural disaster** as shown in **your material damage policy** applies to the aggregate of all **natural disaster** claims under this policy, and all **natural disaster** claims under **your material damage policy**.

For contingent business interruption extensions, the **deferment period** is the first 21 days. This replaces any other **deferment period** that applied.

Exclusion 7.5 'Natural disaster' does not apply to this extension.

7. Exclusions

7.1 Confiscation

This policy does not insure **business interruption** in connection with expropriation, confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority.

7.2 Communicable disease

This policy does not insure **business interruption** in connection with any:

- (a) **communicable disease**,
- (b) notifiable organism or disease under the Biosecurity Act 1993,
- (c) fear or threat (actual or perceived) or action taken to control or prevent or suppress any of the diseases, conditions or circumstances described in this exclusion.

This exclusion will not apply to **business interruption** resulting from **loss** directly caused by or arising from any of the following perils:

- (i) fire, lightning, explosion, aircraft or vehicle impact, falling objects,
- (ii) windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane,

- (iii) **landslide**, earthquake, seismic and/or volcanic activity, tsunami, only if 6. 'Optional policy extension – 6.1 Natural disaster' cover is taken,
- (iv) **flood**, freeze, weight of snow or ice, avalanche,
- (v) meteor/asteroid impact,
- (vi) riot, riot attending a strike, civil commotion, vandalism, malicious mischief.
- (vii) any express cover for milk covered by this policy:

However, the following exclusion will apply to any milk cover available under the policy:

This policy does not insure **business interruption** in connection with any:

- (a) infectious disease notifiable under the Health Act 1956,
- (b) disease or organism notifiable under the Biosecurity Act 1993.

7.3 Cyber

This policy does not insure **business interruption** in connection with any:

- (a) **cyber act** or **cyber incident**, including any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident**, or
- (b) loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data** or **software**, including any amount relating to the value of such **data** or **software**.

Exclusion 7.3 (a) shall not apply to **business interruption** resulting from **loss** directly caused by any of the following:

- (a) theft or forcible entry,
- (b) storm, windstorm, hail, tornado, cyclone, hurricane,
- (c) fire, lightning or explosion,
- (d) earthquake, volcano activity or tsunami, only if 6. 'Optional policy extension – 6.1 Natural disaster' cover is taken,
- (e) **flood**, freeze or weight of snow,
- (f) aircraft impact or vehicle impact or falling objects,
- (g) water damage,
- (h) **loss** of or damage to refrigerated goods due to a change in temperature.

Provided that there is no cover where such **business interruption** is in connection with a **cyber act**.

7.4 Drones

This policy does not insure **business interruption** in connection with any **loss** to any Drone.

For the purposes of this exclusion, Drone means:

- (a) a Remotely Piloted Aircraft System (RPAS), or
- (b) an Unmanned Aerial Vehicle (UAV), or
- (c) an Unmanned Aerial System (UAS), or
- (d) an aircraft weighing 25 kilograms and under, without a human pilot on board.

A drone includes all accessories and parts used in connection with a drone.

7.5 Natural disaster

This policy does not insure **business interruption** in connection with **natural disaster** other than cover provided by 6. 'Optional policy extension – 6.1 Natural disaster' cover.

7.6 Nuclear and weapons exclusion

This policy does not insure any **business interruption** directly or indirectly caused by or contributed to arising from any of the following:

- (a) Nuclear Energy Risks.
- (b) ionising radiations, irradiation or contamination by radioactivity from any Nuclear Material. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- (c) radioactive, toxic, explosive or other hazardous or contaminating properties of any Nuclear Installation, or other nuclear assembly or nuclear component.
- (d) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (e) any chemical, biological, bio-chemical, or electromagnetic weapon.
- (f) radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.



For the purposes of this exclusion:

Nuclear Energy Risks means any of the following:

- (a) all property on the site of a nuclear power station, Nuclear Reactors, any reactor buildings and plant and equipment therein.
- (b) all property, on any site used or having been used for the generation of nuclear energy, or
- (c) all property, on any site used or having been used for, the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

Nuclear Material means any of the following:

- (a) nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material, and
- (b) any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose, and
- (c) any nuclear waste or by-product from the combustion of nuclear fuel.

Nuclear Installation means:

- (a) any Nuclear Reactor,
- (b) any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel, and
- (c) any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

Nuclear reactor means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

7.7 Sanctions

This policy does not provide any cover, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

- (a) sanction, prohibition, or restriction under any United Nations resolutions, or
- (b) trade or economic sanction, law or regulation of New Zealand, Australia, Singapore, the United Kingdom, the United States of America or the European Union.

7.8 Seepage, pollution and contamination

This policy does not insure **business interruption** in connection with seepage, pollution or contamination other than seepage, pollution or contamination resulting directly from **insured damage**.

7.9 Terrorism

This policy does not insure **business interruption** in connection with an Act of Terrorism, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an Act of Terrorism.

For the purpose of this exclusion, Act of Terrorism includes any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

- (a) involves violence against one or more persons, or
- (b) involves damage to property, or
- (c) endangers life other than that of the person committing the action, or
- (d) creates a risk to health or safety of the public or a section of the public, or
- (e) is designed to interfere with or disrupt an electronic system.

7.10 War

This policy does not insure **business interruption** in connection with any of the following:

war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, insurrection, rebellion, revolution, military or usurped power.

8. What we will pay

- 8.1 Maximum amount payable for insured items** The most **we** will pay during an **indemnity period** or **deferred indemnity period** for any one 'Insured item' is the specific sum insured shown in the **schedule** for that 'Insured item'.
- 8.2 Maximum amount payable for extensions** The most **we** will pay during the **indemnity period** for any 'Automatic policy extension', 'Contingent business interruption extension', or 'Optional policy extension' is the respective limit shown in the policy for that Automatic policy extension, Contingent business interruption extension or Optional policy extension.
- 8.3 Accumulated stock** If there is a shortage of stock after the **indemnity period** or **deferred indemnity period** ends because the **turnover** was temporarily maintained from accumulated stock held by **you** during the **indemnity period** or **deferred indemnity period**, **we** will make a fair allowance for this in settling the claim.
- 8.4 Departments** If **your business** operations are conducted in departments that have separately identifiable trading results, this policy shall apply separately to each department. However, the maximum amount payable under 8.1 'Maximum amount payable for insured items' remains unchanged and any claim settlement shall be calculated by reference to the trading results of all departments affected (whether positively or negatively) by the **business interruption**.
- 8.5 Standard adjustments** When calculating **your** claim under all 'Insured items', **we** will make allowance for adjustments that are necessary to provide for:
- (a) the trend of **your business** operations, and
 - (b) variations in **your business** operations, and
 - (c) other circumstances affecting **your business** operations,
- that:
- (i) occur before or after the start of the **indemnity period**, or
 - (ii) would have affected **your business** operations had the **insured damage** not occurred,
- so that the final adjusted figures should represent, as close as is reasonably practicable, the results that would have been achieved during the relative period after the **loss** but for the **insured damage**.
We will take into account both positive and negative adjustments to your business operations.
- 8.6 Payment on account** **We** will make interim payments at any time before the final settlement on production of reasonable evidence to support the amount claimed by **you**.
- 8.7 Reinstatement of the sum insured** After **we** have paid a claim under this policy, **we** will reinstate **your** sum insured for the relevant 'Insured item'.
- In the event of **business interruption** as a result of **natural disaster** for which a claim is payable under this policy, **your** sum insured will not be reinstated unless **we** have agreed in writing.
- We** may ask **you** to pay an additional premium for this reinstatement.

9. Managing your claim

Your obligations

- 9.1 Advise us** If **you** become aware of any event that is likely to give rise to a claim under this policy regardless of the anticipated quantum, **you** must contact **us** immediately.
- 9.2 Minimise the loss** **You** must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.
- 9.3 Notify the police** **You** must immediately notify the police if **you** suspect criminal activity has occurred.
- 9.4 Provide full information** When making a claim, **you** consent to **your** personal information in connection with the claim being:
- (a) disclosed to **us**,
 - (b) transferred to the Insurance Claims Register Limited.
- You** must:
- (i) give **us** free access to examine and assess the claim,
 - (ii) send any relevant correspondence or documents to **us**,
 - (iii) complete a claim form and/or statutory declaration to confirm the claim if **we** request it,
 - (iv) provide any other information, proof of ownership or assistance that **we** may require at any time.

9.5 Do not dispose of property **You** must not destroy or dispose of anything that is or could be part of a claim until **we** have given **you** permission to do this.

9.6 Obtain our agreement **You** must obtain **our** agreement before:

- (a) incurring any expenses in connection with any claim under this policy,
- (b) negotiating, paying, settling, admitting or denying any claim against **you**,
- (c) doing anything that may prejudice **our** rights of recovery.

Managing your claim

9.7 Subrogation Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery. If **we** initiate a recovery **we** will include **your** excess, and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first. **You** must fully co-operate with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

9.8 Reparation If any person is ordered to make reparation to **you** for **business interruption** that **we** have paid a claim for under this policy, then **you** must tell **us**. Any payments received must first reimburse **our** claims payment up to the amount of any reparation received.

10. General conditions

How we administer this policy

10.1 Assignment **You** may not assign this policy or any interest under this policy without **our** prior written consent.

10.2 Cancellation By you
You may cancel this policy at any time by giving **us** notice in writing or by electronic means. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium due for the expired portion of the **period of insurance**.

By us
We may cancel this policy by giving **you** notice in writing or by electronic means at **your** last known address.
 The policy will be cancelled from the 30th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.
We will cancel this policy if the premium is not paid when due. Cancellation will be effective from the date this policy was paid up to.

10.3 Change of terms **We** may change the terms of this policy (including the excess) by giving **you** notice in writing or by electronic means at **your** last known address. Unless otherwise specified in the notice the change in terms will take effect from the 30th day after the date of the notice.

10.4 Currency Any amounts shown in this policy or in the **schedule** are in New Zealand dollars.

10.5 Goods and services tax (GST) Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

- (a) all sums insured exclude GST,
- (b) all sub limits exclude GST,
- (c) all excesses include GST,
- (d) GST will be added, where applicable, to claim payments.

10.6 Other insurance **You** must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.
 This policy does not cover **your** liability or loss at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

10.7 Premium payment options **You** may choose either an annual or a monthly renewable contract.
 If **you** have elected a monthly renewable contract, then:

- (a) **you** must pay by direct debit using the Direct Debit Authority **we** require,
- (b) the policy is for the initial **period of insurance** stated in the **schedule**,

- (c) the policy will be renewed for further monthly periods of insurance upon receipt of the renewal premium due under the Deduction Authority,
- (d) the policy terms, including the premium, will be reviewed on the anniversary date stated in the **schedule**.

10.8 Separate insurance

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the most **we** will pay to all parties in total is the amount stated in 8.1 'Maximum amount payable for insured items' and 8.2 'Maximum amount payable for extensions'.

Laws and Acts that govern this policy

10.9 Governing Law and Jurisdiction

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

10.10 Legislation changes and Crown entity changes

Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.

Any reference to legislative or official terms include any amended, replacement, substituted, equivalent or corresponding Crown entity or terms.

Any reference to any Crown entity includes any new name given to that entity, and any replacement entity that is responsible for the same or similar functions.

Your obligations

10.12 Change in circumstances

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

- (a) increase in the risk insured,
- (b) alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then vary the policy terms and alter the premium, or **we** may cancel this policy. If **you** fail to notify **us** about a material change in the risk insured, **we** may:

- (i) declare this policy unenforceable,
- (ii) decline any subsequent claim either in whole or in part.

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

For avoidance of any doubt, information is 'material' where we would have made different decisions about either:

- (i) accepting your insurance,*
- (ii) setting the terms of your insurance,*
- (iii) setting the premium,*

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

10.13 Comply with the policy

You (and any other person or entity covered by the policy) must comply with the terms and conditions of this policy. If:

- (a) **you**, or
- (b) any other person or entity covered under this policy, or
- (c) anyone acting on **your** behalf,

breaches any of the terms and conditions of this policy, **we** may decline both:

- (i) the claim, either in whole or in part,
- (ii) any claim in connection with the same event that **you** make on any other policies **you** have with **us**.

However, the cover provided by this policy will not be invalidated or prejudiced by reason of breach of warranty or condition of this policy where the breach occurs without **your** knowledge or consent provided that notice is given to **us** as soon as practicable once **you** become aware of any such breach and **you** agree to pay an appropriate additional premium and/or agree to a change in terms and conditions if required.

10.14 True statements and answers

You or any other person covered under this policy must give true statements and answers in all communications with **us**, including, when:

- (a) applying for this insurance,
- (b) notifying **us** regarding any change in circumstances,



- (c) making any claim under this policy, including when communicating with **us** or providing any further information regarding the claim.

If **you** and any other person covered under this policy make any dishonest or fraudulent statement in connection with a claim or any application for cover under this policy, **we** may, at **our** sole discretion, do any of the following:

- (i) decline the claim, either in whole or in part,
- (ii) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent statement.

10.15 Reasonable care

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

11. Definitions

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

accidental	Unexpected and unintended by you .
application	The information provided by you to us when you purchased this insurance or requested a quotation for this insurance from us . It also includes any subsequent information you provide us with.
business	Your agricultural and/or horticultural activities.
business interruption	Interruption to or interference with your business operations.
communicable disease	Any disease which can be transmitted by means of any substance or agent from any organism to another organism where: <ul style="list-style-type: none"> (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and (b) the method of transmission, whether direct or indirect, includes, but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.
computer system	Any computer, hardware, software , communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller and including any similar system or configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
cyber act	An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, or the threat or hoax thereof involving access to, processing of, use of or operation of any computer system .
cyber incident	<ul style="list-style-type: none"> (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system, or (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.
data	Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system .
deferment period	The period by which the start of the indemnity period is deferred.
deferred indemnity period	The period during which your business suffers a business interruption that starts from the deferred start date notified to us and ends no later than the number of months specified in the schedule as the 'Indemnity period'.
event	Any one or more occurrence of covered loss during the period of insurance arising from one source or originating cause or related causes.



gross profit	<p>The amount by which the sum of the turnover plus the amount of the closing stock exceeds the sum of the amount of the opening stock plus the amount of the uninsured working expenses.</p> <p>With regard to this calculation:</p> <ul style="list-style-type: none"> (a) the amount of the opening and closing stocks must be in accordance with your normal accounting methods, allowing for depreciation, and (b) the words and expressions used have the usual meaning attached to them as used in your books and accounts, including the uninsured working expenses.
indemnity period	<p>The period that:</p> <ul style="list-style-type: none"> (a) starts when the insured damage occurs, and (b) ends no later than the number of months specified in the schedule as the 'Indemnity period', during which, your business operations are affected because of the insured damage. <p>However, for a claim under any contingent business interruption extension, indemnity period means the period during which your business suffers a business interruption that starts when the business interruption occurs and ends no later than the number of months specified in the schedule as the 'Indemnity period'.</p>
insured damage	<p>Sudden and accidental loss occurring at your rural property during the period of insurance to any property (or part) owned or used by you for the business, provided that the loss is:</p> <ul style="list-style-type: none"> (a) covered as a claim under your material damage policy, or would have been but for the excess, or (b) caused by the explosion of a pressure vessel.
landslide	<p>The movement (whether by way of falling, sliding or flowing, or by a combination thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such materials, which, before movement, formed an integral part of the ground.</p> <p>It excludes the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.</p>
loss	Physical loss or physical damage occurring during the period of insurance .
material damage policy	<p>The insurance policy, that we call a AMI Rural Material Damage Policy, that you have with us that insures sudden and accidental loss to tangible property.</p> <p><i>The AMI Rural Material Damage Policy is a prerequisite to this policy.</i></p>
natural disaster	Earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity, landslide or fire caused by any of these.
payroll	Gross salaries and wages (including bonuses, holiday pay, ACC levies and any other costs relating to the ongoing payment of salaries and wages) for all employees of the business .
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
pressure vessel	<p>Any boiler or economiser that during ordinary use is subjected to either generated fluid pressure or vacuum, including:</p> <ul style="list-style-type: none"> (a) all integral parts including pipes, and (b) controls, and (c) systems (other than systems forming part of a building or structure).
property damage	Sudden and accidental loss to property that you do not own that occurs during the period of insurance and would have been covered as a claim under your material damage policy had you owned the property.
rate of gross profit	The rate of gross profit earned on the turnover , during the financial year immediately before the date of the insured damage , subject to any adjustments as per 8.5 'Standard adjustments'.
rate of payroll	The rate of payroll to turnover , during the financial year immediately before the date of the insured damage , subject to any adjustments as per 8.5 'Standard adjustments'.
reduction in rent	The amount that the rent , during any part of the indemnity period or deferred indemnity period , falls short of the standard rent for the same period, as a result of insured damage .



reduction in turnover	The amount that the turnover , during any part of the indemnity period or deferred indemnity period , falls short of the standard turnover for the same period, as a result of insured damage .
rent	The actual amount of any: (a) rent you receive, and (b) payments to you for services provided, for letting out the premises at your rural property .
rural property	The location or locations of your farm or agricultural or horticultural business, as shown in the schedule .
schedule	The latest version of the Schedule we issued to you for this policy.
software	Programs, procedures and routines associated with the operation of a computer system .
standard rent	The rent you received during the period in the previous 12 months immediately before the date of the insured damage , subject to any adjustments as per 8.5 'Standard adjustments'. If insured damage occurs before the end of the first year in business, the results to date will be the basis for establishing standard rent.
standard turnover	The turnover during the period in the previous 12 months immediately before the date of the insured damage that corresponds with the indemnity period , subject to any adjustments as per 8.5 'Standard adjustments'. If insured damage occurs before the end of the first year in business, the results to date will be the basis for establishing standard turnover.
turnover	Whichever of the following options provides the most equitable measurement of your claim: (a) all money, or other reimbursements you receive for goods or services in connection with your business operations, or (b) such other index of your business operations that gives the most equitable result.
uninsured working expenses	Those expenses listed in the schedule as 'Uninsured working expenses'. If no expenses are listed in the schedule then uninsured working expenses are deemed to be expenses that vary in direct proportion to the turnover and/or production.
vicinity	The area within a 10 kilometre radius of your rural property .
wages	The total value of all remuneration (including a pro-rata proportion of bonuses, holiday pay, ACC levies and any other costs relating to the ongoing payment of wages), of all employees, except employees whose remuneration is treated as salaries in your accounts.
we	AMI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe AMI.
you	The person(s) or entity named in the schedule as 'Insured'. We may also use the words 'your' or 'insured' to describe you.

**Thanks
for insuring
with AMI.**

Call us on 0800 100 200
or visit ami.co.nz/business

