

Rural Material Damage.

Policy wording.



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.

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Rural Material Damage

Policy wording



Introduction

About this policy

Your Rural Material Damage 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, and/or
- 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 Damage to insured property

You are insured for sudden and **accidental loss** during the **period of insurance** to **insured property**.

3. Automatic policy extensions

In addition to the cover under 2. 'What you are covered for', **we** also provide the following Automatic policy extensions.

Unless expressly stated otherwise, any amounts payable under these Automatic policy extensions are included within 7. 'What we will pay - 7.1 Maximum amount payable'. They are not additional.

If **you** have the below covers under any other section of this policy or under any other policy with **us**, the most **we** will pay in total for any **event** under all policies is the highest applicable limit.

Important: Please also read 6. 'How we will pay' and other parts of 7. 'What we will pay' to find out about the basis of settlement of these automatic policy extensions and what we will pay for an item of insured property in the event of a loss.

3.1 Alternative residential accommodation

If any part of a **building** covered under this policy is used to provide residential accommodation, then this policy is extended to cover the reasonable additional expenses for alternative accommodation necessarily incurred by **you**, if that **building** can no longer be lived in due to **loss**:

- (a) covered under this Rural Material Damage policy;
- (b) that would have been covered by this Rural Material Damage policy, but is covered by the **NHI Act** instead.

Cover under this extension ends on the earlier of the date when **we**:

- (a) settle **your** claim for **loss**;
- (b) have paid **you** 12 months' alternative accommodation costs.

If **we** have settled the claim for **loss** by paying **you our** estimate of the cost to repair or replace, **we** will cover the cost of temporary alternative accommodation for the reasonable estimated period that it would take to repair or replace the part of the **building** that sustained the **loss**.

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay - 7.1 Maximum amount payable'.

Exclusion 5.6 (f) 'Consequential financial loss' does not apply to this extension.

3.2 Artificial windbreaks

You are insured for sudden and **accidental loss** to **your** artificial windbreaks caused by any of the following:

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle or animal;
- (d) riot or labour disturbance;
- (e) hail or snow.

For the purpose of this extension, an 'Artificial Windbreak' means a purpose-built artificial windbreak at **your rural property**. It excludes trees or hedges.

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay - 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (xviii) 'Types of property not covered' does not apply to this extension.

Important: Please also read 6. 'How we will pay - 6.3 'Basis of settlement: Certain property types'.

3.3 Bulk fertiliser

You are insured for sudden and **accidental loss** to **bulk fertiliser** caused by any of the following:

- (a) fire, lightning or explosion;
- (b) impact by any vehicle or animal;
- (c) **flood**;
- (d) hail or snow.

Your bulk fertiliser is covered for reinstatement.

Exclusion 5.1 (e) (xx) 'Types of property not covered' does not apply to this extension.

3.4 Capital additions

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

- (a) a **building** or **other asset**, that **you** acquire during the **period of insurance**;
- (b) a **building** or **other asset** as **insured property** that has appreciated in value due solely to a physical:
 - (i) alteration;
 - (ii) addition;
 - (iii) improvement.

Cover for (a) commences when the risk in the property or ownership of the entity passes to **you**.

Cover for (b) occurs as the value appreciates because of that alteration, addition or improvement.

Cover is subject to all the following conditions:

- (i) **you** own or are legally responsible for that property;
- (ii) the property is located in New Zealand;
- (iii) **you** must notify **us** within 90 days of **you** acquiring the property or the physical works being completed.

Once **you** have notified **us** of the acquisition or increase in value:

1. **we** may charge **you** an additional premium, taxes and levies calculated pro-rata from the date of the acquisition;
2. any increased value of the property will be added to the sum insured for that **insured property**.

Maximum amount payable

The most **we** will pay under this extension in the **annual period** is:

- (a) 25% of the sum insured for the **building** and 25% of the sum insured for **other assets**;
- (b) \$100,000 in total for both;

whichever is the lesser.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

3.5 Data and software

You are insured for the loss of **data** and **software** resulting from electronic equipment insured by this policy suffering sudden and **accidental loss** covered under this policy.

Please also read 6. 'How we will pay – 6.3 Basis of settlement: Certain types of property – 'Data' and 'Software'.

3.6 Electric fusion

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

- (a) electrical motors and starters, including electrical motors and starters for **submersible pumps** and pond stirrers that:
 - (i) have an individual replacement cost of less than \$10,000;
 - (ii) are stand-alone units and not an integral part of a larger machine;
- (b) distribution switchboards and permanently installed electric reticulation;

at **your rural property**, provided that the physical damage is caused by fusion that is **immediately preceded by**:

- (i) the failure of electrical insulation;
- (ii) an identifiable abnormal electric current fluctuation from any power supply network;
- (iii) electrically induced self-heating.

You are not insured for **loss**:

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

We will also pay for any costs **you** reasonably incur to hire a replacement motor during the time taken to repair or replace the damaged motor.

Maximum amount payable

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

Exclusions 5.1 (e) (xxvi) 'Types of property not covered', 5.6 (f) 'Consequential financial loss' and 5.10 'Damage to machinery' do not apply to this extension.

3.7 Employees' and directors' effects

You are insured for sudden and **accidental loss** to the clothing, personal effects and tools of trade of **your** directors and employees (but not **your contractors**).

We will cover this property as if it were **other assets**, provided that the property is not otherwise insured and is being worn, carried or used by **your** directors or employees while they are acting in the course of their directors' duties or employment, anywhere in New Zealand.

Maximum amount payable

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

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

Your employees' and directors' effects are covered for reinstatement.

3.8 Expediting costs

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

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

Our approval will be based on the economic benefit gained.

Exclusion 5.6 (f) 'Consequential financial loss' does not apply to this extension.

3.9 Fences

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

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle or animal;
- (d) riot or labour disturbance.

For the purpose of this extension, 'Fences' means fences, gates, live hedges and live shelter belts that are on **your rural property**, and are owned by **you** or that are in **your** care, custody or control. It includes any animal handling yards that do not form an integral part of a **building** and railings associated with such yards.

Maximum amount payable

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

Your fences are covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'. Exclusions 5.1 (e) (iii) and 5.1 (e) (iv) 'Types of property not covered' do not apply to this extension.

3.10 Firefighting equipment replacement

You are insured for the reasonable costs **you** incur to replace or replenish **your** portable hand-held firefighting equipment after the equipment has been used to protect **your insured property** from **loss** covered under this policy, or immediate and imminent threat of **loss**, provided that the **loss** would be covered under this policy if it did occur. **We** will not pay if the portable hand-held firefighting equipment is past its expiry date.

Maximum amount payable

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

3.11 Hazardous substances

You are insured for:

- (a) sudden and **accidental loss** to **insured property** caused by seepage, pollution or contamination;
- (b) the reasonable costs incurred to remove, store or dispose of debris and the decontamination, demolition, dismantling, dewatering or temporary repairs in consequence of **loss** caused by seepage, pollution or contamination that is covered by this policy;
- (c) the reasonable costs incurred to clean up and remove Pollutants from land at **your rural property** provided that the discharge, release or escape of the Pollutant occurs during the **period of insurance** and is caused by a **loss** covered by this policy.

For the purpose of this extension, 'Pollutant' means a contaminant or pollutant that a government authority has declared to be hazardous to health or the environment.

Maximum amount payable

The most **we** will pay under this extension for any **event** under (b) and (c) is \$25,000.

Exclusion 5.16 'Seepage, pollution and contamination' does not apply to this extension.

3.12 Hidden gradual damage

You are insured for **loss** to **insured property** that occurs and is discovered during the **period of insurance** resulting from hidden rot, hidden mildew or hidden gradual deterioration, caused by water that leaks, overflows or is discharged from any:

- (a) internal tank that is plumbed into the water reticulation system of the **building** and is permanently used to store water;
- (b) internal water pipe;
- (c) internal waste disposal pipe;

installed at the **building**.

You are also insured for the reasonable costs of searching for and repairing any damage made to locate the source of the hidden rot, hidden mildew or hidden gradual deterioration. **We** must approve this work first.

Maximum amount payable

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

Exclusion 5.3 'Building defects' does not apply to this extension.

There is no cover for sundry buildings under this extension.

3.13 Increased cost of working

You are insured for reasonable additional costs of working that **you** incur as a direct result of sudden and **accidental loss** occurring at **your rural property** to:

- (a) **buildings**;
- (b) **other assets**;
- (c) **irrigation equipment**;

provided that the **loss**:

- (i) is covered under this policy;
- (ii) would have been covered but for the excess;
- (iii) would have been covered if **you** owned the property.

We will pay costs **you** incur during the indemnity period to resume or maintain **your** normal **business operations**.

For the purpose of this extension, 'Indemnity period' means the period during which, **your business operations** are affected because of **loss** covered by this policy and:

- (a) starts when the **loss** occurs;
- (b) ends no later than 12 months after the **loss** occurs.

You must support **your** claim with documentation and/or accounts prepared by **your** accountant (including self-employed accounting software).

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

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.6 'Consequential financial loss' does not apply to this extension.

Please check if this cover is adequate and best suits your requirements. Other options are available which can be tailored to meet your specific requirements.

3.14 Increased cost of working – Sharemilker

If **you** are a sharemilker, **you** are insured for reasonable additional costs of working that **you** incur as a direct result of sudden and **accidental loss** to:

- (a) farm buildings;
- (b) other farm plant, farm machinery or building contents (of the same nature as this policy would cover if **you** owned the property);

that are used by **you** in **your** normal **business operations**, provided that:

- (i) the **loss** would be covered under this policy if **you** owned the property;
- (ii) the **buildings** and/or other property are insured by the property owner;
- (iii) the property owner's insurance does not otherwise cover these additional costs.

We will pay costs **you** incur during the indemnity period to resume or maintain **your** normal share milking operations.

For the purpose of this extension, 'Indemnity period' means the period during which, **your** normal share milking operations are affected because of **loss** covered by this policy, and:

- (a) starts when the **loss** occurs;
- (b) ends no later than 12 months after the **loss** occurs.

You must support **your** claim with documentation and/or accounts prepared by **your** accountant (including self-employed accounting software).

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

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.6 'Consequential financial loss' does not apply to this extension.

Please check if this cover is adequate and best suits your requirements. Other options are available which can be tailored to meet your specific requirements.

3.15 Liquidation, bankruptcy and receivership protection

You are insured for **your produce**, wool and milk where:

- (a) **you** have supplied the **produce**, wool or milk to a recognised processor;
- (b) the processor goes into bankruptcy, liquidation or receivership;
- (c) **you** have not been paid, or have been short paid, for **your produce**, wool or milk.

You must assign to **us your** claim against the processor in the liquidation, bankruptcy or receivership proceedings.

Maximum amount payable

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

Your produce, wool and milk are covered for market value.

If the processor has short paid **you**, **we** will only pay the difference between the short payment and their market value immediately prior to the **loss**.

3.16 Money

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

Money Section A

- (a) money in transit;
- (b) money at **your rural property** in a securely locked safe or strongroom.

Money Section B

- (a) money at **your rural property** but not in a securely locked safe or strongroom;
- (b) money at residential premises occupied by **you** or any director, employee or agent, authorised to have possession of the money.

This extension does not provide cover for **loss** of money:

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

For the purpose of this extension, 'Money' means any of the following, where they are associated solely with **your business operations**:

- (a) current coin, bank and currency notes;
- (b) cheques and travellers' cheques;
- (c) bank drafts and money orders;
- (d) phone cards;
- (e) unused postage and revenue stamps;
- (f) credit card vouchers, redeemable vouchers and tokens;
- (g) franking machine credits;
- (h) other tangible negotiable instruments, *for example, promissory notes or bills of exchange.*

Maximum amount payable

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

- (a) \$7,500 for any **event** under Money Section A;
- (b) \$5,000 for any **event** under Money Section B.

Your money is covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.
Exclusion 5.1 (e) (xxii) 'Types of property not covered' does not apply to this extension.

3.17 Produce, livestock and other assets in transit

You are insured for sudden and **accidental loss** to **your**:

- (a) **produce**;
- (b) **livestock**;
- (c) **other assets**;

while they are in transit within New Zealand, and the **loss** is caused by:

- (i) an **accident** to the vehicle or the trailer in which they are being transported;
- (ii) an **accident** during loading or unloading of the vehicle or the trailer;
- (iii) any of them **accidentally** falling off the transporting vehicle.

If **your produce** requires refrigerated transit **you** are also insured for any **loss** to the **produce** that arises from the failure of the refrigerated plant on the conveying vehicle, occurring as a direct result of (i), (ii) and (iii) above.

Maximum amount payable

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

A limit of \$3,000 per animal applies.

Your other assets are covered under this automatic extension for indemnity regardless of any basis of settlement shown in the **schedule** to the contrary.

Your produce and **livestock** are covered for market value.

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

Exclusions 5.1 (e) (v) and 5.1 (e) (xxviii) 'Types of property not covered' and Exclusions 5.2 (b) (i) and 5.2 (b) (iii) 'Losses not covered' do not apply to this extension.

3.18 Protection costs cover

You are insured for reasonable costs **you** incur to temporarily protect **insured property** by preventing or minimising an imminent sudden and **accidental loss**, provided that the **loss** would be covered under this policy if it did occur.

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

No excess applies to this extension.

3.19 Refrigerated supplies

You are insured for sudden and **accidental loss** to **refrigerated supplies** at **your rural property** caused by any of the following:

- (a) **machinery breakdown** of the refrigeration plant;
- (b) sudden **accidental** breakage or failure of the cryogenic storage system;
- (c) sudden **accidental** mechanical breakdown of plant, equipment or supply lines belonging to any New Zealand based utility that supplies power to **your rural property**;
- (d) the operation of an overload switch;
- (e) contamination by the **accidental** escape of refrigerated gas or liquid into the refrigerated chamber caused by **loss** covered by this policy.

Maximum amount payable

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

Your refrigerated supplies are covered for market value.

Exclusions 5.2 (b) (i), 5.2 (b) (iii) 'Losses not covered', 5.10 'Damage to machinery' and 5.16 'Seepage, pollution and contamination' do not apply to this extension.

3.20 Rewards

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

- (a) the **loss** is covered under this policy;
- (b) **you** have **our** prior approval to offer the reward.

A reward will only be paid in accordance with applicable laws, subject to **our** reasonable satisfaction that appropriate due diligence has been conducted on **your** behalf in relation to any payment and will be paid under the direction of, and be subject to, the notification of any relevant criminal enforcement or other **authority**.

3.21 Rural service utilities

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

For the purpose of this extension, 'Rural service utilities' means private or public utility services located at **your rural property** and:

- (a) used for **your business operations**;
- (b) supplying a residential dwelling or any of its outbuildings.

It includes:

- (i) data cables, power and telephone poles, overhead lines and associated equipment;
- (ii) underground power lines and associated equipment, underground pipes for gas, water supply, drainage or sewage disposal;

that are owned by **you** or for which **you** are legally responsible.

It excludes underground culverts and open drains.

Maximum amount payable

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

Your rural service utilities are covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (xxiv) 'Types of property not covered' does not apply to this extension.

3.22 Stock worrying

You are insured for sudden and accidental death of any **livestock** that **you** own and that are at **your rural property**, provided that:

- (a) the death occurs during the **period of insurance**;
- (b) the death is caused by dogs that are not owned by **you**, any member of **your family** or any employee or **contractor of yours**.

For the purpose of this extension, 'Accidental death' means a death that is caused solely and directly by violent, **accidental**, external and visible means.

This includes death due to intentional slaughter where:

- (a) it is carried out on humane grounds;
- (b) it is confirmed by a veterinary surgeon that it was necessary to destroy the animal to end its incurable suffering.

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

Maximum amount payable

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

A limit of \$3,000 per animal applies.

Your livestock are covered for market value.

Exclusion 5.1 (e) (v) 'Types of property not covered' does not apply to this extension.

3.23 Stolen keys

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

- (a) open a safe or strongroom;
- (b) alter or replace locks, keys and combinations (including any access card or similar device) that give access to **your insured property**;

provided that the costs are incurred because the keys or combinations are:

- (i) stolen;
- (ii) believed on reasonable grounds to have been duplicated without proper permission, during the **period of insurance**.

Maximum amount payable

The most **we** will pay under this extension in the **annual period** is \$10,000.

Your keys and locks are covered for reinstatement.

3.24 Submersible pumps

You are insured for sudden and **accidental loss** to **submersible pumps** at **your rural property**.

There is no cover for any **submersible pump** that is not recovered to the surface.

We will pay for any costs **you** reasonably incur to hire a replacement pump during the time taken to repair or replace the damaged **submersible pump**.

For any one claim involving a **submersible pump**, **you** may only claim under either this extension or 3.6 'Electric fusion' but not both.

Maximum amount payable

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

The motor under **your submersible pump** is covered as per 6.3 (b) 'Basis of settlement: Certain property types'.

The pump under **your submersible pump** is covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusions 5.1 (e) (xxvi) 'Types of property not covered' and 5.6 (f) 'Consequential financial loss' do not apply to this extension.

3.25 Sundry bridges, underpasses and culverts

You are insured for sudden and **accidental loss** to **your** unspecified sundry bridges, underpasses and culverts at **your rural property** caused by:

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle, animal, power pole, tree, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) burglary or theft;
 - (iii) malicious acts of persons;
 other than by **you** or any member of **your family** or any employee or **contractor** of **yours**;
- (e) **flood**;
- (f) windstorm;
- (g) hail or snow.

You are not insured for:

- (i) bridge and underpass services (*such as lights*);
- (ii) gabions fitted for protection of abutments.

We will not pay costs required to complete earthworks to land adjoining **your** sundry bridge, underpass or culvert.

Sundry bridges, underpasses and culverts with an estimated replacement cost of more than \$20,000 are not covered under this extension. They must be specified items listed in the **schedule**.

Please check if this cover is adequate and best suits your requirements (an optional benefit is available to be purchased).

Maximum amount payable

The most **we** will pay under this extension in total in the **annual period** is \$20,000.

This will include up to \$1,000 for any **event** to pay the costs reasonably incurred for rock or shingle material.

Your sundry bridges, underpasses and culverts are covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusions 5.1 (e) (viii) and 5.1 (e) (ix) 'Types of property not covered' do not apply to this extension.

Excess

The following excesses apply under this extension:

1. the policy standard excess applies to each **event** where **loss** is caused by (a), (b), (c) or (d) above;
2. an excess of \$2,500 applies for each **event** where **loss** is caused by (e), (f), or (g) above.

3.26 Sustainable rebuilding costs

You are insured for the reasonable costs **you** incur to upgrade the **building** with Sustainable Products following a **loss** covered under this policy, provided that:

- (a) the **building** is **destroyed**;
- (b) the 6.1 'Basis of settlement: Reinstatement' applies to the **building**;
- (c) **you** replace the **building**;
- (d) the Sustainable Products are first approved by **us**.

For the purpose of this extension, 'Sustainable products' means:

- (a) products that increase the efficiency of the **building** relating to the use of energy and/or water,
- (b) rebuilding materials that reduce environmental impacts.

Sustainable products do not include the following:

- (i) fire protection devices or systems;
- (ii) security devices or systems;
- (iii) natural hazard protection.

Examples of sustainable products include the following:

- *double glazing;*
- *solar water heating systems;*
- *environmentally friendly timber;*
- *environmentally friendly paints and/or carpets;*
- *rainwater collection tanks and/or water efficient interior plumbing;*
- *natural lighting and/or ventilation;*
- *'Best Practice' insulation (as recommended by Standards New Zealand);*
- *Energy Star-rated electrical equipment and/or interior lighting systems;*
- *Energy Star-qualified roof materials;*
- *facilities to encourage the use of alternative transport (e.g. bicycle storage);*
- *wind turbines.*

Maximum amount payable

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

- (a) 5% of the actual cost to replace that **building**;
- (b) \$250,000 in total;

whichever is the lesser.

Payment under this extension is in addition to any other payment under this policy.

Important: Please also read 6. 'How we will pay' and 7. 'What we will pay' to find out about the basis of settlement of these optional policy extensions and what we will pay for an item of insured property in the event of a loss.

3.27 Unharmed insured property

You are insured for the reasonable cost **you** incur to:

- (a) damage, demolish or remove;
- (b) subsequently repair, replace or reassemble;

insured property that has not suffered **loss**, but if this action becomes necessary to repair or reinstate **insured property** that has suffered a **loss** covered under this policy.

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

4. Optional policy extensions

You only have cover for the following 'Optional policy extensions' that are shown as insured in the **schedule**.

Unless expressly stated otherwise, any amounts payable under these Optional policy extensions are included within 7. 'What we will pay – 7.1 Maximum amount payable'. They are not additional.

If **you** have the below covers under any other section of this policy or under any other policy with **us**, the most **we** will pay in total for any **event** under all policies is the highest applicable limit.

4.1 Animal feed

You are insured for sudden and **accidental loss** to **your animal feed** caused by any of the following:

- (a) fire, lightning or explosion;
- (b) hail, snow or **flood** (but not if the **animal feed** is laying cut or windrowed in an open field);
- (c) impact by any vehicle or animal.

Maximum amount payable

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

Your animal feed is covered for market value.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (xix) 'Types of property not covered' does not apply to this extension.

4.2 Bridges, underpasses and culverts

You are insured for sudden and **accidental loss** to **your** bridges, underpasses and culverts at **your rural property** caused by:

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle, animal, power pole, tree, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) burglary or theft;
 - (iii) malicious acts of persons;
 other than by **you** or any member of **your family** or any employee or **contractor** of **yours**;
- (e) **flood**;
- (f) windstorm;
- (g) hail or snow.

We will pay the costs reasonably incurred for:

1. bridge and underpass services (*such as lights*);
2. rock or shingle material, including their filling and placement;
3. gabions fitted for protection of the abutments, including their filling and placement.

We will not pay costs required to complete earthworks to land adjoining **your** bridge, underpass or culvert (except rock, shingle, gabion fill and placement costs detailed above).

Maximum amount payable

The most **we** will pay under this extension in total for any **event** is the sum insured for the bridge, underpass or culvert shown in the **schedule**.

The most **we** will pay for 1, 2, 3 and engineering and consent costs is:

- (a) 20% of the bridge, underpass or culvert sum insured;
- (b) \$10,000;

whichever is the lesser.

This amount is payable within the bridge, underpass or culvert sum insured.

Your bridges, underpasses and culverts are covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusions 5.1 (e) (viii) and 5.1 (e) (ix) 'Types of property not covered' do not apply to this extension.

Excess

Unless a higher amount is stated in the **schedule**, the following excesses apply under this extension:

1. the policy standard excess applies for each **event** where **loss** is caused by (a), (b), (c), or (d) above;
2. an excess of \$2,500 applies for each **event** where **loss** is caused by (e), (f) or (g) above.

4.3 Deer velvet

You are insured for sudden and **accidental loss** to **your** deer velvet at **your rural property**.

No cover is provided under this extension for theft, unless there is physical evidence that the theft involved violent and forcible entry into, or exit from, an enclosed building (or part of an enclosed building) at **your rural property**.

Maximum amount payable

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

Your deer velvet is covered for market value.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusions 5.1 (e) (xxi) 'Types of property not covered' and 5.2 (b) (i) and 5.2 (b) (iii) 'Losses not covered' do not apply to this extension.

4.4 Drone

You are insured for sudden and **accidental loss** to a **drone** that is 25 kilograms or less, anywhere in New Zealand.

There is no cover when the **drone** is being flown or operated:

- (a) where flying is prohibited by central or local government laws, bylaws, rules or **regulations**;
- (b) in contravention to any government department **regulations** including but not limited to the Civil Aviation Authority and its respective rules and/or **regulations**.

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Excess

An excess of \$2,500 applies for each **event**.

Exclusion 5.1 (d) (v) 'Types of property not covered' does not apply to this extension.

Important: Please also read 6. 'How we will pay' – 6.3 'Basis of settlement: Certain property types'.

4.5 Grape vines

You are insured for sudden and **accidental loss** to **your** grape vines caused by:

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle, animal, power pole, tree, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) malicious acts of persons;

other than by **you** or any member of **your family** or any employee or **contractor** of **yours**.

For the purpose of this extension, 'Grape vines' mean the grape vines that **you** own, which are maintained and grown for the purposes of commercial harvesting, at **your rural property**.

You are not insured for:

- (a) development or research costs;
- (b) any costs relating to **buildings** or **other assets**;
- (c) any costs relating to trellising, poles, fencing or other kinds of support for the grape vines;
- (d) the value of fruits, flowers on the grape vines;
- (e) any allowance for profit margin associated with the grape vines.

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

- (a) clearing and preparing the land for re-planting;
- (b) the purchase of new seedlings of the same genus and species;
- (c) the re-planting of seedlings.

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusions 5.1 (e) (ii) and 5.1 (e) (iii) 'Types of property not covered' do not apply to this extension.

Excess

An excess of \$1,000 applies for each **event** under this extension.

4.6 Irrigation equipment

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

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by or with any vehicle, animal, power pole, tree, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) burglary or theft;
 - (iii) malicious acts of persons;
 other than by **you** or any member of **your family** or any employee or **contractor** of **yours**;
- (e) **flood**;
- (f) windstorm;
- (g) hail or snow;

provided that the **irrigation equipment** was not being used on terrain outside of the manufacturer's specification.

Maximum amount payable

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

Your irrigation equipment is covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (xxiii) 'Types of property not covered' does not apply to this extension.

Excess

The following excesses apply under this extension:

1. \$2,500 for each **event** where **loss** is caused by (a), (b), (c) or (d) above;
2. \$5,000 for each **event** where **loss** is caused by (e), (f) or (g) above.

4.7 Livestock

You are insured for sudden and **accidental loss** to **your livestock** while they are at **your rural property**, or on another rural property, in the following circumstances.

- (a) The **loss** is caused by any of the following:
 - (i) fire, lightning, explosion or electrocution;
 - (ii) aircraft or other aerial or spatial devices or articles dropped from them;
 - (iii) impact by any vehicle;
 - (iv) smothering caused by panic resulting from (i), (ii) or (iii) above;
 - (v) collapse of the roof of a building from the weight of snow and ice on the roof of the building;
- (b) **Your livestock** are grazing on a roadside behind the protection of an operating electric fence, and the **loss** is caused by any of the following:
 - (i) fire, lightning, explosion or electrocution;
 - (ii) aircraft or other aerial or spatial devices or articles dropped from them;
 - (iii) impact by any vehicle.
- (c) Theft of **your livestock** from an enclosure such as a building, covered yard or stock yard at **your rural property**, other than for theft by **you** or any member of **your family** or any employee or **contractor** of **yours**.

Maximum amount payable

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

A limit of \$3,000 per animal applies.

Your livestock is covered for market value.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (v) 'Types of property not covered' does not apply to this extension.

Excess

Unless a higher amount is shown in the **schedule**, the following excesses apply under this extension:

1. the policy standard excess applies to each **event** where **loss** is caused by (a) and (b) above;
2. an excess of \$2,500 applies for each **event** where **loss** is caused by theft of **your livestock at your rural property**.

4.8 Live plants

You are insured for sudden and **accidental loss** to **your** live plants that are:

- (a) shown in the **schedule**;
- (b) at **your rural property**;
- (c) contained in a building suitable as specifically designed for the cultivation or storage of such live plants;
- (d) owned by **you** or for which **you** are legally responsible.

Provided that the **loss is** caused by one of the following:

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle, animal, power pole, tree, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) burglary or theft;
 - (iii) malicious acts of persons;
 other than by **you** or any member of **your family** or any employee or **contractor of yours**;
- (e) water which leaks or overflows, or is discharged from any fixed heating installation within the building suitable for their cultivation or storage;
- (f) **flood**;
- (g) windstorm, hail or snow, provided the building used for their cultivation or storage also suffers from **loss** covered under this policy;
- (h) frost, provided the **loss** occurs following failure of any permanently installed heating systems within the building suitable for their cultivation or storage;
- (i) electrical short circuit or burning out of the permanent wiring, permanent points, permanent switches, or permanent switchboards (which form part of the building), but excluding electrical short circuit or burning out caused by:
 - (i) wear and tear;
 - (ii) failure of fuses or protective devices, lighting or heating elements.

For the purpose of this extension, 'Live plants' means any of the following:

1. live plants;
2. seeds;
3. bulbs;
4. visible growing crops.

It includes:

- (i) soil (as well as the costs incurred in the soil's sterilisation and fertilisation);
- (ii) plant supports;
- (iii) plant boxes;
- (iv) punnets and pots.

It excludes any property more specifically insured under the **buildings, other assets, or produce** sections as defined in this policy.

We will pay the costs **you** have actually incurred to date, in growing the live plants towards their full maturity less the income received from the sale of any **produce** (including flowers, fruit and/or vegetable produce) from those live plants.

Example:

Purchase price per plant /seedlings		\$0.50
Fertilisers, pest sprays, and the like		\$0.40
Irrigation costs		\$0.10
Labour costs		\$0.60
Total growing costs per plant	=	\$1.60
5,000 plants at \$1.60	→	\$8,000
Income received from sale	less	\$1,000
Total cost payable	=	\$7,000

We will not pay for:

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

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (ii) 'Types of property not covered' does not apply to this extension.

Excess

Unless a higher amount is shown in the **schedule**, the following excess applies under this extension:

1. the policy standard excess applies for each **event** where **loss** is caused by (a), (b), (c), (d) or (e) above;
2. for each **event** where **loss** is caused by (f), (g), (h) or (i) above:
 - (a) \$2,500;
 - (b) 20% of the **loss**;
 whichever is higher.

4.9 Milk

Event 1: Milk contamination

You are insured for:

- (a) sudden and **accidental loss** to **your** milk caused by contamination;
- (b) the reasonable costs **you** incur in disposing of the milk as a result of (a);
- (c) any resultant fines, penalties and deductions for demerits that are imposed on **you** by **your** dairy company due to that contamination.

No cover is provided under this extension for:

- (a) the cost of any audit or testing of **your** milk required by **your** dairy company;
- (b) the **loss** of any milk that does not belong to **you**.

(Loss of any milk that does not belong to you may be insured under your liability policy. Please check your liability policy for confirmation).

The following exclusions do not apply to 'Event 1: Milk contamination':

- (a) Exclusion 5.2 (c) (i) 'Losses not covered';
- (b) Exclusion 5.6 (c) 'Consequential financial loss';
- (c) Exclusion 5.16. 'Seepage, pollution and contamination'.

Event 2: Milk deterioration

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

- (a) breakdown or failure of the refrigeration plant;
- (b) sudden failure of power supplied by a public utility to **your rural property**;
- (c) the operation of an overload switch;
- (d) sudden and **accidental** switching off or failure to turn on the power supply to the refrigeration plant for the vat.

You are also insured for:

- (i) the reasonable costs **you** incur in disposing of the milk as a result of (a), (b), (c) and (d) above; and

- (ii) any resultant fines, penalties and deductions for demerits that are imposed on **you** by **your** dairy company due to deterioration of **your** milk insured under 'Event 2: Milk deterioration'.

We will pay a maximum of two claims under 'Event 2: Milk deterioration' (d) in the **annual period**.

The following exclusions do not apply to 'Event 2: Milk deterioration':

Exclusions 5.2 (b) (i) and 5.2 (b) (iii) 'Losses not covered';

Exclusion 5.6 (c) 'Consequential financial loss';

Exclusion 5.16. 'Seepage, pollution and contamination'.

Event 3: Non-collection of milk

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

- (a) storm, **flood**, or **natural disaster** (provided **you** have purchased the 4. 'Optional policy extensions – 4.10 Natural disaster');
- (b) physical damage in the vicinity if access to **your rural property** is prevented for more than 24 hours and provided that the damage would have been covered under this policy if the policy applied to such physical damage;
- (c) immediate and imminent danger to human life, injury to any person, or murder or suicide of any person, occurring in the vicinity, or at **your rural property**;
- (d) closure of **your rural property** by an unexpected lawful order by a public authority due to defects in drains or other sanitary arrangements, or the **accidental** escape of fumes or hazardous material;
- (e) complete closure of any transport route between **your rural property** and **your** dairy company, where such closure was due to:
 - (i) physical damage to the transport route that would have been covered under this policy if the policy applied to such physical damage;
 - (ii) an unexpected lawful order by a public authority, consequent upon either of the following:
 1. the occurrence of physical damage to the transport route subject to the order;
 2. identification of an immediate and imminent safety hazard to the transport route subject to the order.

You are also insured for **your** milk that must be disposed of because it cannot be collected by **your** dairy company because of physical damage at **your** dairy company and provided that the damage would have been covered under this policy if the policy applied to such physical damage.

For the purpose of 'Event 3: Non-collection of milk', 'Vicinity' means the surrounding area, no more than 10 kilometres from **your rural property**.

Exclusion 5.2 (b) (i) 'Losses not covered' does not apply to 'Event 3: Non-collection of milk'.

Where any compensation for uncollected milk is available to **you** from **your** dairy company, any other person, or organization or any government entity, then the most **we** will pay **you** under 'Event 3: Non collection of milk' is the difference between the market value of the milk and the compensation available to **you**.

There is no cover if the compensation is greater than the market value of the milk.

Maximum amount payable

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

The most **we** will pay under this extension for any **event** under Event 1, Event 2 or Event 3 and for all **events** in total in the **annual period** is \$10,000, unless a different amount is shown in the **schedule**.

Your milk is covered for market value except as prescribed above under 'Event 3: Non-collection of milk'.

Excess

An excess of \$1,000 applies for each **event** under this extension.

4.10 Natural disaster

You are insured for sudden and **accidental loss** to **your insured property** that is at **your rural property** caused by **natural disaster**.

However, there is no cover for **loss** caused by **natural disaster** to the following:

- (a) artificial windbreaks;
- (b) fences;
- (c) grape vines;
- (d) **livestock**;
- (e) money;

- (f) orchard trees;
 - (g) any item of property that is excluded from **natural disaster** cover as shown in the **schedule**.
- Exclusions 5.2 (g) (i) 'Losses not covered' and 5.12 'Natural disaster' do not apply to this extension.

Maximum amount payable

Where the **insured property** is a **building** that is eligible for cover under the **NHI Act**, the following will apply:

1. **we** will only pay in excess of the maximum cover under the **NHI Act**;
2. the most **we** will pay for **loss** to the **building** is the difference between **your** maximum entitlement under the **NHI Act** (whether or not that is actually paid to **you**) and the maximum amount payable under this policy for that **loss**;
3. the **natural disaster** excess for that **building** is reduced by any payment made in respect of that **building** under the **NHI Act**.

In this Optional policy extension when **we** say “eligible for cover under the **NHI Act**” **we** mean the **building** or a part thereof is entitled to cover under the **NHI Act**, or would have been but for:

- (a) the application of an excess under the **NHI Act**;
- (b) a failure by **you** to correctly notify a claim within the time required under the **NHI Act**;
- (c) a decision by the Natural Hazards Commission Toka Tū Ake (“Commission”) or its agent to decline a claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever;
- (d) any act or omission on **your** part, the part of **your** agent, or the part of the Commission.

Excess

The excess as shown below for each region will apply in aggregate to all claims under this extension that arise from any one **event at your rural property**.

Region	Excess
The regions of Auckland, Northland, and the Districts of Dunedin City and Clutha	2.5% of the loss with a minimum of \$2,500
The regions of Marlborough, Kaikoura, Hurunui and areas of Canterbury north of Waipara River	10% of the loss with a minimum of \$5,000
The rest of New Zealand	5% of the loss with a minimum of \$5,000

For the purpose of this extension, ‘Region’ means the areas of land in the Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.

4.11 Orchard trees

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

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any vehicle, animal, power pole, tree, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) malicious acts of persons;

other than by **you** or any member of **your family** or any employee or **contractor** of **yours**.

For the purpose of this extension, ‘Orchard trees’ means the fruit trees, nut trees and flowering trees that **you** own, which are maintained and grown for the purposes of commercial harvesting, at **your rural property**.

You are not insured for:

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

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

- (a) clearing and preparing the land for re-planting;
- (b) the purchase of new seedlings of the same genus and species;
- (c) the re-planting of seedlings.

Maximum amount payable

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

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'. Exclusions 5.1 (e) (ii) and 5.1 (e) (iii) 'Types of property not covered' do not apply to this extension.

Excess

Unless a higher amount is shown in the **schedule**, an excess of \$1,000 applies for each **event** under this extension.

4.12 Property under construction

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

1. **insured property at your rural property** during the course of:
 - (a) demolition;
 - (b) installation, construction or erection;
 - (c) testing and commissioning following (b) above;
2. property that is owned, will be owned or will be occupied by **you** during the course of (a), (b) and (c) above.

Cover under this extension is only available when the completed value of contract works does not exceed \$100,000.

You must notify **us** as soon as **you** become aware of such works and **we** may charge **you** an additional premium calculated pro-rata from the date of the work and any applicable levies and taxes.

The most **we** will pay under this extension during the **annual period** for 2. is \$100,000.

This payment is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (a) 'Types of property not covered' does not apply to this extension.

4.13 Sealed driveways and surfaces

You are insured for sudden and **accidental loss** to **your sealed driveways and surfaces** caused by:

- (a) fire, lightning or explosion;
- (b) aircraft or other aerial or spatial devices or articles dropped from them;
- (c) impact by any power pole, mast or aerial;
- (d) any of the following:
 - (i) riot or labour disturbance;
 - (ii) burglary or theft;
 - (iii) malicious acts of persons;
 other than by **you** or any member of **your family** or any employee or **contractor** of **yours**;
- (e) **flood**;
- (f) windstorm;
- (g) hail or snow.

Maximum amount payable

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

Your sealed driveways and surfaces are covered for reinstatement.

Payment under this extension is in addition to 7. 'What we will pay – 7.1 Maximum amount payable'.

Exclusion 5.1 (e) (xv) 'Types of property not covered' does not apply to this extension.

Excess

Unless a higher amount is shown in the **schedule**, the following excesses apply under this extension:

1. \$2,500 for each **event** where **loss** is caused by (a), (b), (c) or (d) above;
2. \$5,000 for each **event** where **loss** is caused by (e), (f) or (g) above.

- 4.14 Submersible pump hardware** You are insured for sudden and **accidental loss** to **your submersible pump hardware** at **your rural property**.
- You are not insured for **loss** to land, boreholes and/or well shafts.
- We will not pay for any costs of boring, earthworks, blasting or excavation.
- Maximum amount payable**
- The most we will pay under this extension for any **event** is the sum insured for **submersible pump hardware** shown in the **schedule**.
- Your submersible pump hardware** is covered for reinstatement.
- If **your submersible pump hardware** is not recovered to the surface, it is covered for indemnity.
- Payment under this extension is in addition to any other payment under this policy.
- Exclusion 5.1 (e) (xxvii) 'Types of property not covered' does not apply to this extension.

- 4.15 Sundry buildings** You are insured for sudden and **accidental loss** to **your sundry buildings**.
- Maximum amount payable**
- The most we will pay under this extension for any **event**:
- (a) per **sundry building** is \$10,000;
 - (b) in total for all **sundry buildings** is the sum insured for **sundry buildings** shown in the **schedule**.
- Your sundry buildings** are covered for reinstatement.
- Payment under this extension is in addition to any other payment under this policy.
- Exclusion 5.1 (e) (xxv) 'Types of property not covered' does not apply to this extension.

5. Exclusions

- 5.1 Types of property not covered** This policy does not insure:
- (a) any **insured property** during:
 - (i) demolition;
 - (ii) installation, construction or erection;
 - (iii) testing and commissioning following (a) (ii) above.

other than cover provided by 4. 'Optional policy extensions – 4.12 Property under construction'.
 - (b) any jewellery, precious stones, furs, precious metals or bullion, except if any of these items are a component of any plant or machinery that is insured under this policy as **other assets**.
 - (c) any **insured property** located outside New Zealand.
 - (d) any of the following (including their accessories, fittings, attachments, tools, specialised equipment and spare parts):
 - (i) any motor vehicle;
 - (ii) any machine on wheels, tracks or rollers (including rails) that is propelled by its own power;
 - (iii) anything designed to be towed by or fitted to either (d) (i) or (d) (ii) above;
 - (iv) watercraft of any kind;
 - (v) aircraft of any kind.
 - (e) any of the following property:
 - (i) standing timber or growing crops;
 - (ii) live plants;
 - (iii) trees, shrubs, hedges or grass;
 - (iv) fences;
 - (v) **livestock**;
 - (vi) any other living creature;
 - (vii) dams, canals, or reservoirs;
 - (viii) road bridges or road tunnels or underpasses;
 - (ix) culverts;
 - (x) railways, railway bridges or railway tunnels;
 - (xi) docks, piers, marinas, jetties or wharves, boat ramps, boat launches (slipways), breakwaters (including attenuators) and seawalls/revetments;
 - (xii) mining property located below ground level;

- (xiii) any land, earth or fill (including topsoil and backfill);
- (xiv) driveways, patios, footpaths, paving or landscaping car parks, roads on site, yards, tracks of any kind, constructed or consisting of gravel or shingle, formed land or other loose material, whether compacted or not;
- (xv) **sealed driveways and surfaces** located at more than 60m from the **building** or dairy shed at **your rural property**;
- (xvi) transmission and distribution lines (and their structures) not located at **your rural property**;
- (xvii) artificial turf, swimming pools or tennis courts;
- (xviii) artificial windbreaks;
- (xix) **animal feed**;
- (xx) **bulk fertiliser**;
- (xxi) deer velvet;
- (xxii) money;
- (xxiii) **irrigation equipment**;
- (xxiv) rural service utilities;
- (xxv) **sundry buildings**;
- (xxvi) **submersible pumps**;
- (xxvii) **submersible pump hardware**;
- (xxviii) **insured property** that is in transit away from **your rural property**;
- (xxix) asbestos, other than cover provided by 6.4 'Additional costs you are covered for – Asbestos removal costs'.

Cover is available for a few items of property listed above through an automatic or an optional policy extension.

5.2 Losses not covered

This policy does not insure:

- (a) any of the following types of damage to **insured property**:
 - (i) slowly developing deformation or distortion;
 - (ii) marring or scratching;
 - (iii) gradual deterioration;
 - (iv) rot or mildew;
 - (v) wear and tear, corrosion or rust.
- (b) **loss immediately preceded by** any of the following:
 - (i) interruption of the supply of water, gas, electricity, or any fuel to **your rural property**, other than cover provided by 3. 'Automatic policy extension – 3.19 Refrigerated supplies';
 - (ii) total or partial stoppage of work, or interruption or cessation of any process;
 - (iii) a change in artificially controlled temperature or atmosphere.
- (c) **loss** caused by or in connection with any of the following:
 - (i) action of micro-organisms, vermin or pests other than damage by possums;
 - (ii) action of light, or inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish);
 - (iii) fumes, gas, dust, smoke or soot;
 - (iv) maintenance of **insured property** including servicing, cleaning and subsequent testing;
 - (v) cleaning or removal of effluent solids or other materials from the base of effluent or water ponds causing damage to their plastic or other sheet membrane liners;
 - (vi) spontaneous combustion other than of **animal feed**;
 - (vii) spontaneous fermentation;
 - (viii) self-heating or natural heating.

This exclusion 5.2 (c) only applies to the **insured property** or to the part of the **insured property** directly affected. It does not apply to any resultant sudden and **accidental loss** to separate **insured property**, or to other parts of the same **insured property**.

- (d) **loss** that is:
 - (i) only evidenced by an unexplained disappearance;
 - (ii) only revealed by the taking of an inventory;
 - (iii) due to clerical or accounting errors.

- (e) **loss** caused by any of the following:
 - (i) any fraudulent scheme or device, or false pretence practised on **you** or any other person;
 - (ii) theft, attempted theft or fraud by **you, your family** or an employee or **contractor of yours**.
- (f) **loss** caused by exposure to weather conditions if the property is left in the open.
This exclusion 5.2 (f) does not apply where reasonable precautions have been taken to protect the property and:
 - (i) the property is designed to be left in the open;
 - (ii) the property is wrapped or covered.
- (g) **loss** caused by or in connection with any of these events:
 - (i) **landslide**;
 - (ii) settling, warping or cracking caused by earth or other movements;
 - (iii) the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.

Cover is available for some losses through automatic and optional policy extensions.

5.3 Building defects

This policy does not insure **loss**, costs or expenses in connection with a building or structure being affected by:

- (a) moisture or water build-up or the penetration of external moisture or water;
- (b) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa, or any similar or like forms;

that is caused directly or indirectly by:

- (i) non-compliance with the New Zealand Building Code;
- (ii) faulty design or faulty specification, including but not limited to faulty sequence, procedure or programme;
- (iii) faulty materials;
- (iv) faulty workmanship;

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

5.4 Communicable disease

This policy does not insure **loss**, costs or expenses 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:

1. sudden and **accidental loss** to **insured property** or any Time Element Loss directly resulting therefrom where such **loss** is caused by any of the following perils:
 - (a) fire, lightning, explosion, aircraft or vehicle impact, falling objects;
 - (b) windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane;
 - (c) **landslide**, earthquake, seismic and/or volcanic activity, tsunami only if 4. 'Optional policy extensions - 4.10 Natural disaster' is taken;
 - (d) **flood**, freeze, weight of snow or ice, avalanche;
 - (e) meteor/asteroid impact;
 - (f) riot, riot attending a strike, civil commotion, vandalism, malicious mischief.
2. 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 **loss**, damage, liability, claim, cost or expense in connection with any:

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

For the purposes of this exclusion 'Time Element Loss' means consequential losses covered by the policy.

5.5 Confiscation

This policy does not insure **loss**, costs or expenses in connection with expropriation, 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 immediate and imminent threat of **loss** provided that the **loss** would be covered under this policy if it did occur).

- 5.6 Consequential financial loss** This policy does not insure any kind of consequential financial loss (e.g. financial loss that occurs as a direct or indirect result of the loss of insured property), including the following:
- (a) delays;
 - (b) loss of market;
 - (c) penalties;
 - (d) rates, taxes, duties, development charges;
 - (e) other charges or assessments arising out of capital appreciation, that are payable to comply with any **regulations**;
 - (f) loss of use of any property, other than cover provided by:
 - (i) 3. 'Automatic policy extensions – 3.1 Alternative residential accommodation';
 - (ii) 3. 'Automatic policy extensions – 3.6 Electric fusion';
 - (iii) 3. 'Automatic policy extensions – 3.8 Expediting costs';
 - (iv) 3. 'Automatic policy extensions – 3.24 Submersible pumps'.

- 5.7 Cyber** This policy does not insure any **loss**, costs or expenses 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**;
 - (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 (a) shall not apply to sudden and **accidental loss to insured property** or any Time Element Loss directly resulting therefrom where such **loss** is 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, but only if the 4. 'Optional policy extension – 4.10 Natural disaster' 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 **loss** or any Time Element Loss is in connection with a **cyber act**.
- For the purposes of this exclusion 'Time Element Loss' means consequential losses covered by the policy.

- 5.8 Defective workmanship or design** This policy does not insure the cost of:
- (a) repairing or replacing defective materials;
 - (b) putting right defective workmanship;
 - (c) putting right work performed to a defective:
 - (i) design plan;
 - (ii) design specification;
- This exclusion does not apply to resultant sudden and **accidental loss** to other **insured property** occurring as a result of the defective materials or workmanship, or as a result of work performed to a defective plan or design specification.

- 5.9 Defective repair and replacement work** This policy does not insure the costs of:
- (a) putting right defective workmanship;
 - (b) putting right work performed to a defective
 - (i) design plan;
 - (ii) design specification;
- in any repair or replacement work covered by the policy.
- This exclusion applies to the property or part immediately affected as well as any property or parts that need to be demolished, replaced or reinstalled or otherwise made good in order to rectify the defective workmanship, defective design plan or defective design specification.

This exclusion does not apply to resultant sudden and **accidental loss** to other **insured property** occurring as a result of the defective workmanship, or as a result of work performed to a defective plan or design specification.

5.10 Damage to machinery

This policy does not insure any **machinery breakdown** of a machine.

There is no cover for **accidental loss** to a machine caused by or in connection with any:

- (a) error in: setting, programming or operating the machine;
- (b) part of the machine being drawn into the machine;
- (c) failure to service or maintain the machine correctly.

This exclusion does not apply to any resultant sudden and **accidental loss** to other parts of the machine.

5.11 Damage to boilers and pressure vessels

This policy does not insure:

- (a) the cost of repairing or replacing any part of a boiler or **pressure vessel** that suffers **loss** through:
 - (i) explosion, overheating, rupture, bursting or collapse (but not pressure caused by chemical explosion);
 - (ii) cracking or leaking.
- (b) **loss** to boiler or pressure vessel caused by rust, corrosion, boiler scale or oxidation of any kind;
- (c) cost **you** incur to carry out alterations, addition, improvements, overhauls or maintenance to a boiler or **pressure vessel**.

This exclusion does not apply to any resultant sudden and **accidental loss** to other parts of the boiler or pressure vessel arising from any of the above.

For the purpose of this exclusion, 'Pressure vessel' means the parts of any **insured property** or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including:

- (a) all integral parts;
- (b) controls;
- (c) systems (other than systems forming part of a building or structure).

5.12 Natural disaster

This policy does not insure **loss** caused by or in connection with **natural disaster** other than cover provided by 4. 'Optional policy extensions – 4.10 Natural disaster'.

5.13 Nuclear and weapons exclusion

This policy does not insure any **loss**, costs, or expenses directly or indirectly caused by or contributed to or 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;
- (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;
- (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;
- (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;
- (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.

5.14 Production process

This policy does not insure **loss** to **insured property** while undergoing any Production Process where any part of that Production Process (including any **accidental** modification of the process) directly caused the **loss**.

This exclusion does not apply to resultant sudden and **accidental loss** to other **insured property**. For the purpose of this exclusion, ‘Production process’ means any process of producing, making, treating or servicing goods.

5.15 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 United Nations resolutions;
- (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.

5.16 Seepage, pollution and contamination

This policy does not insure **loss**, costs or expenses in connection with seepage, pollution or contamination.

5.17 Terrorism

This policy does not insure any **loss**, costs and expenses 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’ is 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;
- (b) involves damage to property;
- (c) endangers life other than that of the person committing the action;
- (d) creates a risk to health or safety of the public or a section of the public;
- (e) is designed to interfere with or disrupt an electronic system.

5.18 Unlawful substances

This policy does not insure **loss** to **insured property** in connection with the presence of any ‘controlled drug’ as defined in the Misuse of Drugs Act 1975.

This exclusion does not apply to **loss** caused by the **accidental** spread of fire or explosion.

5.19 War

This policy does not insure any **loss**, costs and expenses 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.

6. How we will pay

6.1 Basis of settlement: Reinstatement

For **insured property** shown in the **schedule** as covered for reinstatement, or where the Automatic or Optional policy extension confirms that the **insured property** is covered for reinstatement, at **our** option **we** will pay **you** using one of the following methods:

- (a) Where the **insured property** is physically lost or **destroyed: we** will pay **you** the cost **you** incur to replace the **insured property** to a condition substantially the same as its condition when new.
- (b) Where the **insured property** is physically damaged but not lost or **destroyed: we** will pay **you** the cost **you** incur to repair the physically damaged part of the **insured property** to a standard that is reasonably equivalent to its condition and relative quality when new, but without necessarily reproducing it exactly.
- (c) **we** may pay **you our** estimate of the reasonable cost **you** would incur to repair or replace the **insured property** that sustained **loss** within a reasonable timeframe, less any demolition and removal costs **we** have incurred.

Circumstances where reinstatement does not apply

The provisions of 6.2 'Basis of settlement: Indemnity' will apply in any of the following circumstances, regardless of any different basis of settlement shown in the **schedule** or in any Automatic or Optional extension:

- (a) **you** do not repair or replace the **loss** to the **insured property**;
- (b) repair or replacement of the **insured property** is not started within a reasonable period of time;
- (c) until the actual costs of repair or replacement of the **loss** to the **insured property** are incurred;
- (d) if the **insured property** is awaiting demolition or disposal at the time of the **loss**;
- (e) repair or replacement of the physically damaged, but not **destroyed, insured property** is either:
 - (i) not permissible under any **regulations**;
 - (ii) not physically possible because of the **undamaged** portion of the property.

6.2 Basis of settlement: Indemnity

For **insured property** which suffers **loss** covered by this policy that is not indemnified under either 6.1 'Basis of settlement: Reinstatement' or 6.3 'Basis of settlement: Certain property types', at **our** option **we** will indemnify **you** using one of the following methods:

- (a) Where the **insured property** is physically lost or **destroyed: we** will pay **you** the cost **you** incur to replace the **insured property** with property of a similar condition, age and specification, as it was in, immediately prior to the **loss**.
- (b) Where the **insured property** is physically damaged but not **destroyed: we** will pay **you** the cost **you** incur to repair the physically damaged part of the **insured property**, as nearly as possible, to the condition it was in immediately prior to the **loss**.
- (c) **We** may pay **you our** estimate of the indemnity value of the **insured property** that sustained the **loss**.

6.3 Basis of settlement: Certain property types

- (a) Where the following **insured property** suffers **loss** covered by this policy, **we** will indemnify **you** by paying **you** the market value of the property immediately prior to the **loss**:
 - (i) Deer velvet;
 - (ii) **Livestock**;
 - (iii) Milk;
 - (iv) **Produce**;
 - (v) **Refrigerated supplies**;
 - (vi) Wool.
- (b) Where an electrical motor (including electrical motors for **submersible pumps** and pond stirrers) suffers **loss** covered by this policy:
 - (i) Where the electrical motor is up to 5 years old, **we** will indemnify **you** in accordance with 6.1 'Basis of settlement: Reinstatement'.
 - (ii) Where the electrical motor is more than 5 years old, **we** will indemnify **you** in accordance with 6.2 'Basis of settlement: Indemnity'.
- (c) Regardless of whether the **schedule** shows a **building** is insured for reinstatement, for the following parts of any **building, we** will indemnify **you** as described:
 - (i) For plastic or cloth cladding to **buildings, we** will indemnify **you** in accordance with 6.2 'Basis of settlement: Indemnity'. The indemnity value of the materials will be depreciated

over the lifetime of the product based on the manufacturer's UV rating. However, no cover will be available if the product is deemed to have reached the end of the product lifecycle.

- (ii) For plastic or other sheet membrane liners for effluent ponds, **we** will indemnify **you** in accordance with 6.2 'Basis of settlement: Indemnity'. Depreciation will be applied over the lifetime of the product based on the manufacturer's specification. However, no cover will be available if the product is deemed to have reached the end of the product lifecycle.
- (d) Where **data** is covered by this policy, **we** will pay **you** the reasonable cost **you** incur to purchase replacement blank media and the cost incurred to copy replacement **data** from backup or from originals of a previous generation. If the media is not repaired, replaced or restored, **we** will pay the cost of the blank media. **We** will not pay for any costs of research and engineering, nor any costs of recreating, gathering or assembling the **data** or for the value of the **data** to **you**.
- (e) Where **software** is covered by this policy, **we** will pay **you** the reasonable costs **you** incur to restore, re-set or re-programme the **software** that is necessary to operate any electronic machine insured under this policy.
- (f) Where artificial windbreaks suffers **loss** covered by this policy **we** will at **our** option pay:
 - (i) the indemnity value of the materials;
 - (ii) the cost to repair the materials, as near as reasonably possible, to the condition they were in immediately prior to the **loss**.

The indemnity value of the materials will be depreciated over the lifetime of the product based upon the manufacturer's UV rating.

However, no cover will be available if the product is deemed to have reached the end of the product lifecycle.

(g) **Drones**

Where a **drone** suffers **loss** covered by this policy **we** will pay **you** by one of the following methods:

- (i) Where the **drone** is less than 2 years old, **we** will at **our** option pay the reasonable cost to repair or replace the **drone**.
- (ii) In all other cases, **we** will at **our** option pay:
 1. the indemnity value of the **drone**;
 2. the cost to repair the **drone**, as near as reasonably possible, to the condition it was in immediately prior to the **loss**.

6.4 Additional costs you are covered for

Where **insured property** has suffered a **loss** covered by this policy, then the following costs are also covered. These costs are included in, and not in addition to, the maximum amounts payable referred to in 7. 'What we will pay'.

Costs of compliance

We will pay necessary and reasonable costs **you** incur in complying with **regulations** in order to repair or replace **loss** to the damaged, lost or **destroyed** part of **insured property**. There is no cover for costs:

- (a) for work that **you** have already been ordered to carry out;
- (b) in connection with **undamaged insured property**, or **undamaged** parts of **insured property**. This applies even if the **undamaged insured property** comprises a separate building, structure or item of plant or equipment;
- (c) solely for the purpose of seismically strengthening the **insured property** to a performance level greater than its performance level before the **loss**.

We will repair your building to the same structural performance level it had before the loss.

Demolition costs

We will pay necessary and reasonable costs **you** incur to:

- (a) demolish or dismantle **insured property**;
- (b) temporarily shore or prop **insured property**;
- (c) remove and dispose debris from **your rural property** (including any kind of solid, liquid or gas);
- (d) clear, clean and repair gutters, drains and the like;
- (e) recover, defend, safeguard, remove, temporarily store, and return **insured property**, whether physically damaged or **undamaged**;
- (f) temporarily repair and secure **insured property** to make it comply with safety rules and **regulations** suitable for continued use;

provided that the costs arise directly from a **loss** covered by this policy.

Fees and other costs

We will pay necessary and reasonable costs **you** incur for:

- (a) architect's, engineer's, surveyor's, building consultant's fees;
- (b) consents;
- (c) legal fees associated with (a) or (b);
- (d) training consultants and IT technicians;

to repair or replace **insured property** following a **loss** covered by this policy.

Claims preparation costs

We will pay necessary and reasonable costs **you** incur to assess or prepare a claim following a **loss** covered by this policy.

You are not insured for any costs incurred to investigate or negotiate a claim made under this policy.

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

Asbestos removal costs

Where asbestos is physically incorporated in a **building** that is **insured property** that suffers **loss** covered by this policy, **you** are covered for the necessary and reasonable demolition, clean up and disposal costs to deal with damaged asbestos where such costs are incurred as a direct result of the **loss** to the **building**.

The most **we** will pay for any **event** is:

- (a) 5% of the **building sum insured**;
- (b) \$25,000;

whichever is the lesser.

There is no cover for any costs relating to:

- (i) faults in the asbestos;
- (ii) asbestos not physically damaged;
- (iii) actions taken to protect human health or property;
- (iv) meeting standards or requirements set by any Government or regulatory authority.

6.5 Conditions of repair or replacement

Where **we** pay to replace physically damaged, lost or **destroyed insured property**, **you** may choose to replace the property at:

- (a) **your rural property**;
- (b) any alternative site that **you** provide in New Zealand.

Where **you** choose to use an alternative site, **we** will not pay more than the cost to replace the physically damaged, lost or **destroyed insured property** at **your rural property** in accordance with the terms of this policy.

We will pay the reasonable cost to repair or replace **insured property** based on current industry accepted building materials and construction methods.

7. What we will pay

7.1 Maximum amount payable:

(a) **Buildings**

The most **we** will pay for any **event** is the sum insured for that **building** shown in the **schedule**.

(b) **Other assets**

The most **we** will pay for any **event** for **other assets** is the sum insured shown in the **schedule**.

(c) **Produce**

The most **we** will pay for any **event** is the sum insured for **produce** shown in the **schedule**.

(d) **All other insured property**

For all other **insured property** where cover is provided by an Automatic or an Optional policy extension, the most **we** will pay is the limit specified for such Automatic policy extension in the policy wording or for such Optional policy extension in the **schedule**.

The most **we** will pay for any other individually specified item of **insured property** in the **schedule** with a corresponding sum insured is that specified item sum insured.

If the sum insured for **insured property** is more than an applicable Automatic or an Optional policy extension policy sub-limit then the most **we** will pay for that **insured property** is the applicable sub-limit.

If the sum insured for **insured property** is less than an applicable policy sub-limit then the most **we** will pay for that **insured property** is the sum insured shown in the **schedule**.

7.2 Excess

The excess shown in the **schedule** or referred to in this policy wording will be deducted from the amount payable for each **event** under this policy, subject to:

(a) If a policy extension limit applies, the excess will be deducted from the extension limit.

(b) If a single **event** results in claims being accepted under more than one section or extension, only one excess will be applied, being the highest applicable excess.

(c) If a single **event** results in claims being accepted under more than one Rural policy that **you** hold with **us**, only one excess will be applied, being the highest applicable individual policy standard excess. This does not apply to **loss** caused by **natural disaster**.

(d) For the following types of **building**, the following excess will apply unless a higher excess is shown in the **schedule**:

(i) For a **building** with a plastic or cloth cladding, a minimum excess of \$1,000 will apply to each **event**. An excess of \$2,500 will apply to each **event** where **loss** is caused by storm, **flood**, hail or snow;

(ii) For a **building** that is a glasshouse, a minimum excess of \$1,000 will apply to each **event**. An excess of \$2,500 will apply to each **event** where **loss** is caused by storm, **flood**, hail or snow.

7.3 Reinstatement of sum insured once repaired

Following a **loss** for which a claim is payable under this policy, the sum insured for the item of **insured property** is reduced by the amount of the **loss**. The sum insured will only be reinstated as follows:

If the **insured property** that suffered the **loss**:

(a) is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the **insured property** that suffered the **loss** is progressively repaired or replaced.

(b) is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the **insured property** that suffered the **loss** has been completed.

The sum insured will not be reinstated for any claim under 4.10 'Natural disaster' unless **we** have agreed to the reinstatement in writing. **We** may charge **you** additional premium for any reinstatement of the sum insured.

7.4 Sum insured adjustment on renewal for unrepaired items

The sum insured for any **insured property** that suffered **loss** in any previous period of insurance that has not been repaired or replaced at the start of the current **period of insurance** is the sum insured for that **insured property**, less the estimated cost of remedying the existing unrepaired or unreplaced **loss**.

The sum insured will only be reinstated to its pre-loss level as per the conditions outlined in 7.3 'Reinstatement of sum insured once repaired' above.

8. Managing your claim

Your obligations

- 8.1 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.
- 8.2 Minimise the loss** **You** must take all reasonable steps to minimise the claim and avoid any further **loss** or liability arising.
- 8.3 Notify the police** **You** must immediately notify the police if **you** suspect criminal activity has occurred.
- 8.4 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.
- The Insurance Claims Register is a database of insurance claims that participating insurers can access. We may get personal information and details of insurance claims made by you from the Insurance Claims Register.*
- 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.
- 8.5 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.
- 8.6 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

- 8.7 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.
- 8.8 Recoveries** If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to **us** if **we** request it. **We** have the right to keep any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.
- 8.9 Reparation** If any person is ordered to make reparation to **you** for **loss** to any property 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.
- 8.10 Branded stock** For salvage that is branded goods or merchandise, **we** will not dispose of these items by sale unless **you** agree. If **you** do not agree, the value of the salvage will be deducted from any claim payment.

9. General conditions

How we administer this policy

- 9.1 Assignment** **You** may not assign this policy or any interest under this policy without **our** prior written consent.
- 9.2 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.
- Your** 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.
- 9.3 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.
- 9.4 Currency** Any amounts shown in this policy and in the **schedule** are in New Zealand dollars.
- 9.5 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.
- Note: GST will not be added to claim payment made under 3. 'Automatic policy extensions - 3.16 Money'.*
- 9.6 Interests of other parties**
- If **we** are advised of any party having a financial interest over **your insured property**, **we** may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of **our** obligations to **you** under this policy. **You** consent to **us** transferring **your** relevant personal information to that party.
- Any party, who is recorded as having a financial interest under this policy, is not covered under this policy and does not have rights to claim under this policy.
- 9.7 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.
- 9.8 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**.
- 9.9 Separate insurance** Where the 'Insured' consists of more than one legal entity the word 'Insured' shall apply to each as if a separate policy had been issued to each entity. However, this does not increase the amount of cover available under this policy.

Laws and Acts that govern this policy

- 9.10 Governing Law and Jurisdiction** The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.
- 9.11 Legislation 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 includes any amended, replacement, substituted, equivalent or corresponding terms.
- 9.12 Crown Entities changes** 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

- 9.13 Breach of any condition** If **you**, any other person covered under this policy or anyone acting on **your** behalf breaches any of the conditions of this policy, **we** may decline:
- the claim, either in whole or in part;
 - any claim in connection with the same **event** that **you** make on any other policies **you** have with **us**.
- 9.14 Change in circumstances** **You** must tell **us** immediately if there is a material:
- increase in the risk insured;
 - 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:
- declare this policy unenforceable;
 - 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:*
- accepting your insurance;*
 - setting the terms of your insurance;*
 - setting the premium;*
- if we had known that information. If in any doubt, notify us anyway.*
- 9.15 Comply with the policy** **We** will not pay any claim unless **you**, any other person covered under this policy or anyone acting on **your** behalf, complies with this policy.
- 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.
- 9.16 Dishonest or Fraudulent** If **you**, any other person covered under this policy or anyone acting on **your** behalf commits a dishonest or fraudulent act or omission, **we** may treat either this policy or all insurance **you** have with **us** as if it no longer exists from the date of the dishonest or fraudulent act, or breach.
- 9.17 True statements and answers** True statements and answers must be given whether by **you** or any other person in all communications with **us**, including, when:
- this insurance is applied for and renewed;
 - we** are told about any change in circumstances;
 - you** make a claim.
- 9.18 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.

10. 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 .
animal feed	Hay, straw, lucerne, palm kernel and similar animal feeds that may be loose, wrapped or baled, at your rural property . It excludes growing crops.
annual period	The period of insurance . However, if: <ul style="list-style-type: none"> (a) you pay the premium monthly; (b) the period of insurance is for more than 12 months; the annual period is the current 12 month period calculated consecutively from the date this policy first started.
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.
buildings	Any of the following provided they are located at your rural property at the start of the period of insurance : <ul style="list-style-type: none"> (a) buildings; (b) dairy shed consisting of: <ul style="list-style-type: none"> (i) fixed milking plant and machinery in the shed; (ii) effluent pond used for the storage of dairy effluent from a dairy shed but excluding land as existed before construction of the effluent pond; provided that it is shown in the schedule; (c) permanent signs; (d) permanently fixed silos or portable silos that, in either case, have a capacity of 10 tonnes or more; (e) underground and above ground services within the foot-print of the building or dairy shed; (f) tanks that are permanently connected to the building or dairy shed; (g) platforms, yards, railings, and associated structures that form an integral part of the building or dairy shed; (h) retaining walls that form an integral part of the building or dairy shed; (i) sealed driveways and surfaces that are within the surrounding area of up to 60m from the building or dairy shed. It excludes: <ul style="list-style-type: none"> (a) sundry buildings; (b) residential dwelling(s) used solely for domestic purposes.
bulk fertiliser	Fertiliser (including lime) that is not contained in bags.
business operations	Your agricultural and/or horticultural activities.
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; (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; (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.

contractor	A contractor who is actively engaged in your business operations including a sharemilker and a sharefarmer but not including any contractors who are hired on an adhoc basis.
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	<p>(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;</p> <p>(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.</p>
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 .
destroyed	So physically damaged by an insured loss that the property, by reason only of that loss , cannot be repaired or the cost of repair is uneconomic.
drone	<p>(a) Remotely Piloted Aircraft System (RPAS);</p> <p>(b) an Unmanned Aerial Vehicle (UAV);</p> <p>(c) an Unmanned Aerial System (UAS);</p> <p>(d) an aircraft weighing 25 kilograms and under, without a human pilot on board;</p> <p>and includes all accessories and parts as specified in the schedule used in connection with a drone.</p>
event	Any one or more occurrence of covered loss during the period of insurance arising from one source or original cause or related causes.
family	Any member of your family who permanently resides with you .
flood	<p>The covering of normally dry land by water:</p> <p>(a) that has overflowed, escaped or been released from the normal confines of any of the following:</p> <ul style="list-style-type: none"> (i) a lake, river, creek or another natural watercourse, whether or not it has been altered or modified; (ii) a reservoir; (iii) a canal; (iv) a dam; <p>(b) that has escaped or been released from natural or engineered drainage system(s) due to accumulation of rainwater from rain precipitation;</p> <p>(c) due to accumulation or runoff of surface water or groundwater from rain, hail or snow precipitation.</p> <p>Flood is not the following events:</p> <p>(a) seepage of artesian water, drains or irrigation races;</p> <p>(b) surface flooding where run-off surface water has saturated land.</p>
immediately preceded by	<p>The event occurring in sequence immediately prior to the loss.</p> <p><i>If there is a chain of events, this will be the last event occurring immediately prior to the loss.</i></p>
insured property	<p>Tangible property shown in the schedule with a sum insured within the following categories:</p> <p>(a) buildings;</p> <p>(b) other assets;</p> <p>(c) produce.</p> <p>Tangible property insured under 3. 'Automatic policy extensions':</p> <p>(a) artificial windbreaks;</p> <p>(b) sundry bridges, underpasses and culverts;</p> <p>(c) data and software;</p> <p>(d) fences;</p> <p>(e) money;</p> <p>(f) rural service utilities;</p>

(g) **submersible pumps.**

Tangible property insured under 4. 'Optional policy extensions' when the relevant optional extension is shown in the **schedule**:

- (a) **animal feed;**
- (b) bridges, underpasses and culverts;
- (c) deer velvet;
- (d) grape vines;
- (e) **irrigation equipment;**
- (f) **livestock;**
- (g) live plants;
- (h) orchard trees;
- (i) **sealed driveways and surfaces;**
- (j) **submersible pump hardware;**
- (k) **sundry buildings;**
- (l) **drone.**

Provided that in all cases:

- (i) the property is owned by **you** (including joint ownership with others);
- (ii) the property, other than **buildings** and **sundry building**, is in **your** care, custody or control and for which **you** are legally responsible.

irrigation equipment

Any:

- (a) fixed plant and mobile plant;
- (b) above ground piping;
- (c) hoses and associated equipment;

of **your** irrigation equipment, provided that they are:

- (i) above ground;
- (ii) in the open;
- (iii) at **your rural property**.

It excludes:

- (a) **submersible pumps** and **submersible pump hardware**;
- (b) drip line irrigation systems and pod type sprinkler irrigation line systems (such as the K-line and Irripod systems) that are positioned, operated and moved at ground level and that are insured as **other assets**.

landlord's obligations

Where the **building** is a commercial property, **you** or the person who manages the tenancy on **your** behalf, must:

- (a) exercise reasonable care in the selection of tenant(s);
- (b) complete an internal and external inspection of the **building** or part of the **building** at a minimum of 6 monthly intervals and upon every change of tenant(s);
- (c) keep a written record of the outcome of each inspection, and provide to **us** a copy of these if **we** request it.

Where any part of the **building** is a residential property, **you**, or the person who manages the tenancy on **your** behalf, must:

- (a) exercise reasonable care in the selection of tenant(s) by at least obtaining satisfactory identification and written or verbal references for each adult tenant and when a reasonable landlord would consider it appropriate also check their credit and Tenancy Tribunal history;
- (b) inspect vacant residential property on a monthly basis;
- (c) keep written records of the pre-tenancy checks conducted for each adult tenant, and provide to **us** a copy of these if **we** request it;
- (d) complete an internal and external inspection of the residential parts of the **building** at a minimum of 3-monthly intervals and upon every change of tenants;
- (e) keep photographs and a written record of the outcome of each inspection, and provide to **us** a copy of these if **we** request it;
- (f) make application to the Tenancy Tribunal for vacant possession in accordance with the

provisions of the Residential Tenancies Act 2010 if:

- (i) **you** become aware of any illegal activity by the occupant(s) of the residential property;
- (ii) intentional damage to the **building** is caused by one of its occupant(s).

landslide	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. It excludes the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.
livestock	Livestock that are owned by you or for which you are legally responsible but excluding farm dogs and domestic pets.
loss	Physical loss or physical damage occurring during the period of insurance .
machinery breakdown	(a) any mechanical, hydraulic, electrical or electronic: <ul style="list-style-type: none"> (i) breakdown or failure; (ii) cessation of function; (iii) malfunction; (iv) derangement; occurring completely inside the machine. (b) fusion of any nature.
natural disaster	Earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity; landslide or fire caused by any of these.
NHI Act	Natural Hazards Insurance Act 2023.
other assets	Any of the following farm contents that are tangible property: <ul style="list-style-type: none"> (a) fixed and portable machinery and plant; (b) tools; (c) general stores which include grain and seed for planting, bagged and bulk fertilisers, agrichemicals and animal treatments, packing materials, fuel oils and the like; (d) refrigerated supplies; (e) milk; (f) wool; (g) portable silos that have a capacity under 10 tonnes; provided that the property is: <ul style="list-style-type: none"> (i) shown in the schedule; (ii) normally located at your rural property (including when temporarily removed).
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
produce	Your normal agricultural and/or horticultural produce, owned by you or that you are legally responsible for, while: <ul style="list-style-type: none"> (a) it is contained in a building; (b) it is being loaded onto a vehicle, being loaded off a vehicle, or being conveyed on a vehicle at your rural property to or from your building. It excludes: <ul style="list-style-type: none"> (a) wool and milk; (b) refrigerated supplies.
refrigerated supplies	Your agricultural or horticultural supplies that are normally kept under refrigerated conditions including: <ul style="list-style-type: none"> (a) animal food, animal vaccines, animal medicines; (b) semen straws and embryos. Refrigerated supplies do not include milk products or deer velvet.

regulations	Building regulations or other regulations that are: <ul style="list-style-type: none"> (a) made under; (b) framed pursuant to; any Act of Parliament or any local authority regulation or by-law.
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.
sealed driveways and surfaces	Permanently constructed surfaces located at your rural property with permanently sealed surface of asphalt, bitumen, concrete: <ul style="list-style-type: none"> (a) used for driveways, parking areas, work areas/work pads, stock work areas, feed pads, and (b) whether or not the surface is used for connecting to buildings or sundry buildings located at your rural property in relation to your business operations. It includes foundations and drainage. It excludes: <ul style="list-style-type: none"> (a) surfaces constructed of formed land, stone, gravel, metal or other loose materials, whether compacted or not; (b) surfaces constructed of paving stones formed of concrete, stone or the likes; (c) surfaces more specifically insured under the buildings section as defined in this policy.
software	Programs, procedures and routines associated with the operation of a computer system .
submersible pump	A pump and attached motor designed to operate submerged in liquids or effluents. It excludes: <ul style="list-style-type: none"> (a) submersible pump hardware; (b) costs of bores and earthworks; (c) blasting and excavation costs.
submersible pump hardware	Hardware installed for operation of your submersible pump consisting of: <ul style="list-style-type: none"> (a) well liners, casings, screens, shafts, piping and valves; (b) power cable to the submersible pump; (c) headworks and ancillary equipment; (d) electric and electronic control equipment; (e) switchboard and electric reticulation for pump and control equipment.
sundry buildings	Any of the following: <ul style="list-style-type: none"> (a) buildings not individually specified in the schedule, including underground and above ground services within the foot-print of the building and attached permanent signs; (b) cattle stops; (c) tanks that are not permanently connected to a building; (d) permanently fixed silos that have a capacity under 10 tonnes. Provided that in all cases: <ul style="list-style-type: none"> (i) the sundry building is owned by you; (ii) the schedule shows sundry buildings as an insured item; (iii) the sundry building is used for your business operations; (iv) the sundry building is at your rural property.
undamaged	Not directly or physically damaged by an event that would be covered under this policy.
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 the 'Insured'. We may also use the word 'insured' to describe you.

**Thanks
for insuring
with AMI.**

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