

# Residential Buildings

(Multi-Dwelling)



Policy Wording

STATE

# Welcome to State

Thank you for choosing State. You've made a great choice – we've been helping New Zealanders with their insurance needs for more than 100 years and are proud to be doing the same for you.

If you have any questions about your policy or think it doesn't provide the cover you need, please call us straight away – we'll be happy to help.

## IMPORTANT

**This document is your Residential Buildings (Multi-Dwelling) policy wording.**

Please make sure you read it carefully, as it contains important information you should know, including what your insurance covers – and what it doesn't.

## Contact us

If you have a question, need help or want to make an insurance claim, just call us on **0800 80 24 24** or visit [state.co.nz](https://www.state.co.nz).

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## Introduction

<b>Welcome</b>	Welcome to State. Thank you for selecting <b>us</b> as <b>your</b> insurer.
<b>About this policy</b>	<b>Your</b> Residential Buildings (Multi-Dwelling) Policy consists of: <ul style="list-style-type: none"><li>(a) this policy document, and</li><li>(b) the <b>schedule</b>, and</li><li>(c) any endorsements or warranties that <b>we</b> apply, and</li><li>(d) the information <b>you</b> have provided in the <b>application</b>.</li></ul>
<b>Your duty of disclosure</b>	<b>You</b> have a legal duty of disclosure when <b>you</b> apply for insurance. This means <b>you</b> or anyone acting on <b>your</b> behalf must tell <b>us</b> everything <b>you</b> know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding: <ul style="list-style-type: none"><li>(a) to accept or decline the insurance, and/or</li><li>(b) the cost or terms of the insurance, including the <b>excess</b>.</li></ul> <b>You</b> also have this duty every time <b>your</b> insurance renews and when <b>you</b> make any changes to it. If <b>you</b> or anyone acting on <b>your</b> behalf breaches this duty, <b>we</b> may treat this policy as being of no effect and to have never existed. Please ask <b>us</b> if <b>you</b> are not sure whether <b>you</b> need to tell <b>us</b> about something.
<b>Defined words</b>	If a word is shown in <b>bold</b> it has a specific meaning. There is a list of these words and what they mean in Section 13. 'Definitions'.
<b>Examples</b>	<b>We</b> have used examples and comments to make parts of this policy easier to understand. These examples and comments are printed in <i>italics</i> and do not affect or limit the meaning of the section they refer to.
<b>Headings</b>	The headings in this policy are for reference only and do not form part of it. They are not to be used when interpreting the policy document.

## 1. Section 1 – Insurance agreement

<b>1.1 Our agreement</b>	<b>You</b> agree to pay <b>us</b> the premium described in the <b>schedule</b> and comply with this policy. In exchange, <b>we</b> agree to cover <b>you</b> as set out in this policy.
<b>1.2 Vacant units</b>	If no one has been living in a <b>unit</b> for more than 60 consecutive days, then from the 61st day this policy covers sudden and <b>accidental loss</b> to that <b>unit</b> that occurs during the <b>period of insurance</b> , but only if the <b>loss</b> is caused by any of the following: <ul style="list-style-type: none"><li>(a) theft following violent and forceful entry,</li><li>(b) fire, lightning or explosion,</li><li>(c) storm, wind, hail, snow or flood (but not if the water originates from inside the <b>unit</b>),</li><li>(d) <b>natural disaster</b>,</li><li>(e) aircraft or other aerial or spatial device or articles dropped from them,</li><li>(f) riot, civil commotion or labour disturbance,</li><li>(g) vandalism or a malicious act,</li><li>(h) water or oil that leaks, overflows, or is discharged from any domestic water or heating system installed within the <b>building</b>,</li><li>(i) any impact.</li></ul> Full cover under this policy will automatically start as soon as the <b>unit</b> is occupied again.

### 1.3 48-Hour restriction

This policy does not cover **loss** that occurs during the first 48 hours of this policy, caused by storm, flood or landslip. This only applies when **you** first take the policy out with **us**.

However, this exclusion does not apply where:

- (a) this policy started immediately following another policy that also covered the same property against the risks of storm, flood and landslip, or
- (b) this policy was taken out at the time **you** purchased the **unit** or **buildings**.

## 2. Section 1 – Cover for your residential units

### 2.1 What you are covered for

**You** are covered for sudden and **accidental loss** to the **building** that occurs during the **period of insurance**.

## 3. Section 1 – Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated. Unless expressly stated otherwise, any amounts payable under these Automatic extensions are included within 6.1 'Maximum amount payable'.

### 3.1 Alternative accommodation

If any individual **unit** is owned and occupied as a principal residence by **you**, then this policy is extended to cover:

- (a) the reasonable additional cost of temporary alternative accommodation (of similar standard to the **unit**), for **you** and any family member who permanently resides with **you**, and
  - (b) boarding out of domestic cat or dog, which is normally kept at the situation,
- if the **unit** can no longer be lived in due to **loss** or **contamination damage** that occurs during the **period of insurance** and that:
- (i) is covered by this policy, or
  - (ii) would have been covered but is covered by the **EQC Act** instead.

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

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

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of **our** estimate of the cost **you** would incur to repair or **remediate**, **we** will cover the cost of temporary alternative accommodation for the reasonable estimated period that it would take to repair or **remediate** the part of the **unit** or **building** that suffered the **loss** or **contamination damage**.

The most **we** will pay under this extension is \$25,000 for each individual **unit** shown in the **schedule** as covered by this policy per **event** or **contamination claim**.

If **you** have alternative accommodation cover with **us** under any other policy, then the most **we** will pay, for each individual **unit**, under all policies for any **event** or **contamination claim** is the highest applicable limit.

**We** will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

### 3.2 Common property

This policy is extended to cover sudden and **accidental loss** to chattels, fixtures and fittings that are in common areas during the **period of insurance**, while they are owned by **you** and at the **buildings**.

**We** will at **our** option pay:

- (a) the **present value** of the **loss**, or
- (b) the cost to repair the item as nearly as possible to the same condition it was in immediately before the **loss** occurred.

The most **we** will pay for any **event** is \$5,000 in total for all chattels, fixtures and fittings in common areas at the **building**.

**We** will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

### 3.3 Electric motors

This policy is extended to cover sudden and **accidental loss** during the **period of insurance** to:

- (a) electric motors and starters not exceeding 3.75kw (5hp), and
- (b) distribution switchboards and permanently installed electric reticulation at the situation,

provided that the damage is fusion or burnout that is **immediately preceded by**:

- (i) the failure of electrical insulation, or
- (ii) abnormal electric current, or
- (iii) electrically induced self-heating.

Exclusion 4.7 'Damage to machinery' does not apply to this extension.

### 3.4 Hidden gradual damage

This policy is extended to cover:

- (a) **hidden gradual damage** to the **building** and/or the **landlord's contents** that occurs and that is discovered during the **period of insurance**, and
- (b) any other part of the **building** that is not directly affected but must be removed, damaged or destroyed to locate the cause of the **hidden gradual damage**, provided **we** have first given **our** permission.

The most **we** will pay during the **annual period** is:

- (i) \$3,000 for each individual **unit**, and
- (ii) \$30,000 in total for all **units**.

### 3.5 Landlord's contents

This policy is extended to cover sudden and **accidental loss** to **landlord's contents** at a **unit** during the **period of insurance**.

**We** will at **our** option pay:

- (a) the **present value** of the **loss**, or
- (b) **our** estimate of reasonable costs to repair the item as nearly as possible to the same condition it was in immediately before the **loss** occurred.

The most **we** will pay for any **event** is \$5,000 for **landlord's contents** in each individual **unit** unless a higher amount has been specified in the **schedule**, up to a maximum of \$500,000 in total for all **events** during the **annual period**.

**We** will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

### 3.6 Loss of rent

If any individual **unit** is rented by **you** to a tenant, then this policy is extended as follows:

**We** will pay the amount of rent lost because the **unit** cannot be lived in due to **loss** or **contamination damage** that occurs during the **period of insurance** and that:

- (a) is covered by this policy, or
- (b) would have been covered by this policy but is covered by the **EQC Act** instead.

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

- (i) settle **your** claim for **loss** or **contamination damage**, or
- (ii) have paid **you** 12 months' loss of rent.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of **our** estimate of the cost **you** would incur to repair or **remediate**, **we** will cover the amount of rent lost for the reasonable estimated period that it would take to repair or **remediate** the part of the **unit** or **building** that suffered the **loss** or **contamination damage**.

The most **we** will pay under this extension is \$25,000 for each individual **unit** shown in the **schedule** as covered by this policy per **event** or **contamination claim**.

If **you** have loss of rent cover with **us** under any other policy, then the most **we** will pay, for each individual **unit**, under all policies for any **event** or **contamination claim** is the highest applicable limit.

**We** will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

### 3.7 Methamphetamine contamination

This policy is extended to cover **contamination damage** to the:

- (a) **unit**, and
- (b) **landlord's contents** in the **unit**, and
- (c) common property, and
- (d) common areas,

in the **building**, that first occurs and that **you** discover during the **period of insurance**, subject to the following:

Where you occupy the unit:

- (i) If **you** occupy the **unit**, there is no cover for any **contamination damage** that is caused by or in connection with **you**, or **your** family. For the purposes of this exclusion, **you** includes any trustee or beneficiary of the trust if the **unit** is owned by the trust, or any director or shareholder of the company if the **unit** is owned by the company, or any **unit** title holder.

Where the unit is tenanted for 90 days or more:

- (ii) Where an individual **unit** is rented by **you** to a tenant for a period of more than 90 days, there is no cover unless **you** or the person who manages the tenancy on **your** behalf has fully met the **landlord's obligations**.

Where the unit, or any part of the unit is let, rented or occupied for less than 90 days:

- (iii) Where an individual **unit** or any part of the **unit** is let, rented or occupied for 90 days or less, there is no cover unless the **contamination damage** was caused by sudden and **accidental loss** caused in connection with the manufacture, distribution or storage (but only where the storage is in connection with supply or distribution) of **methamphetamine**.

There is no cover for **contamination damage** that is caused by or in connection with the consumption of **methamphetamine**.

Where there is pre-existing contamination damage, prior to the current period of insurance:

- (iv) There is no cover for any **contamination damage** where any contamination existed or occurred prior to the current **period of insurance** unless the pre-existing contamination was disclosed to **us** and accepted by **us** in writing. However, if the **building** has been covered with **us** (or any other brand underwritten by IAG New Zealand Limited) continuously since the earlier period when the **contamination damage** first occurred, then **we** will waive the requirement for the **contamination damage** to have first occurred during the current **period of insurance**.

For the purposes of this extension:

- (a) Common areas mean internal areas in common parts of the **building**, including lobbies, stair wells and shared vehicle storage areas.
- (b) Common property means chattels, fixtures and fittings contained within the common area(s).

#### What we will pay:

Where there is cover under this extension, **we** will:

- (a) reimburse **you** for the reasonable costs **you** have incurred during the **period of insurance** for testing provided:
  - (i) the testing is carried out in accordance with New Zealand Standard NZS 8510 or by an operator approved by **us**, and
  - (ii) the testing confirms **contamination damage** to the **unit** or common area, and
- (b) pay to **remediate** the part that suffered the **contamination damage** subject to the provisions below:

**We** may choose to:

- (i) pay the reasonable cost to **remediate** the part that suffered the **contamination damage**, or
- (ii) pay **you our** estimate of the reasonable cost **you** would incur to **remediate** the part that suffered the **contamination damage**.

#### Maximum payment

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

- (a) \$30,000 for each **unit** including **landlord's contents** in the **unit** for each **contamination claim**, and
- (b) \$30,000 in total for all common property and common areas for each **contamination claim**, and
- (c) \$250,000 in total for all **contamination claims** during the **annual period**.

#### Excess

For each **contamination claim** under this extension an **excess** of \$2,500 applies per **unit** and for all common property and common areas unless a higher **excess** is shown in the **schedule**.

### 3.8 Natural disaster

This policy is extended to cover sudden and **accidental loss** to the insured property that occurs during the **period of insurance** caused by **natural disaster**.

#### Natural disaster excess

Where **you** claim for insured property under this extension, the following **excesses** as shown in the table will apply for all damage caused by **natural disaster** from any one **event**. In all cases the minimum **excess** is \$2,500, or any higher **excess** for **loss** caused by **natural disaster** as shown in the **schedule**.

Applicable percentage excess		
Region	Excluding pre 1935 building risks	For pre 1935 building risks
The <b>Regions</b> of Auckland, Northland, and the Districts of Dunedin City and Clutha	2.5% of the total sum insured under the policy for all <b>buildings</b>	10% of the total sum insured under the policy for all <b>buildings</b>
The rest of the <b>Regions</b> and Districts	5% of the total sum insured under the policy for all <b>buildings</b>	10% of the total sum insured under the policy for all <b>buildings</b>

However, where a claim is payable under the **EQC Act**, this **excess** will be offset by the amount actually paid by the Earthquake Commission to **you** for the same **loss** to the same **building** for the same **event**.

If the claim is solely for **loss** to **landlord's contents** and/or common property in the **building**, the above **excesses** will not apply. The policy **excess** as shown in the **schedule** will apply.

#### Where EQC cover applies

- (a) If the damage caused by **natural disaster** is covered under the **EQC Act**, and the cost to repair or rebuild the part of the insured property that suffered the **loss** exceeds **your** maximum entitlement available under the **EQC Act** for that **event**, **we** will pay the difference between that maximum entitlement and the cost to repair or rebuild the part of the insured property that suffered the **loss**.
- (b) Where the damage caused by **natural disaster** would have been covered under the **EQC Act** but there is no claim paid because:
  - (i) **you** failed to correctly notify a claim to the Earthquake Commission within the time required under the **EQC Act**, or
  - (ii) the Earthquake Commission decline the claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever, or
  - (iii) of any act or omission on **your** part, the part of **your** agent, or the part of the Earthquake Commission,

**we** will only pay the difference between the maximum entitlement that would have been payable (but for the reasons outlined in (b) (i) to (iii) or the application of an excess) had the Earthquake Commission agreed to accept a claim, and the cost to repair or rebuild the part of the insured property that suffered the **loss**.

There is no cover for the excess payable by **you** under the **EQC Act**.

The most **we** will pay under this cover is the difference between that maximum entitlement and the total sum insured as shown in the **schedule**.

*Some examples of insured property not covered under the EQC Act are:*

- *gate or fence,*
- *driveway,*
- *patio, path, paving, tennis court or other artificial surface,*
- *swimming pool or spa pool.*

### 3.9 New building work

This policy is extended to cover:

- (a) any new structure being built within the boundary of the **building** if **you** own it (or if **you** are responsible for it while it is being built), provided it will be covered by this policy when complete, and
- (b) any materials within the boundary of the **building** that are to be included in the new structure, for sudden and **accidental loss** that occurs during the **period of insurance** and that is caused by any of the following:
  - (i) fire, explosion or lightning,
  - (ii) storm or flood, but not exposure to normal weather conditions,
  - (iii) riot or labour disturbance,
  - (iv) aircraft or other aerial or spatial device, or articles dropped from them,
  - (v) impact by **motor vehicle** or an animal.

This extension does not cover any structure:

- (a) where the expected value of the completed work, or the price of the contract including materials, is more than \$10,000, or
- (b) that involves alteration or addition to any part of the existing **buildings**, or
- (c) that involves excavation more than 1 metre deep, or
- (d) that has not been granted a building consent or similar if one is required.

The most **we** will pay during the **annual period** is \$10,000.

### 3.10 Stolen keys

This policy is extended to cover costs incurred for:

- (a) altering or replacing common access area locks, and
- (b) keys (including electronic keys and swipe cards), and
- (c) combinations that give access to the insured property, if the keys or combinations are stolen or duplicated without proper authority during the **period of insurance**.

The most **we** will pay in total for any **event** is \$2,500.

An **excess** of \$250 applies to this extension.

### 3.11 Stress payment

When **we** settle a claim for the total **loss** of a **unit**, **we** will also pay the **individual proprietor** \$2,000 per **unit** for the stress caused by the **loss**.

The most **we** will pay is up to a maximum of \$50,000 in total for all **units** for any **event**.

Where the \$50,000 limit occurs, the payment per **unit** will be apportioned evenly between affected **individual proprietors**.

**We** will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

### 3.12 Sustainability upgrade

This policy is extended to cover the costs **you** incur to upgrade the **building** with **sustainable products** following a **loss** covered by this policy, provided that:

- (a) the **building**, or any **unit** within the **building** is **destroyed**, and
- (b) 5.1 'Basis of settlement: Reinstatement' applies to the **building**, and
- (c) **you** replace the **building** or **unit**, and
- (d) the **sustainable products** are first approved by **us**.

Where the **building** is **destroyed**, the most **we** will pay for any **event** is the costs **you** incur using **sustainable products** for the reinstatement, limited to 5% of the actual cost to replace the **building** or \$250,000, whichever is the lesser.

Where one or more **units** are **destroyed**, but the entire **building** is not, the most **we** will pay for any **event** is the costs **you** incur using **sustainable products** for the reinstatement, limited to \$5,000 per **unit**, up to a maximum of \$250,000.

**We** will pay these costs in addition to the maximum payment stated in 6.1 'Maximum amount payable'.

## 4. Section 1 – Exclusions

### 4.1 Causes of loss not covered

This policy does not cover **loss** connected in any way with:

- (a) structural additions or structural alterations to the **buildings**, unless:
  - (i) **we** have been notified of the additions or alterations beforehand and **we** have agreed in writing to cover this, or
  - (ii) cover is provided under 3.9 'New building work', or
- (b) water in any form (including hail and snow) entering the **buildings** because any roofing material, exterior cladding, window or door has been removed by **you** or any other person who is acting on **your** authority, or
- (c) interruption of the supply of water, gas, electricity, or any other fuel to the situation, or
- (d) insects, rodents or vermin (other than possums), or
- (e) an animal(s) owned by anyone living in a **unit**, if that **unit** is occupied by a tenant, or
- (f) hydrostatic pressure to swimming pools and spa pools, unless the **loss** is as a result of earthquake, storm or flood.

However, exclusions (c), (d) and (e) only apply to the property directly affected. They do not apply to resultant sudden and **accidental loss** to other parts of the insured property.

### 4.2 Types of loss not covered

This policy does not cover for:

- (a) repairing or replacing floor coverings, drapes or light fittings that are not in the room(s) where the **loss** occurred, or
- (b) repairing or replacing undamaged parts of a bathroom suite or kitchen suite that have not suffered the **loss**, or
- (c) **loss** to fuses, protective devices or lighting or heating elements caused by electricity.

### 4.3 Costs not covered

This policy does not cover **loss**, cost or expense arising from any fault, defect, error or omission in:

- (i) design, plan or specification, or
- (ii) workmanship, construction or materials.

However, this exclusion applies only to the property directly affected. It does not apply to resultant sudden and **accidental loss** to other parts of the insured property.

### 4.4 Gradual damage

This policy does not cover:

- (a) wear and tear, depreciation, corrosion or rust, or
- (b) rot or mildew, or
- (c) gradual deterioration, except for **loss** covered under 3.4 'Hidden gradual damage'.

### 4.5 Natural disaster damage

This policy does not cover **loss** to the insured property connected in any way with **natural disaster** unless cover is provided under 3.8 'Natural disaster'.

### 4.6 Intentional damage

This policy does not cover **loss** that is intentionally caused by:

- (a) a tenant, or
- (b) a guest, or
- (c) any person who occupies **your units**,

except where the **loss** is:

- (i) a result of fire or explosion, provided the fire or explosion was not intentionally caused by **you** or anyone else covered under this policy, or
- (ii) covered by 3.7 'Methamphetamine contamination'.

### 4.7 Damage to machinery

This policy does not cover any mechanical or electrical breakdown, derangement or failure of any **machine**.

This exclusion does not apply to:

- (a) any damage originating completely outside the **machine** that then results in the mechanical or electrical breakdown, derangement or failure of the **machine**. However, this proviso does not apply to damage originating from any:
  - (i) error in: setting, programming or operating the **machine**, or
  - (ii) object (including part of the **machine**) being drawn into the **machine**, or
  - (iii) failure to service or maintain the **machine** correctly, and

- (b) **accidental loss:**
    - (i) caused by fire or explosion to other separately identifiable parts of the **machine**, or
    - (ii) to other **landlord's contents** or **buildings**,
- that occurs as a result of mechanical or electrical breakdown, derangement or failure of the **machine**.

*Important: Please also read 10. 'General exclusions'.*

## 5. Section 1 – Basis of settlement

### 5.1 Basis of settlement: Reinstatement

Where the **schedule** shows the **building** is covered for reinstatement, **we** will indemnify **you** as follows:

- (a) where the **building** is **destroyed**: pay **you** the cost **you** incur to replace the **building** to a condition substantially the same as its condition when new, or
- (b) where the **building** is physically damaged but not **destroyed**: pay **you** the cost **you** incur to repair the **loss** to the damaged part of the **building** to a standard that is reasonably equivalent to its condition and relative quality when new, but without necessarily reproducing it exactly.

*For settlement of 'Common property' and 'Landlord's contents', please refer to Automatic policy extensions 3.2 'Common property' and 3.5 'Landlord's contents'.*

#### Circumstances where reinstatement does not apply

5.2 'Basis of settlement: Indemnity' will apply in the following circumstances, regardless of any basis of settlement shown in the **schedule** to the contrary:

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

### 5.2 Basis of settlement: Indemnity

Where the **schedule** shows the **building** is covered for indemnity, or in any of the circumstances listed in 'Circumstances where reinstatement does not apply' above, **we** will indemnify **you** using whichever of the following options **we** choose:

- (a) where the **building** is **destroyed**: pay **you** the cost to replace the **building** with property of a similar condition, age and specification, as it was in, immediately prior to the **loss**, or
- (b) where the **building** is physically damaged but not **destroyed**: pay **you** the cost to repair the **loss** to the damaged part of the **building**, as nearly as possible, to the condition it was in immediately prior to the **loss**, or
- (c) pay **you** an amount equal to the indemnity value of the damaged part of the **building**.

*For settlement of 'Common property' and 'Landlord's contents', please refer to Automatic policy extensions 3.2 'Common property' and 3.5 'Landlord's contents'.*

### 5.3 Additional costs

Where the **building** 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 amount referred to in 6.1 'Maximum amount payable'.

#### Costs of compliance

Necessary and reasonable costs incurred in complying with **regulations** in order to repair or replace **loss** to the damaged or **destroyed** part of the **building**, except costs incurred:

- (a) for work that **you** have already been ordered to carry out, or
- (b) solely for the purpose of seismically strengthening the **building** 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**.

- (c) in connection with **undamaged building**, or **undamaged** parts of the **building**. This applies even if the **undamaged building** comprises a separate **building** or structure.

#### Demolition costs

Necessary and reasonable costs incurred to:

- (a) demolish or dismantle the **building**, and/or
- (b) temporarily shore or prop the **building**, and/or
- (c) remove debris from the situation shown in the **schedule** (including any kind of solid, liquid or gas), and/or
- (d) clear, clean and repair gutters, drains and the like, and/or
- (e) recover, defend, safeguard, remove, temporarily store, and return **landlord's contents** and common property whether damaged or **undamaged**, and/or
- (f) temporarily repair and secure the **building** to make it comply with safety rules and **regulations** suitable for continued use,

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

Where any costs are in connection with the removal of asbestos, the maximum **we** will pay for any **event** is:

- (i) 5% of the sum insured of the **building** shown in the **schedule**, or
- (ii) \$25,000,

whichever is the lesser.

#### Fees and other costs

(a) Necessary and reasonable costs incurred for:

- (i) architect's, engineer's, surveyor's, building consultant's fees, and/or
- (ii) consents and associated legal fees, and/or
- (iii) training consultants and IT technicians,

to repair or replace the damaged or **destroyed building** following a **loss** covered by this policy.

(b) Necessary and reasonable costs incurred for restoring or reconstructing any part of the garden or lawn within the boundary of the **building(s)**, that is damaged while, or as a result of the **building** being repaired or rebuilt. The most **we** will pay for any **event** is \$2,500.

#### Claims preparation costs

Necessary and reasonable costs incurred to assess or prepare a claim following a **loss** covered by this policy. This policy does not include cover for any costs incurred to investigate or negotiate a claim made under this policy.

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

#### 5.4 Location of replacement

Where **we** pay to replace a damaged or **destroyed building**, **you** may choose to replace at:

- (a) the situation shown in the **schedule**, or
- (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 damaged or **destroyed building** at the situation shown in the **schedule** in accordance with the terms of this policy.

#### 5.5 Method of repair or replacement

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

## 6. What we will pay

- 6.1 Maximum amount payable**
- (a) The most **we** will pay for any **event** for a **building** (or group of **buildings**) at a specified situation shown in the **schedule** is the corresponding sum insured noted in the **schedule** for that **building** (or group of **buildings**), and
  - (b) The most **we** will pay for all insured property for any **event** is the total sum insured shown in the **schedule**.
- This clause 6.1 is subject to clauses 6.2 'Reinstatement of the sum insured once repaired' and 6.3 'Sum insured adjustment on renewal for unrepaired buildings'.
- 6.2 Reinstatement of the sum insured once repaired**
- Following a **loss** for which a claim is payable under this policy, the sum insured for the **building** that suffered the **loss** is reduced by the amount of the **loss**. The amount reduced will only be added back to the sum insured once the repair or replacement of the **building** that suffered the **loss** has been completed.
- If the building is covered by a contract works policy while it is undergoing repair, the amount reduced will only be added back to the sum insured once the entire construction has been completed.*
- The sum insured will not reinstate following any claim for damage caused by **natural disaster** 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.
- 6.3 Sum insured adjustment on renewal for unrepaired buildings**
- When a **building** that has suffered **loss** in any previous **annual period** has not been repaired or replaced at the start of the current **annual period**, the sum insured for this **annual period** will be:
- (a) the sum insured as shown in the **schedule** for that **building**, less
  - (b) the estimated cost of remedying the existing unrepaired or unreplaced **loss**.
- The sum insured will only be reinstated to its pre **loss** level as outlined under 6.2 'Reinstatement of the sum insured once repaired'.
- 6.4 Sub limits**
- If any sub limit in this policy wording is higher than the maximum amount payable for the applicable insured property as shown in the **schedule**, the sub limit does not apply and the most **we** will pay is the amount shown in the **schedule**.
- 6.5 Excess**
- The **excess** shown in the **schedule** will be deducted from the amount of **your** claim for each **event**. However, where a series of **events** arising from one original source or one original cause occurs over a period of more than 72 consecutive hours, one **excess** will be deducted for every 72 consecutive hour period. This does not apply to:
- (a) **loss** covered under 3.4 'Hidden gradual damage' as only one **excess** will be deducted for each **event**, and
  - (b) **contamination damage** covered under 3.7 'Methamphetamine contamination' as the **excess** provisions set out in that extension will apply.
- Where an **event** occurs that results in a claim under more than one extension (or sub-section of an extension) of this policy, only one **excess** will apply, being the highest applicable **excess**.

## 7. Section 2 – Liability cover

- 7.1 What you are covered for**
- We** will pay for **your** legal liability for:
- (a) **accidental loss** to anyone else's property, or
  - (b) **bodily injury** to anyone else,
- occurring during the **period of insurance** in New Zealand caused by an **event** in connection with **your** ownership of the **landlord's contents** and/or **buildings** and/or their grounds.
- We** will also pay for all **defence costs** necessarily and reasonably incurred by **you** to defend any civil legal action that if proven, would be covered by this policy.

## 8. Section 2 – Exclusions

- 8.1 What you are not covered for** This policy does not cover:
- (a) liability connected in any way with:
    - (i) **loss** to property belonging to **you** or that is in **your** possession or control, or
    - (ii) **bodily injury to you** or any person **you** have a business relationship with, or
    - (iii) any business (other than renting the **unit** as a residence), trade, profession or sponsorship, or
    - (iv) any contract or agreement, unless **you** would have been liable even without a contract or agreement, or
    - (v) the ownership, possession or use of any **motor vehicle** (other than any domestic garden appliance), trailer, caravan, watercraft, aircraft or other aerial device, or
    - (vi) any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during **the period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**, or
    - (vii) asbestos.
  - (b) punitive or exemplary damages or fines.

*Important: Please also read 10. 'General exclusions'.*

## 9. Section 2 – Basis of settlement

- 9.1 Maximum amount payable** The most **we** will pay for **your** legal liability is \$1,000,000 for each **event**.  
**Defence costs** covered by this policy will be paid in addition to the liability limit.  
The amounts payable under this clause 9.1 are payable in addition to the maximum payment stated in 6.1 'Maximum amount payable'.
- 9.2 Excess** For each **event**, the **excess** will be deducted.

## 10. General exclusions

The following exclusions apply to all parts of this policy.

- 10.1 Building defects** This policy does not cover any loss, damage, cost, expense, prosecution or liability, of any type connected in any way with a building or structure being affected by:
- (a) moisture or water build-up or the penetration of external moisture or water, or
  - (b) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,
- that is caused directly or indirectly by:
- (i) non-compliance with the New Zealand Building Code, or
  - (ii) faulty design or faulty specification, including, but not limited to, faulty sequence, procedure or programme, or
  - (iii) faulty materials, or
  - (iv) faulty workmanship,
- when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.
- This exclusion does not apply to 3.4 'Hidden gradual damage'.
- 10.2 Confiscation** This policy does not cover any loss, damage, cost, expense, prosecution or liability connected in any way with confiscation, nationalisation, requisition, acquisition, or destruction of or damage to property by order of government, public or local authority or under any statute or regulation, unless such order is required to prevent or control **loss** that would otherwise have been covered by this policy.
- 10.3 Consequential loss** This policy does not cover any kind of consequential loss other than as specifically provided for under 3.1 'Alternative accommodation' and 3.6 'Loss of rent'.
- For example, this policy does not cover financial loss that occurs as a result of physical loss or physical damage that is covered by the policy.*

- 10.4 Electronic data and programs** This policy does not cover any loss, damage, cost, expense, prosecution or liability connected in any way with **electronic data** arising 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**.  
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.
- 10.5 Infectious diseases** This policy does not cover any loss, damage, cost, expense, prosecution or liability in connection with any infectious disease notifiable under the Health Act 1956 or disease or organism notifiable under the Biosecurity Act 1993.
- 10.6 Intentional or reckless acts** This policy does not cover any loss, damage, cost, expense, prosecution or liability arising from any intentional or reckless act or omission by **you** or anyone else covered by this policy.
- 10.7 Nuclear** This policy does not cover any loss, damage, cost, expense, prosecution or liability 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.
- 10.8 Sanctions** **We** will not pay any claim when the payment would contravene:  
(a) any sanction, prohibition, or restriction under United Nations resolutions, or  
(b) the trade or economic sanctions, laws or regulations of New Zealand, Australia, United Kingdom, the United States of America or the European Union.
- 10.9 Subsidence** This policy does not cover any loss, damage, cost, expense, prosecution or liability connected in any way with:  
(a) subsidence or erosion, or  
(b) settling, warping or cracking caused by earth or other movements. This exclusion (b) does not apply to **loss** covered by 3.8 'Natural disaster'.
- 10.10 Terrorism** This policy does not cover any loss, damage, cost, expense, prosecution, death or liability 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**.
- 10.11 Unlawful substances** This policy does not cover any loss, damage, cost, expense, prosecution or liability in connection with the presence of any 'controlled drug' as defined in the Misuse of Drugs Act 1975, in any **unit** or at the **building**.  
This exclusion does not apply to:  
(a) cover under 3.7 'Methamphetamine contamination', 3.1 'Alternative accommodation', or 3.6 'Loss of rent', or  
(b) **loss** caused by **accidental** spread of fire or explosion, or  
(c) liability as a residential landlord caused by, through or in connection with an **individual proprietor's** ownership of the **unit** and/or **landlord's contents**, provided:  
(i) the **individual proprietor**, or the person who manages the tenancy on their behalf, has fully met the **landlord's obligations**, and  
(ii) the **individual proprietor**, or the person who manages the tenancy on their behalf, has tested for the presence of **methamphetamine** before and after each tenancy of the **unit**, such testing having been completed in accordance with the New Zealand Standard NZS 8510 or by an operator approved by **us**, and such testing confirmed that **methamphetamine** contamination at the **unit** does not exceed the **contamination level**.
- 10.12 War** This policy does not cover any loss, damage, cost, expense, prosecution, death or liability 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 warlike 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.

# 11. Claims conditions

## Your obligations

- 11.1 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.
- 11.2 Minimise the loss** **You** must take all reasonable steps to minimise the claim and avoid any further **loss** or liability arising.
- 11.3 Notify the police** **You** must immediately notify the police if **you** suspect criminal activity has occurred.
- 11.4 Provide full information** When making a claim, **you** consent to **your** personal information in connection with the claim being:
- (a) disclosed to **us**, and
  - (b) transferred to the Insurance Claims Register Limited.
- You** must:
- (i) give **us** free access to examine and assess the claim, and
  - (ii) send any relevant correspondence or documents to **us**, and
  - (iii) complete a claim form and/or statutory declaration to confirm the claim if **we** request it, and
  - (iv) provide any other information, proof of ownership or assistance that **we** may require at any time.
- 11.5 Be honest** If **your** claim is dishonest or fraudulent in any way, **we** may:
- (a) decline **your** claim either in whole or in part, and/or
  - (b) declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.
- This is at **our** sole discretion.
- 11.6 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.
- 11.7 Obtain our agreement** **You** must obtain **our** agreement before:
- (a) incurring any expenses in connection with any claim under this policy, or
  - (b) negotiating, paying, settling, admitting or denying any claim against **you**, or
  - (c) doing anything that may prejudice **our** rights of recovery.

## Managing your claim

- 11.8 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.
- 11.9 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.
- 11.10 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.
- 11.11 Defence of liability claims** After **you** have made a claim, **we** have the sole right to act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense).
- We** may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

- 11.12 Discharge of liability claims** **We** may elect at any time to pay **you**:
- (a) the maximum amount payable under the policy, or
  - (b) any lesser sum that the claim against **you** can be settled for.
- Once **we** have paid this (plus any **defence costs** already incurred) **our** responsibility to **you** under the policy is met in full.

## 12. General conditions

### How we administer this policy

- 12.1 Assignment** **You** must not assign this policy or any interest under this policy without **our** prior written consent.
- 12.2 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 notice in writing or by electronic means to **you** and every mortgagee of which **we** have notice, at **your** last known address.
- The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**.
- 12.3 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 4pm on the 30th day after the date of the notice.
- 12.4 Currency** Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.
- 12.5 Goods and services tax** Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- (a) all sums insured exclude GST, and
  - (b) all sub limits exclude GST, and
  - (c) all **excesses** include GST, and
  - (d) GST will be added, where applicable, to claim payments.
- 12.6 Interests of other parties** If **we** are advised of any party having a financial interest over **your unit or building**, **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.
- 12.7 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.
- 12.8 Premium payment options** If **you** choose to pay the premium monthly, then:
- (a) **you** must use the deduction authority **we** require, and
  - (b) this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date shown in the **schedule**.
- The policy will be renewed for further monthly periods of insurance (as indicated in the **schedule**) by payment of each monthly premium due under the deduction authority.
- 12.9 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. However, this does not increase the amount of cover available under this policy.

## Laws and Acts that govern this policy

- 12.10 Disputes about this policy** The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.
- 12.11 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.

## Your obligations

- 12.12 Comply with the policy** **You** (and any other person or entity **we** cover) must comply with the conditions of this policy at all times.
- If:
- (a) **you**, or
  - (b) any other person or entity covered under this policy, or
  - (c) anyone acting on **your** behalf,
- breaches any of the terms and/or conditions of this policy, **we** may:
- (i) decline the claim either in whole or in part, and/or
  - (ii) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist.
- 12.13 True statements and answers** True statements and answers must be given, whether by **you** or any other person, when:
- (a) applying for this insurance, and/or
  - (b) notifying **us** regarding any change in circumstances, and/or
  - (c) making any claim under this policy, and communicating with **us** or providing any further information regarding the claim.
- 12.14 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.
- 12.15 Change in circumstances** **You** must tell **us** immediately if there is a material:
- (a) increase in the risk insured, and/or
  - (b) alteration of the risk insured.
- Once **you** have told **us** of the change, **we** may then 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:
- (i) declare this policy unenforceable, and/or
  - (ii) decline any subsequent claim either in whole or in part.
- These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.
- For avoidance of any doubt, information is 'material' where we would have made different decisions about either:*
- (i) *accepting your insurance, or*
  - (ii) *setting the terms of your insurance,*
- if we had known that information. If in any doubt, notify us anyway.*
- 12.16 Proprietor and mortgagee details** **You** must inform **us** and keep **us** informed in writing, of the name and address of every **individual proprietor** and every mortgagee of each **unit**.

## 13. Definitions

The definitions apply to the plural and any derivatives of the bolded words.

For example, the definition of 'accident' also applies to the words 'accidents', 'accidental' and 'accidentally'.

<b>accident</b>	Unexpected and unintended by <b>you</b> .
<b>act of terrorism</b>	<p>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 therefore, 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:</p> <ul style="list-style-type: none"><li>(a) involves violence against one or more persons, or</li><li>(b) involves damage to property, or</li><li>(c) endangers life other than that of the person committing the action, or</li><li>(d) creates a risk to health or safety of the public or a section of the public, or</li><li>(e) is designed to interfere with or disrupt an electronic system.</li></ul>
<b>annual period</b>	<p>The <b>period of insurance</b>. However, if</p> <ul style="list-style-type: none"><li>(a) <b>you</b> pay <b>the</b> premium monthly or quarterly, or</li><li>(b) the <b>period of insurance</b> is for more than 12 months,</li></ul> <p>the annual period is the current 12 month period calculated consecutively from the date this policy first started.</p>
<b>application</b>	The information provided by <b>you</b> to <b>us</b> when <b>you</b> purchased this insurance or requested a quotation for this insurance from <b>us</b> . It also includes any subsequent information <b>you</b> provide <b>us</b> with.
<b>bodily injury</b>	The <b>accidental</b> death of, or the <b>accidental</b> bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.
<b>building</b>	<p>All the <b>units</b> and common areas, at the situation shown in the <b>schedule</b> including, but not limited to, any:</p> <ul style="list-style-type: none"><li>(a) garage, carport, domestic glasshouse or domestic outbuilding within the residential boundaries of the property on which the building is situated, and</li><li>(b) wall (including garden and retaining walls), deck, gate, or fence within the residential boundaries of the property on which the building is situated, and</li><li>(c) driveway or bridge, which is of permanent construction and provides sole and immediate access to the building or any <b>unit</b>, and</li><li>(d) patio, path, paving, tennis court or other permanent domestic structure, and</li><li>(e) fitted floor coverings (including glued, smooth edge or tacked carpet and floating floors), and</li><li>(f) kitchen stove and hob, range hood and any other permanently wired or plumbed building appliance, and</li><li>(g) water tank, septic tank, heating oil tank, or swimming pool of permanent construction, and</li><li>(h) spa pool if permanently plumbed,</li></ul> <p>that <b>you</b> own and that is at the situation shown in the <b>schedule</b>.</p> <p>It also includes: underground service or overhead electricity line, telephone or data cable at the situation shown in the <b>schedule</b>.</p> <p>It does not include any:</p> <ul style="list-style-type: none"><li>(i) part of the building that is used for business or commercial purposes, unless it is used as a home office or as a rental property, or</li><li>(ii) part of the building that is used for farming purposes (whether commercial or not), or</li><li>(iii) structure or property not at the situation shown in the <b>schedule</b>, or</li><li>(iv) temporary structure, or</li><li>(v) fixtures or fittings that are not permanently attached, or</li><li>(vi) loose floor covering including mats, rugs or runners, or</li><li>(vii) portable aerials or portable satellite dishes, or</li><li>(viii) portable swimming pool or portable spa pool, or</li><li>(ix) tree, shrub or hedge, or</li></ul>

	(x) wharf, pier, landing or jetty, or (xi) land or earth or fill.
<b>computer virus</b>	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'.
<b>contamination claim</b>	<b>Contamination damage</b> arising out of or attributable to an <b>event</b> or multiple <b>events</b> regardless of the number of acts, persons, tenancies, occupancies or incidents involved.
<b>contamination damage</b>	<b>Loss</b> caused by <b>methamphetamine</b> contamination that exceeds the <b>contamination level</b> .
<b>contamination level</b>	The relevant guideline value for indoor surface contamination as set out in the most recent version of the New Zealand Standard NZS 8510.
<b>defence costs</b>	Legal costs and expenses including disbursements, witnesses' costs, assessors' or adjusters' costs or experts' costs that relate directly to the investigation, defence, compromise or handling of any claim, incurred by <b>us</b> , or by <b>you</b> with <b>our</b> prior written consent. For the avoidance of doubt, defence costs do not include any costs of <b>your</b> time including anytime spent in assisting <b>us</b> or <b>our</b> appointed solicitors with the conduct of any claim.
<b>destroyed</b>	So physically damaged by an insured <b>loss</b> that the property, by reason only of that <b>loss</b> , cannot be repaired or the cost of repair is uneconomic.
<b>electronic data</b>	Facts, concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
<b>EQC Act</b>	Earthquake Commission Act 1993 and any Act in substitution of that Act.
<b>event</b>	Any one event or series of events arising from one source or original cause.
<b>excess</b>	This is the amount of <b>your</b> claim that <b>you</b> must pay. The amount of the excess is shown in either the <b>schedule</b> or in this policy wording.
<b>hidden gradual damage</b>	Hidden rot, hidden mildew or hidden gradual deterioration, caused by water that leaks, overflows or is discharged from any internal: <ul style="list-style-type: none"> <li>(a) tank that is plumbed into the water reticulation system of the <b>building</b> and is permanently used to store water, or</li> <li>(b) water pipe, or</li> <li>(c) waste disposal pipe,</li> </ul> installed at the <b>building</b> .
<b>immediately preceded by</b>	The <b>event</b> occurring immediately in sequence prior to the <b>loss</b> . <i>If there is a chain of events, this will be the last event occurring immediately prior to the loss.</i>
<b>individual proprietor</b>	The person or persons registered as the proprietors of a <b>unit</b> .
<b>landlord's contents</b>	Any of the following: <ul style="list-style-type: none"> <li>(a) fixture or fitting including drapes and light fittings, and</li> <li>(b) household goods such as washing machines, dryers, refrigerators, freezers, dishwashers and heaters, and</li> <li>(c) loose floor covering including mats, rugs or runners, and</li> <li>(d) domestic garden appliances (including their parts and accessories),</li> </ul> that are owned by or hired to <b>you</b> (provided <b>you</b> are legally liable under the hire agreement), and provided by <b>you</b> for use by a tenant. It does not include any: <ul style="list-style-type: none"> <li>(i) personal effects, or</li> <li>(ii) livestock, domestic pet or other creature, or</li> <li>(iii) fitted floor coverings (including glued, smooth edged or tacked carpet and floating floors), or</li> </ul>

- (iv) watercraft or outboard motor and their parts or accessories that are in them or attached to them, or
- (v) **motor vehicle**, trailer or caravan and their parts or accessories that are in them or attached to them, or
- (vi) aircraft or other aerial device and their parts or accessories that are in them or attached to them.

**landlord obligations**

If the **unit** is tenanted, the **individual proprietor** or the person who manages the tenancy on their 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, and
- (b) inspect vacant **building(s)** or **units** on a monthly basis, and
- (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, and
- (d) complete an internal and external inspection of the **unit** at a minimum of 3-monthly intervals and upon every change of tenants, and
- (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, and
- (f) make application to the Tenancy Tribunal for vacant possession in accordance with the provisions of the Residential Tenancies Act 1986 if:
  - (i) the **individual proprietor** becomes aware of any illegal activity by the occupant(s) at the **unit**, or
  - (ii) intentional damage to the **unit** is caused by one of its occupant(s).

*Important: Please refer to 10.11 'Unlawful substances' policy exclusion for an additional obligation (point (c) (ii)) in order to be covered for methamphetamine contamination related liability as a landlord.*

**loss**

Physical loss or physical damage.

**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.

**methamphetamine**

The Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975 or any precursor chemicals or by-products for either.

**motor vehicle**

Any type of machine on wheels, or caterpillar tracks, that is made or intended to be propelled by its own power, as well as anything towed by the machine.

**natural disaster**

An earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or natural disaster fire, as defined in the **EQC Act**.

**period of insurance**

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

**pre 1935 building risk**

Where any **building** or part of the **building** is originally constructed prior to 1935.

**present value**

The estimated reasonable cost to replace the item with an item in New Zealand that is of equivalent age, quality and capability, and is in the same general condition.

**region**

The areas of land in the named Regions and Districts, as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.

**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.

**remediate**

To reduce the level of **methamphetamine** contamination to below the **contamination level**.

*This means that we will not pay to remove all traces of methamphetamine contamination and will not restore the building to its condition when it was new.*

**schedule**

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

**sustainable products**

Sustainable products are:

- (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.*

**undamaged**

Not directly or physically damaged by an **event** that would be covered by this policy.

**unit**

Each self-contained part of the **building** designated for separate residential occupancy.

**we**

State, a business division of IAG New Zealand Limited.

We may also use the words 'us', 'our' or 'company' to describe State.

**you**

The person(s) shown as 'Insured' in the **schedule**. Where 'Insured' in the **schedule** is shown as a body corporate, then 'you' refers to the body corporate and each **individual proprietor** of that body corporate, for their respective rights and interests.

## **Residential Buildings (Multi-Dwelling)**

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