

Mobile Business Assets

The following forms part of **your** Businesspack policy and must be read in conjunction with the Business Insurance policy wording insert.

The **schedule** shows whether **you** have selected cover under the Mobile Business Assets Part.

What you are covered for

▶ Damage to insured property

You are insured for any sudden and **accidental loss** to **insured property** occurring anywhere in New Zealand.

Automatic policy extensions

In addition to the cover under 'What You Are Covered For - Damage to Insured Property' above, **we** also provide the following Automatic Policy Extensions.

Unless expressly stated otherwise, any amounts payable under these Automatic Extensions are included within 'What We Will Pay – A. Maximum Amount Payable'. They are not additional.

▶ A. Burglary cover

You are insured for sudden and **accidental loss** to **insured property** occurring anywhere in New Zealand caused by theft or attempted theft:

1. accompanied by threat of violence, or actual violence, to any person, or
2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or
3. involving physical evidence of violent and forcible entry to, or exit from a securely locked motor vehicle, or **storage container**.

▶ B. Electric motors cover

You are insured for sudden and **accidental loss** to electric motors and starters not exceeding 5kw (6.7 hp) provided that the damage is **fusion immediately preceded by**:

1. the failure of electrical insulation, or
2. an identifiable abnormal electric current fluctuation from any power supply network, or
3. electrically induced self-heating.

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

▶ C. Electronic data and software

You are insured for the loss of **electronic data** and **software** resulting from electronic equipment insured by this policy suffering sudden and **accidental loss** covered by this policy occurring anywhere in New Zealand.

Please also read 'How We Will Pay: Basis of settlement: certain types of property- 'Electronic Data' and 'Software'.

▶ D. Employee effects cover

You are insured for sudden and **accidental loss** occurring anywhere in New Zealand 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 **contents**, provided that the property is being worn, carried or used by **your** directors or employees while they are acting in the course of their directors' duties or employment.

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

1. is \$5,000 for any **event**, per person, and
2. in total during the **annual period** is the Sum Insured shown in the **schedule** for **contents**.

▶ E. Money cover

You are insured for sudden and **accidental loss** of **money**, anywhere in New Zealand.

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

1. caused by errors in receiving it or paying it out, or
2. occurring while the **money** is entrusted to any person other than:
 - (a) **you** or any director or executive officer of **yours**, or
 - (b) any employee or agent of **yours**, or
 - (c) any professional **money** carrier, or
3. resulting from payment of **money** in exchange for any cheque that is subsequently dishonoured, or
4. occurring while the **money** is in an unlocked and unoccupied vehicle, or
5. 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, or
6. through electronic means.

The most **we** will pay under this extension is \$1,000 for any **event**, unless a different amount for Money cover is shown in the **schedule**. Payment under this extension is in addition to 'What We Will Pay – A. Maximum Amount Payable'.

Optional policy extensions

These optional extensions only apply where specified in the **schedule** as 'Insured'.

Unless stated otherwise, Optional Extensions are included within 'What We Will Pay – A. Maximum Amount Payable'. They are not additional.

▶ A. Natural disaster cover

You are insured for **natural disaster damage** to **insured property**.

The excess is 2.5% of the sum insured or \$2,500, whichever is the greater, for each **event**.

▶ B. Refrigerated goods

You are insured for:

1. **accidental loss to refrigerated stock** provided that the **loss** results from:
 - (a) **machinery breakdown** of the refrigeration plant, or
 - (b) sudden failure of power supplied by a public utility, or
 - (c) the operation of an overload switch, and
2. reasonable costs **you** incur to avoid or minimise **accidental loss to refrigerated stock** that is covered by 1. above. *For example, moving the goods to an alternative storage unit.*

The most **we** will pay under this extension for any **event** is \$2,500 unless a different amount for Refrigerated Goods is shown in the **schedule**.

▶ C. Theft cover

You are insured for sudden and **accidental loss to insured property** caused by theft occurring anywhere in New Zealand that is not covered under Automatic Policy Extension – A. Burglary cover above.

No cover is provided under this extension for theft from any motor vehicle, or part of any motor vehicle, that is not securely locked.

An excess of \$2,500 applies for each **event** under this extension, unless a higher excess for Theft Cover is shown in the **schedule**.

Exclusions

▶ A. Types of property not covered

This policy does not insure:

1. any **insured property** during:
 - (a) demolition, or
 - (b) installation, construction or erection, or
 - (c) testing and commissioning following 1.(b) above.
2. jewellery, precious stones, furs, precious metals or bullion, except if any of these items are:
 - (a) **stock of your** business, or
 - (b) a component of any plant or machinery that is insured under this policy as **contents**.
3. any of the following (including plant attaching to, or accessories in or on any of them):
 - (a) any vehicle or trailer that is required to be registered or licensed to travel on a public road,
 - (b) any mechanically or electrically propelled vehicles (including railway locomotives and rolling stock),
 - (c) watercraft of any kind,
 - (d) aircraft of any kind.
4. any of the following property:
 - (a) live plants including any trees, shrubs, hedges or grass,
 - (b) livestock,
 - (c) any living creature,
 - (d) property located outside New Zealand,except, if the item of property is specifically listed in the **schedule** as being insured.
5. **money**, other than cover provided by Automatic Policy Extension – E. Money Cover.

▶ B. Losses not covered

This policy does not insure:

1. any of the following types of damage to **insured property**:
 - (a) slowly developing deformation or distortion,
 - (b) marring or scratching,
 - (c) gradual deterioration,
 - (d) rot or mildew,
 - (e) wear and tear, corrosion or rust.
2. **loss immediately preceded by** any of the following:
 - (a) interruption of the supply of water, gas, electricity, or any fuel, other than cover provided by Optional Policy Extension – B. Refrigerated Goods,
 - (b) total or partial stoppage of work, or interruption or cessation of any process,
 - (c) a change in artificially controlled temperature or atmosphere, other than cover provided by Optional Policy Extension – B. Refrigerated Goods.
3. **loss** caused by or arising from any of the following:
 - (a) action of micro-organisms, vermin or pests,
 - (b) action of light, or inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish),
 - (c) fumes, gas, dust, smoke or soot,
 - (d) maintenance of **insured property** including servicing, cleaning and subsequent testing,
 - (e) spontaneous combustion,
 - (f) spontaneous fermentation.

This exclusion only applies to the **insured property**, or to the part of the **insured property** (as applicable), 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** (as applicable).

4. **loss** that is:
 - (a) only evidenced by an unexplained disappearance,
 - (b) only revealed by the taking of an inventory,
 - (c) due to clerical or accounting errors.
5. **loss** caused by any of the following:
 - (a) theft or attempted theft, other than cover provided by:
 - (i) Automatic Policy Extension – A. Burglary Cover,
 - (ii) Automatic Policy Extension – D. Employee Effects Cover,
 - (iii) Automatic Policy Extension – E. Money Cover,
 - (iv) Optional Policy Extension – C. Theft Cover,
 - (b) any fraudulent scheme or device, or false pretence practised on **you** or any other person,
 - (c) theft, attempted theft or fraud by **you** or an employee of **yours** other than cover provided by Automatic Policy Extension – E. Money Cover.
6. **loss** following exposure to weather conditions if the property is not designed to be left in the open (unless reasonable precautions have been taken to protect the property from those conditions).

▶ C. 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:

1. delays,
2. loss of market,
3. penalties,
4. rates, taxes, duties, development charges,
5. other charges or assessments arising out of capital appreciation, that are payable to comply with any **regulations**,
6. loss of use of any property.

▶ D. Costs not insured

This policy does not insure the cost of:

1. repairing or replacing faulty materials, or
2. fixing faulty workmanship, or
3. fixing any work performed to a faulty:
 - (a) design plan, or
 - (b) design specification, or
4. altering or modifying any part of any refrigeration or air conditioning plant to enable the plant to operate with a more ozone friendly refrigerant.

This exclusion does not apply to any resultant sudden and **accidental loss** to separate **insured property** or to other parts of the same **insured property** arising from the above.

▶ E. Damage to machinery

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

1. where sudden and **accidental loss** covered under this policy (or that would have been covered if the property was insured under this policy) occurs completely outside the **machine** resulting in the **machinery breakdown** occurring. However, this proviso does not apply to **machinery breakdown** resulting directly or indirectly from any:
 - (a) error in: setting, programming or operating the **machine**, or
 - (b) **stock** or part of the **machine** being drawn into the **machine**, or
 - (c) failure to service or maintain the **machine** correctly, or
2. to resultant sudden and **accidental loss** to other parts of the **machine** that is not **machinery breakdown**, or
3. to the cover provided by Automatic Policy Extension – B. Electric Motors Cover, or
4. to the cover provided by Optional Policy Extension – B. Refrigerated Goods.

▶ F. Damage to boilers and pressure vessels

This policy does not insure the cost of repairing or replacing any part of a boiler or **pressure vessel** that suffers **loss** through:

1. explosion, overheating, rupture, bursting or collapse (but not pressure caused by chemical explosion), or
2. overheating, cracking or leaking.

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

▶ G. Natural disaster

This policy does not insure **natural disaster damage** other than cover provided by Optional Policy Extension – A. Natural Disaster Cover.

▶ H. 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) causes or contributes towards the **loss** in any way.

How we will pay

▶ Basis of settlement

We will indemnify **you** using whichever of the following options **we** choose:

1. where **insured property** is lost or **destroyed**: pay **you** the cost to replace the **insured property** with property of a similar condition, age and specification, as it was in, immediately prior to the **loss**, or
2. where **insured property** is physically damaged but not **destroyed**: pay **you** the cost to repair the **loss** to the damaged part of the **insured property**, as nearly as possible, to the condition it was in immediately prior to the **loss**, or
3. pay **you** an amount equal to the indemnity value of the lost or damaged part of the **insured property**.

However, if the item of **insured property** is under two years of age at the time of the **loss** and **you** supply **us** with sufficient evidence of the item's age, **we** will indemnify **you** using whichever of the following options **we** choose:

1. where **insured property** is lost or **destroyed**: pay **you** the cost to replace the **insured property** to a condition substantially the same as its condition when new, or
2. where **insured property** is physically damaged but not lost or **destroyed**: pay **you** the cost to repair the **loss** to the 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.

▶ Basis of settlement: certain types of property

The method of indemnity for the following types of **insured property** will be as follows:

Electronic Data

For **loss to electronic data**, **we** will pay the cost of blank media plus the cost of copying the **electronic data** from back-up or from originals of a previous generation.

These costs will not include research and engineering, nor any costs of recreating, gathering or assembling the **electronic data**.

If the media is not repaired, replaced or restored, **we** will pay the cost of blank media. However, **we** do not cover the value of the **electronic data to you**, even if the **electronic data** cannot be recreated, gathered or assembled.

Software

For **loss of software**, **we** will pay the reasonable cost of, restoring, re-setting or re-programming the **software** that is necessary to operate any electronic equipment or **machine** insured under this policy.

Stock

For **loss to stock**, we will indemnify **you** by one of the following methods:

1. for raw materials, supplies and other merchandise not manufactured by **you**:
 - (a) the replacement cost at the time of replacement, provided that the replacement is carried out within a reasonable period of time, or
 - (b) if this property is not replaced, the market value of it at the time and place of the **loss**.
2. for materials in the process of manufacture: the replacement cost of the raw materials and the cost of labour and other overhead charges expended at the time of the **loss**.
3. for finished goods: the replacement cost of the raw materials and the cost of labour and other overhead charges expended before any allowance for profit, or the cost of re-stocking these goods, whichever is the lesser.

Customers' Goods

For **loss to customers' goods**, we will at **our** option pay:

1. the indemnity value of the **customers' goods**, or
2. the cost to repair the **customers' goods**, as near as reasonably possible, to the condition they were in immediately prior to the **loss**.

What we will pay

▶ A. Maximum amount payable

The most **we** will pay during an **annual period** for **contents, stock** or any individually specified item of **insured property** is the corresponding sum insured shown in the **schedule** for **contents, stock** or that item as applicable.

The most **we** will pay during an **annual period** for **customers' goods** is \$10,000 unless a different amount for **customers' goods** is shown in the **schedule**.

However, the most **we** will pay for all **insured property** during an **annual period** is the Total Sum Insured shown in the **schedule**.

▶ B. Reinstatement of sum insured once repaired

The sum insured will only be reinstated once the repair or replacement of the **insured property** that suffered the **loss** has been completed.

The sum insured will not reinstate following any claim arising from **natural disaster damage** unless **we** have agreed to the reinstatement in writing.

We may ask **you** to pay an additional premium for any reinstatement of the sum insured.

▶ C. Sub limits

If any sub limit in this policy is higher than the maximum amount payable for the applicable of **insured property** as shown in the **schedule**, the sub limit does not apply and the most **we** will pay is the maximum amount payable.

▶ D. Excess

Where an **event** occurs over a period of more than 72 consecutive hours, one excess will be deducted for every 72 consecutive hour period.

▶ E. One excess

If a single **event** causes sudden and **accidental loss** to tangible property that **you** insure with **us** under this or any other policy, only one excess will apply being the highest applicable individual policy excess. This does not apply to any **natural disaster damage**.

How to claim

▶ 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.

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**.

annual period

The **period of insurance**. However, if:

- (a) **you** pay the premium monthly or quarterly, or
- (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.

business days

The days **your** business usually operates.

contents

Machinery, plant, tools and chattels

provided that they are:

- (a) owned by **you** (including joint ownership with others), or
- (b) leased, hired or borrowed by **you**.

Contents does not include **customers' goods, stock** or employee's property.

customers' goods

Property, other than a building, that:

- (a) is owned by **your** customers, and
- (b) is in **your** temporary possession or temporary legal control in the course of **your** business activities.

Customers' goods does not include **contents** or **stock**.

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.

electronic data

As defined in General Exclusion 3 – Electronic Data and Software in the Business Insurance Policy Wording Insert.

event

Any one event or series of events arising from one source or original cause.

fusion

the process of fusing or melting together of windings or wiring following damage to the insulating material as a result of overheating.

immediately preceded by

The **event** occurring in sequence immediately prior to the **loss**. *If there is a chain of events, this will be the last event occurring immediately prior to the loss.*

insured property

Tangible property listed in the **schedule** within the following categories :

- (a) **contents**, and
- (b) **stock**, and
- (c) **customers' goods**, and
- (d) any other tangible property listed.

Electronic data and **software** is deemed to be tangible property.

loss

Physical loss or physical damage occurring during the **period of insurance**.

machine

Any device that:

- (a) converts and directs motion or energy, and/or
- (b) performs any electronic process,

including any protective component connected with that device.

machinery breakdown

1. Any mechanical, hydraulic, electrical or electronic:
 - (a) breakdown or failure, or
 - (b) cessation of function, or
 - (c) malfunction, or
 - (d) derangement, or
2. **fusion** of any nature.

money

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.*

natural disaster damage

Sudden and **accidental loss** that results directly or indirectly from earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these.

pressure vessel

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, and
- (b) controls, and
- (c) systems (other than systems forming part of a building or structure).

production process

Any process of producing, making, treating or servicing goods.

refrigerated stock

Perishable goods and/or their containers/packaging that are kept in a refrigerated storage chamber.

regulations

Building regulations or other regulations that are:

- (a) made under, or
- (b) framed pursuant to,

any Act of Parliament or any local authority regulation or by-law.

schedule

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

software

As defined in General Exclusion 3 – Electronic Data and Software in the Business Insurance Policy Wording Insert.

stock

Stock and materials in trade provided that they are:

- (a) owned by **you** (including joint ownership with others), or
- (b) in **your** temporary possession in the course of **your** business activities.

Stock does not include **contents** or **customers' goods**.

storage container

Any fully enclosed:

- (a) shipping container or similar, or
- (b) portable shed or similar structure, or
- (c) non-portable container, such as a metal or wooden container that has been built into or secured to a vehicle.

you

The person(s) or entity named in the **schedule** as 'Insured'. **We** may also use the word 'insured' to describe you.

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