

# Business Insurance

Welcome, thanks for choosing to protect your business with State.

## ▶ About this Businesspack policy

This Businesspack has the following Parts available under it:

1. Business Assets Part
2. Business Interruption Part
3. Business Vehicles Part
4. Business Liability Part
  - i. Broadform Liability cover
  - ii. Statutory Liability cover
  - iii. Employer's Liability cover
5. Business Income Protection Part
6. Business Machinery Breakdown Part.

The Parts you have selected are shown in your **schedule**.

Each Part is an individual contract (Policy) consisting of:

1. this Business Insurance policy wording insert, which applies to all Parts, and
2. the policy wording insert for each Part you selected, and
3. the **schedule**, and
4. any endorsements or warranties that **we** apply, and
5. the Proposal for Insurance and information you have provided in the application.

## ▶ 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.

## ▶ Insurance Agreement

You agree to pay **us** the premium described in the **schedule** and comply with this Policy. In exchange, **we** agree to insure you as set out in this Policy.

## ▶ Your duty to comply

You (and any other person or entity **we** cover) must comply with the conditions of this Policy at all times.

## ▶ Interpreting this Policy

Certain words in this Policy have a specific meaning. These words appear in **bold** and you will find the meaning listed in the 'Definitions'. The definitions apply to the plural and any derivatives of the bolded words.

You will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this Policy document are for reference only and do not form part of it. They must not be used when interpreting the Policy document.

## General conditions

### ▶ How we will administer this Policy

#### Cancellation

##### By You

You may cancel this Policy at any time by notifying **us**. 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 used portion of the **period of insurance**.

##### By Us

**We** may cancel this Policy by giving you or your agent notice in writing or by electronic means at your or your agent's last known address. Your policy will be cancelled from 4pm on 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**.

### ▶ Change of Terms

**We** may change the terms of this Policy (including the excess) by giving you or your agent notice in writing or by electronic means at your or your agent's last known address. Unless otherwise specified in this Policy the change in terms will take effect from 4pm on the 30th day after the date of the notice.

### ▶ 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 loss or liability 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.

This does not apply to cover provided by Automatic Policy Extension 'Employee Effects Cover' or Automatic Policy Extension 'Tenanted Premises' under the Business Assets Part.

## Your obligations

### ▶ 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 by this Policy and does not have rights to claim under this Policy.

### ▶ Separate Insurance

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate Policy had been issued to each person/entity).

However, the sum insured and any sub limit in this Policy will apply to the aggregate of all amounts payable to all insureds for any event.

### ▶ Premium Payment Options

You may choose either an annual or a monthly renewable contract.

If you have elected a monthly renewable contract, then:

1. you must pay by direct debit using the Direct Debit Authority **we** require, and
2. the Policy is for the initial **period of insurance** stated in the **schedule**, and
3. the Policy will be renewed for further monthly periods of insurance upon receipt of the renewal premium due under the Deduction Authority.
4. the Policy terms, including the premium, will be reviewed on the anniversary date stated in the **schedule**.

### ▶ Laws and Acts that Govern this Policy

#### Governing Law and Jurisdiction

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

#### 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.

#### Insurance Law Reform Acts

The exclusions and conditions in this Policy are subject to your rights under the Insurance Law Reform Act 1977 and Insurance Law Reform Act 1985.

### ▶ Currency

All sums in this Policy are specified in New Zealand dollars unless stated otherwise.

### ▶ Goods and Services Tax

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

1. all sums insured exclude GST, and
2. all sub limits exclude GST, and
3. all excesses include GST, and
4. GST will be added, where applicable, to claim payments.

### ▶ Breach of Any Condition

If:

1. you, or
2. any other person or entity **we** cover under this Policy, or
3. anyone acting on your behalf,

breaches any of the terms and/or conditions of this Policy, **we** may:

- a. decline your claim either in whole or in part, and/or
- b. declare either this Policy or all insurance you have with **us** to be of no effect from the date of the breach.

### ▶ True statements and answers

True statements and answers must be given, whether by you or any other person, when you:

- a. apply for this insurance, and/or
- b. notify **us** regarding any change in circumstances, and/or
- c. make any claim under this Policy, and provide any further communication regarding the claim.

### ▶ 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.

### ▶ Change in Circumstances

You must notify **us** immediately if, after **we** have accepted your application for this Policy, there is a material:

1. increase in the risk covered, or
2. alteration of the risk covered.

Once you have told **us** of the change, **we** may cancel or alter the premium and/or terms of this policy.

If you fail to notify **us** about a change in the risk insured, **we** may:

- a. declare this policy unenforceable, and/or
- b. 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.

*Information is 'material' where we would have made different decisions about either:*

- a. accepting your insurance, or
- b. setting the terms of your insurance,

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

*The 'risk covered' refers to both:*

- a. the actual property or liabilities insured, and
- b. you or other persons covered by this Policy.

# Claims

## ▶ What you must do

If anything happens that may lead to a claim under this Policy, you must:

1. take all reasonable steps to minimise the claim and prevent any further loss, expense or liability, and
2. not admit you are liable or do or say anything that may prejudice **our** ability to defend the claim against you or take recovery action in your name, and
3. tell **us** immediately, and
4. notify the police as soon as possible if you think any loss was caused by an illegal act, and
5. give **us** free access to examine and assess the claim, and
6. allow **us** to examine the insured property before any repairs are started, and
7. not destroy or dispose of anything that is or could be part of a claim, and
8. send to **us** as soon as possible anything you receive from anyone about a claim or possible claim against you, and
9. give **us** any information or help that **we** ask for, and
10. complete a claim form or statutory declaration to confirm the claim if **we** request it, and
11. consent to your personal information, in connection with the claim, being:
  - a. disclosed to **us**, and
  - b. transferred to the Insurance Claims Register Limited.

## ▶ What you must obtain our agreement to do

You must obtain **our** agreement before you:

1. incur any expenses in connection with any claim under this Policy, or
2. negotiate, pay, settle, admit or deny any claim against you, or
3. do anything that may prejudice **our** rights of recovery.

## ▶ Be truthful

If your claim is dishonest or fraudulent in any way, **we** may:

1. decline your claim either in whole or in part, and/or
2. declare either this Policy or all insurance you have with **us** to be of no effect from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

## ▶ Actions we may take

### 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.

### 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.

### Reparation

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

### Salvage

In settling any claim **we** may deal with any salvage in a reasonable manner.

## ▶ Excess

The excess is the first amount you must contribute towards the cost of a claim. The Excess applicable is either stated in each policy wording insert and/or shown in the **schedule**. This amount will be deducted from the amount payable in respect of each happening.

This does not apply to the Business Liability Part, which has its own separate Excess clauses in the Broadform, Employer's and Statutory Liability policy wordings.

## ▶ Inspection

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

# General exclusions

You are not insured under this Policy for any:

## Beyond New Zealand

1. loss, damage, injury, liability or prosecution arising beyond New Zealand, unless specifically stated in the **schedule**, or policy wording insert issued to you for each Part selected.

## Confiscation

2. loss, damage, injury, liability or prosecution of any type in connection with 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 accidental loss that is covered by this Policy).

## Electronic Data and Software

3. loss of or damage to electronic data and software, from any cause whatsoever including, but not limited to, a computer virus. This includes loss of use, reduction in functionality or any other associated loss or expense in connection with electronic data and software.

However this exclusion does not apply to physical damage to other insured property that results from that loss of or damage to electronic data, and which is not otherwise excluded.

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

'Software' means programs, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment

'Computer virus' means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.

This exclusion 3 does not apply to the 'Business Liability Part' and 'Business Income Protection Part'.

## Infectious Diseases

4. loss, damage, injury, liability or prosecution of any type in connection with a:
  - a. notifiable infectious disease under the Health Act 1956, and/or
  - b. notifiable disease under the Biosecurity Act 1993.

This exclusion 4 does not apply to the 'Business Liability Part'.

## Nuclear

5. loss, damage, injury, liability or prosecution of any type in connection with:
  - a. ionising radiation or contamination by radioactivity from:
    - i. any nuclear fuel, or
    - ii. any nuclear waste from the combustion or fission of nuclear fuel.
  - b. nuclear weapons material.

## War

6. loss, damage, injury, liability or prosecution of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:

war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## Seepage, Pollution and Contamination

7. loss, damage, injury, liability or prosecution of any type in connection with seepage, pollution or contamination, other than any cover provided under the Broadform, Statutory or Employers Liability policy wordings.

## Terrorism

8. loss, damage, injury, liability or prosecution of any type in connection with an act of terrorism, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism.

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

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

# Definitions

## period of insurance

The period shown in the **schedule**, that specifies the start and end dates of this Policy.

## schedule

The latest version of the Schedule **we** issued to you for this Policy.

## we/us/our

State, a business division of IAG New Zealand Limited.

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