



# Landlord's Home and Contents Insurance Change Summary

**STATE**

# Important changes

This change summary applies if you have a **State Home Essentials Insurance ('Tenants via a Landlord' occupancy) SI1049/8 04/19** policy or a **State Contents Essentials Insurance ('Tenants via a Landlord' occupancy) SI1047/9 05/19** policy that will renew on or after **10 March 2025**.

When your policy renews, it will renew on the new **State Landlord's Home and Contents Insurance SI6996/2 12/24** policy wording.

This document provides an overview of the most important changes to your policy, which include a number of new and updated benefits as well as new and updated terms and conditions.

This document does not form part of your insurance contract.

## What do you need to do?

1. Check Part 1 of this document and decide whether you need to take any action.
2. See Part 2 of this document for a summary of your new policy.
3. Read your new policy wording at [state.co.nz/documents](https://state.co.nz/documents). Select the 'Landlord's Home and Contents Insurance' policy wording and refer to the relevant sections.

You can customise your cover online through your **My State** account. If you have any questions about your cover, please contact us on **0800 80 24 24** or go to [state.co.nz/contact](https://state.co.nz/contact) and we will be happy to help.

State Insurance is a business division of IAG New Zealand Limited.

The availability of insurance cover is subject to your application being approved. Terms, conditions and exclusions apply.



# Part 1: You may need to take action

Policy	What you need to know	What you need to do
<p><b>Landlord's Home Insurance</b></p>	<p><b>Changes to your rental home cover</b></p> <p>Cover for your rental home is no longer limited to its present value. This means if we accept a claim for loss or damage to your rental home, we will pay the reasonable repair or replacement costs up to your Total Sum Insured. This is called 'Sum insured replacement' cover.</p> <p>It is important to ensure your rental home is covered for the amount it would cost to rebuild it (including materials and labour, demolition costs, council consents and professional fees). One way to do this is by getting an estimate using the <b><u>Cordell Sum Sure calculator</u></b>.</p> <p>You could also qualify for 'Replacement' cover for fire or explosion. To qualify, you need to insure your rental home for an amount that is equal to or greater than the Cordell Sum Sure Estimate generated by the Cordell Sum Sure calculator above.</p> <p><b>Home Sum Insured</b></p> <p>These items are now included within your Home Sum Insured:</p> <ul style="list-style-type: none"> <li>• all retaining walls up to \$50,000</li> <li>• permanently fixed swimming pools, including their necessary equipment such as pumps, up to \$50,000 per item</li> <li>• tennis courts</li> <li>• permanently fixed spa pools</li> <li>• bridges, culverts, permanent fords or dams up to \$15,000 per item</li> <li>• wells and boreholes including their pumps, linings and casings</li> <li>• private utility plant and associated equipment, such as wind and water mills, and diesel generators.</li> </ul>	<p>Review your Home Sum Insured amount and any other sums insured in your Policy Schedule. You can also use the <b><u>Cordell Sum Sure calculator</u></b> to get an estimate, or the estimate provided by an independent insurance valuation for your rental home.</p> <p>If you need to increase this amount or make any changes, you can do this online through your <b><u>My State</u></b> account, or contact us.</p> <p>You may be able to insure items with a policy limit for a higher amount. Contact us for more information.</p>



Policy	What you need to know	What you need to do
<p><b>Landlord's Home Insurance</b></p>	<p><b>Automatic cover removed – Additional costs for heritage homes now optional</b></p> <p>The additional costs usually required to repair or rebuild a heritage home are no longer included automatically.</p> <p>Cover is available under the new 'Additional costs for heritage homes' optional benefit.</p>	<p>Customise your cover by purchasing or removing any optional benefits online through your <b>My State</b> account, or contact us.</p> <p>See the summary of this and other options in 'Part 2: Landlord's Home Insurance' below and refer to your new policy wording for details.</p>
<p><b>Landlord's Home Insurance</b></p>	<p><b>Cover for your rental home</b></p> <p>Your new Landlord's Home Insurance policy is not designed for owner-occupied properties.</p> <p>Cover for owner-occupied properties is available under the Home Comprehensive Insurance policy.</p>	<p>Contact us if you want to purchase the Home Comprehensive Insurance policy or for more information about the cover.</p>
<p><b>Landlord's Contents Insurance</b></p>	<p><b>Cover for landlord's contents</b></p> <p>Your new Landlord's Contents Insurance policy only covers contents that you, as a landlord, provide for your tenants to use, such as furniture, electrical appliances and other household goods. It does not cover contents in your own household. This also means the 'Electronic data and programs' automatic benefit is no longer included.</p> <p>If you are a tenant (rather than a landlord), or an owner-occupier needing contents cover for your residence, secondary home or holiday home, the Contents Comprehensive Insurance policy is available.</p>	<p>Contact us if you want to purchase the Contents Comprehensive Insurance policy or for more information about the cover.</p>
<p><b>Landlord's Home and Contents Insurance</b></p>	<p><b>New option – Rent default</b></p> <p>Cover is available for the amount of rent you lose in certain circumstances outlined in your new policy wording.</p>	<p>Contact us if you want to purchase this optional benefit.</p> <p>See the summary of this option in 'Part 2: Landlord's Home Insurance' or 'Part 2: Landlord's Contents Insurance' below and refer to your new policy wording for details.</p>



Policy	What you need to know	What you need to do
<b>Landlord's Home and Contents Insurance</b>	<b>Changes to excesses</b> Standard excesses have been updated and for most customers an increased standard excess now applies. Your Policy Schedule will show your new excess and premium amounts.	Review your excess in your Policy Schedule. If you want to make any changes, contact us to find the excess that works best for you.
<b>Landlord's Home and Contents Insurance</b>	<b>Changes to discounts</b> There may be changes to the discounts available to you.	Go to <a href="https://statenz.custhelp.com/app/discount">statenz.custhelp.com/app/discount</a> for more information about these changes.



## Part 2: Summary of your new policy

We have summarised the cover available under the new Landlord's Home Insurance and Landlord's Contents Insurance policies below. However this is a summary only. It is important to read your new policy wording to understand the full details of what you are covered for, as well as the exclusions, conditions and limitations that apply. This summary does not form part of your insurance contract.

### Natural Hazards Insurance Act

From 1 July 2024, the Natural Hazards Insurance Act 2023 replaced the Earthquake Commission Act 1993. This means that Natural Hazards Cover (NHCover) provided by the Natural Hazards Commission Toka Tū Ake replaces EQCover previously provided by the Earthquake Commission.

We have made some changes to terms and associated definitions in your policy wording to reflect this change, including in the 'Natural hazard damage' automatic benefit (which replaces the 'Natural disaster' automatic benefit). There is no change to the cover we provide as a result of this change.

## Landlord's Home Insurance

### Automatic cover and benefits

These are automatically included in your Landlord's Home Insurance policy.

Sudden and accidental loss or damage	Covered, no longer limited to specified perils
Legal liability	Higher limit of \$5,000,000. This limit now includes defence costs.
Abandoned possessions	\$10,000 per event
Electronic programs	Covered
Hidden gradual damage	\$3,000 per year
Landscaping	\$1,500 per event. Extends to landscaping that sustained loss or damage if we accept a claim for loss or damage to your rental home from the same event.
Loss of rent	\$30,000 per event. Extends to compulsory evacuation due to impending damage.
Methamphetamine contamination	\$30,000 per event, minimum \$2,500 excess applies
Natural hazard damage	Covered



One incident – one excess	If one incident results in a claim under more than one benefit or sub-section of a benefit, we deduct only the highest applicable excess. This also applies if one incident results in more than one claim under your boat, car, caravan, contents, home, landlord's, motorcycle, motorhome, residential contract works or trailer policy, at the same address.
Removal of debris	Covered
Replacement of keys and locks	\$1,000 per event. No excess if your claim is only for keys that are lost, stolen or duplicated without your permission. If your claim is for keys that are damaged, your excess applies.
Sale and purchase	Covered
Sustainability upgrade	\$15,000 following a total loss
<b>Optional benefits</b> These are available to purchase under your Landlord's Home Insurance policy.	
Additional costs for heritage homes	Covers the additional costs or fees required to comply with any heritage covenant or order, when repairing or rebuilding your heritage rental home on the same site
Excess-free glass and bathroom fixtures	No excess if your claim is only for the breakage of glass or bathroom fixtures. If you do not purchase this benefit your excess applies on any claim for these items.
Lifestyle block fencing	\$5,000 per event
Rent default	Covers the amount of rent you lose if your tenants are evicted for non-payment of rent, are released from the tenancy agreement as a result of hardship, leave without notice, or if your sole tenant dies



## Other important things to know

Section	What is new
<p>Part one – cover for your rental home</p> <p>What we mean by 'rental home'</p>	<p>What we mean by 'rental home' now includes any of the following that you own:</p> <ul style="list-style-type: none"> <li>• items used only for domestic purposes: <ul style="list-style-type: none"> <li>- permanent sheds within or on the residential boundary of your rental home</li> <li>- retaining walls</li> <li>- tennis courts, permanently fixed spa pools and swimming pools, including their necessary equipment such as pumps.</li> </ul> </li> <li>• items used primarily for domestic purposes but may also have rural lifestyle use: <ul style="list-style-type: none"> <li>- outbuildings within or on the residential boundary of your rental home</li> <li>- bridges, culverts, permanent fords and dams</li> <li>- wells and boreholes including their pumps, linings and casings</li> <li>- private utility plant and associated equipment, such as wind and water mills, and diesel generators.</li> </ul> </li> </ul>
<p>Part one – cover for your rental home</p> <p>When the most we pay is the replacement cost</p>	<p>In certain circumstances, we do not apply the limits of your Home Sum Insured and Special Feature Sum Insured, and instead we replace your rental home up to its floor area and replace your special feature</p>
<p>Part one – cover for your rental home</p> <p>What we pay – how we settle a claim</p>	<p>Changes to how we settle a claim:</p> <ul style="list-style-type: none"> <li>• When your rental home is economic to repair – we pay the reasonable cost to repair the part of your rental home that sustained loss or damage. Previously, we paid the difference between the present value of your rental home before and after the loss or damage.</li> <li>• When your rental home is a total loss – we will choose to pay you in one of the following ways: <ul style="list-style-type: none"> <li>- the reasonable cost you incur to rebuild your rental home</li> <li>- our estimate of the reasonable cost you would incur to rebuild your rental home, less any demolition and removal costs we incurred</li> <li>- the reasonable cost you incur to buy another home anywhere in New Zealand including reasonable legal and associated fees, if you choose to buy another home.</li> </ul> </li> </ul>



Section	What is new
	<ul style="list-style-type: none"> <li>Standard of repair or rebuild – settlement is based on the reasonable cost to repair or rebuild your rental home to an equivalent size and specification on its original site within a reasonable time frame. Previously, the cost of repair was limited to the amount it would cost to put your rental home back to the condition it was in before the loss or damage happened.</li> </ul>
Exclusions – what we do not cover	<p>New exclusions:</p> <ul style="list-style-type: none"> <li>Communicable disease</li> <li>Computer systems</li> <li>Criminal acts</li> <li>Sanctions</li> <li>Weapons.</li> </ul> <p>Updated exclusions:</p> <ul style="list-style-type: none"> <li>Causes of loss – excludes loss or damage connected to insects, rodents, slugs or snails and the like, or vermin (but not possums). However, this only applies to the part of the property directly affected, not to resultant loss or damage to other parts of your rental home.</li> <li>Types of loss: <ul style="list-style-type: none"> <li>excludes undamaged parts of a bathroom suite or kitchen suite</li> <li>now excludes the accidental burn out of any mechanical, electrical or electronic equipment, or its parts, over 15 years old where the burn out is caused by an external force</li> </ul> </li> <li>Liability – no cover for liability connected to asbestos</li> <li>Intentional or reckless acts – no longer excludes loss or damage that is intentionally caused by your tenant, any guest of your tenant, or a person who occupies your rental home</li> <li>Terrorism – now only excludes terrorism involving biological, chemical, radioactive or nuclear pollution, contamination or explosion.</li> </ul>



Section	What is new
Conditions of your cover	<p>If your rental home is a total loss, your Landlord's Home Insurance policy will be automatically cancelled from the end of the day of the loss.</p> <p>If you pay the premium by instalments, we deduct any premium you owe us up to the end of the period of insurance before we settle a total loss claim. This is because we agreed the premium at the start of the period of insurance, and you must pay the premium in full, whether you pay in one lump sum or by instalments.</p>
Definitions	<p>New definitions:</p> <ul style="list-style-type: none"> <li>• contamination claim</li> <li>• contamination damage</li> <li>• contamination level</li> <li>• hidden gradual damage</li> <li>• methamphetamine</li> <li>• natural hazard fire</li> <li>• remediate</li> <li>• retaining wall</li> <li>• total loss.</li> </ul> <p>Updated definitions:</p> <ul style="list-style-type: none"> <li>• motor vehicle</li> <li>• natural hazard (<i>replaces the 'natural disaster' definition</i>)</li> <li>• NHI Act (<i>replaces the 'EQC Act' definition</i>).</li> </ul> <p>There are other updated definitions – refer to your new policy wording for details.</p>



# Landlord's Contents Insurance

## Automatic cover and benefits

These are automatically included in your Landlord's Contents Insurance policy.

Sudden and accidental loss or damage	Covered, no longer limited to specified perils
Legal liability	Higher limit of \$5,000,000. This limit now includes defence costs.
Abandoned possessions	\$10,000 per event
Cover when replacing a whiteware appliance with a more energy-efficient model	Covered
Hidden gradual damage	\$3,000 per year
Landlord's fixtures and fittings	Covered, but only if your rental home is insured by a policy that does not cover these items
Loss of rent	\$30,000 per event. Extends to loss or damage to landlord's contents that leaves your rental home unliveable and compulsory evacuation due to impending damage.
One incident – one excess	If one incident results in a claim under more than one benefit or sub-section of a benefit, we deduct only the highest applicable excess. This also applies if one incident results in more than one claim under your boat, car, caravan, contents, home, landlord's, motorcycle, motorhome, residential contract works or trailer policy, at the same address.
Removal of unrepairable items	Covered

## Optional benefit

This is available to purchase under your Landlord's Contents Insurance policy.

Rent default	<p>Covers the amount of rent you lose if your tenants are evicted for non-payment of rent, are released from the tenancy agreement as a result of hardship, leave without notice, or if your sole tenant dies.</p> <p><b>IMPORTANT:</b> If you have both Landlord's Home and Landlord's Contents Insurance for the same rental property, you only need to add 'Rent default' once.</p>
--------------	--



## Other important things to know

Section	What is new
	<ul style="list-style-type: none"> <li>• An excess now applies if we settle a total loss claim for landlord's contents</li> <li>• Landlord's contents that are temporarily removed from your rental home are not covered.</li> </ul>
Part one – cover for landlord's contents	<p>New clause:</p> <ul style="list-style-type: none"> <li>• Landlord's contents covered for repair or replacement – furniture, furnishings, appliances and linen, that are 10 years old or newer are now covered for replacement.</li> </ul> <p>Updated clauses:</p> <ul style="list-style-type: none"> <li>• What we mean by 'landlord's contents' – household goods that you own or are legally responsible for, that you provide for your tenants to use. It does not include items such as personal effects, contents owned by your tenant, works of art or ornaments, or watercraft and their parts and accessories. Refer to your new policy wording for the full details of what is included and not included as part of landlord's contents.</li> <li>• Landlord's contents covered for repair or present value – all other landlord's contents are still covered for present value, except for the items listed in 'Landlord's contents covered for repair or replacement'.</li> </ul>
Exclusions – what we do not cover	<p>New exclusions:</p> <ul style="list-style-type: none"> <li>• Communicable disease</li> <li>• Computer systems</li> <li>• Criminal acts</li> <li>• Sanctions</li> <li>• Weapons.</li> </ul> <p>Updated exclusions:</p> <ul style="list-style-type: none"> <li>• Causes of loss – excludes loss or damage connected to insects, rodents, slugs or snails and the like, or vermin (but not possums). However, this only applies to landlord's contents directly affected, not to resultant loss or damage to other landlord's contents.</li> </ul>



Section	What is new
	<ul style="list-style-type: none"> <li>• Types of loss:               <ul style="list-style-type: none"> <li>- excludes undamaged parts of a pair or set</li> <li>- now only excludes loss or damage arising from any fault, defect, error or omission to landlord's contents directly affected, not to resultant loss or damage to other landlord's contents</li> <li>- now only excludes the accidental burn out of any mechanical, electrical or electronic equipment, or its parts, over 15 years old where the burn out is caused by an external force</li> </ul> </li> <li>• Liability – no cover for liability connected to asbestos, or the ownership of your rental home or its grounds, or any other building or permanent structure</li> <li>• Intentional or reckless acts – no longer excludes loss or damage that is intentionally caused by your tenant, any guest of your tenant, or a person who occupies your rental home</li> <li>• Terrorism – now only excludes terrorism involving biological, chemical, radioactive or nuclear pollution, contamination or explosion.</li> </ul>
Conditions of your cover	<p>If your landlord's contents are a total loss, your Landlord's Contents Insurance policy will be automatically cancelled from the end of the day of the loss.</p> <p>If you pay the premium by instalments, we deduct any premium you owe us up to the end of the period of insurance before we settle a total loss claim. This is because we agreed the premium at the start of the period of insurance, and you must pay the premium in full, whether you pay in one lump sum or by instalments.</p>
Definitions	<p>New definitions:</p> <ul style="list-style-type: none"> <li>• closest equivalent item</li> <li>• contents sum insured</li> <li>• hidden gradual damage</li> <li>• natural hazard fire.</li> </ul> <p>Updated definitions:</p> <ul style="list-style-type: none"> <li>• motor vehicle</li> <li>• natural hazard (<i>replaces the 'natural disaster' definition</i>)</li> <li>• NHI Act (<i>replaces the 'EQC Act' definition</i>).</li> </ul> <p>There are other updated definitions – refer to your new policy wording for details.</p>

