Single Project Policy

ABOUT MECON INSURANCE LIMITED

MECON Insurance Ltd (MECON) Company Number 5604485 and NZBN 9429041620298 has established a professional insurance service specialising in providing insurance solutions for construction project activities. MECON offers easily understood policies and extensions that are available to meet your requirements.

MECON has been founded on the principles of simplicity, integrity, service and innovation - all supported by experienced and knowledgeable staff.

If you would like any further information about MECON, please visit our website www.mecon.co.nz or contact our staff at customerservice@mecon.co.nz or by phoning 0800 632 666.

MECON administers this Policy on behalf of AIG Insurance New Zealand Limited.

ABOUT AIG INSURANCE NEW ZEALAND LIMITED

This insurance is issued/insured by:

AIG Insurance New Zealand Limited (AIG)
Company number 3195589
Level 19, The AIG Building,
41 Shortland Street, Auckland 1010

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc.

American International Group, Inc. (AIG) is a leading insurance organization serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

GENERAL INFORMATION

Basis of Agreement

Subject to payment of the required premium, we will insure you during the Period of insurance in the manner and to the extent specified in the Policy.

Other Information

Please refer to the Important Information section which includes contacting MECON, confirming transactions and your duty of disclosure.

Interpretation

The headings of clauses in this Policy are for reference purposes only. No specific meaning can be placed on any heading.

References in this Policy to any legislation, statute, regulation, code or other law or a provision of any of them include:

- any amendment, replacement or equivalent of them; and
- any regulation or other statutory instrument made under them, or made under them as amended, replaced or under their equivalent.

Your Insurance Policy Information

Your insurance Policy is made up of:

- this document.
- the Schedule (this also tells you who the Insurer is).
- any endorsement or notice we give you in writing.
- information supplied to us in submissions made by you or your insurance broker, whether verbal or in writing.
- The Policy, Schedule and endorsements (if any) will be read together and any word or expression which has a specific meaning in this Policy will have the same meaning wherever it may be used, unless the Policy specifically says it does not.

There are two policies in this document; Material Damage and, by way of endorsement (should you elect the cover), AIG\MECON Combined Liability Cover.

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MATERIAL DAMAGE COVER

GLOSSARY OF TERMS

Please read this Glossary first. It will help you to understand the Policy. Defined terms appear as shown below throughout the Policy wording:

Aircraft means any craft intended to float in or travel through air or space.

Deductible is amount payable by you shown in the Schedule or elsewhere in the Policy for each claim made (including costs incurred in defence of such claims).

Defects Liability Period means lesser of the Maximum Defects Liability Period shown in the Schedule and the period specified in the contract for the Project. During the defects liability period, cover under the Policy is limited to loss or damage that originates from a cause that happens to the Project:

a. while you are rectifying defects, and /or
b. during the construction work at the Project site.

Where there is no formal agreement between principal and contractor for a defects liability period, the defects liability period for the purpose of this insurance is nil.

Flood means covering of normally dry land by water that has escaped or been released from the normal confines of:

a. any lake, or any river, creek, or other natural watercourse, whether or not altered or modified; or
b. any reservoir, canal or dam.

Insurer means AIG Insurance New Zealand Limited, Company number 3195589.

Major Hazard means loss or damage resulting from collapse, erosion, fire, flood, landslip, Natural Disaster, rain, Storm, subsidence or water.

Market Value means cost of replacing lost or damaged property with property of similar age, condition and capacity. This includes any necessary installation and commissioning costs.

MECON means MECON Insurance Limited, Company Number 5604485 and NZBN 9429041620298.

Minor Hazard means loss or damage resulting from any cause other than a Major Hazard.

Natural Disaster means:

a. earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these; or
b. measures taken under proper authority, following an event listed in a. to:
   i. avoid it spreading, or
   ii. reduce its consequences.

Period of Insurance means period shown as such in the Schedule, and it does not continue after Practical Completion. The Defects Liability Period (if applicable) will then follow.

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Notwithstanding the above, the Period of Insurance for each part of the Project will end at the time the part attains Practical Completion or is taken over by the principal or put into service, whichever occurs first. This will be so even if the Project as a whole has not yet attained Practical Completion. The Defects Liability Period (if applicable) for that part will immediately follow.

Policy means this Material Damage Cover including the Schedule and any endorsement or notice we give you in writing.

Practical Completion means:

a. For all Projects other than "owner builder" Projects, the stage when a Project is formally accepted by its owner, or the principal named as such in any contract, as being complete.
b. Up to 90 days after such owner or principal formally accepts the Project as complete, but only if:
   i) your contract requires this, or
   ii) ownership of the project has not formally transferred.
c. For "owner builder" Projects;
   i. the date when the Period of Insurance ends as shown in the Schedule; or
   ii. the date "home insurance" or similar is effected on the building which is the subject of the Project; whichever occurs first.

Project means the project covered by this insurance. It includes the performance of work on the project and all property and labour incorporated or to be incorporated in the completed project.

For the avoidance of doubt, a 'project covered by this insurance' is one having a Project Value up to, but not exceeding, the aggregate sums insured for Items 1.02 (Maximum Project Value) and 1.06 (Variations and Escalations).

Project Value means the contract price or, if the work is not performed under contract, the cost that would reasonably have been incurred at commercial rates had the work been performed under contract.

Schedule means schedule of cover attaching to and forming part of this Policy.

Storm means a violent weather condition including but not limited to windstorm, cyclone, tornado, thunderstorm, hailstorm, or snowstorm.

Territorial Limit means anywhere in New Zealand and elsewhere shown in the Schedule.

Vehicle is any type of machine on wheels or on self-laid tracks made or intended to be propelled other than by manual or animal power and any trailer made or intended to be drawn by, or attached to, any such machine.

Watercraft is anything intended to float or travel on, through or under water.

we means MECON Insurance Limited,Company Number 5604485, acting as agent for the Insurer.

you/ your means you in your capacity as the insured entity specified as the "Insured" in the Schedule and other entities which are included elsewhere in the Policy.

This Policy also insures the principal named as such in any contract for the performance of an insured Project, but only to the extent of its joint interest in the Project. Accordingly, "you" also means the principal where necessary for that purpose.

Note: Our rights to recover off you (sometimes referred to as our "subrogation rights") are limited to those set out in the General Condition headed Subrogation.

MATERIAL DAMAGE

Insurance Provided

1.00 Insuring Clause

We will indemnify you for physical loss or damage to any property insured, within the Territorial Limit and during the Period of Insurance, in respect of:

a. construction works; and
b. testing and commissioning cover; and
c. defects liability cover (if applicable); and
d. transit and off-site storage and/or construction by you within the Territorial Limits of Project materials off-site.

Cover under this Policy is subject to all terms of this insurance. Our indemnity will not exceed the sum insured specified in the Schedule or elsewhere in the Policy.

1.01 Sums Insured, Insured Property and Insured Costs

Items 1.02 to 1.13 describe components of the total sum insured and include reference to special conditions related to the sums insured.

1.02 Maximum Project Value

This Item covers the Project Value. It covers all of the property and labour whose value is included in the Project Value. This sum Insured is shown in the Schedule.

Additional Benefits

1.03 Principal Supplied Materials

This Item covers materials and components supplied by the principal (the value of which is not included in the Project Value). This sum insured is shown in the Schedule.

1.04 Existing Structures

This Item covers any structure, described in the Schedule, which was permanently located on the Project site before the Project work commenced. This sum insured is shown in the Schedule.

1.05 Contractor's Plant, Tools and Reusable Equipment

This Item covers plant, tools and reusable equipment such as formwork, hoardings and temporary buildings. This includes any plant, tools and reusable equipment for which you are responsible. This sum insured is shown in the Schedule.

1.06 Variations and Escalation

This Item covers the added value of alterations and extensions (usually called 'variations') to the Project. It also covers any escalation in the value at risk due to inflation during the Period of Insurance.

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Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 20% of the sum insured on Items 1.02 and 1.03. It is available in full for any one loss or series of losses arising out of any one event.

Following physical loss or damage indemnified under clause 1.00 we will, in addition, indemnify you up to the sums insured shown in the Schedule for costs and expenses incurred by you for Items 1.07 to 1.12.

1.07 Removal of Debris

This Item covers the necessary cost of demolishing Project work and disposing of debris following damage covered by this insurance.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 10% of the sums insured on Items 1.02, 1.03, 1.04 and 1.05.

1.08 Professional Fees

This Item covers professional fees necessarily incurred in reinstating damaged property insured on the Project site. The insured fees include those of architects, surveyors and consulting engineers or other similar professional fees, but not fees incurred in preparing claim submissions or negotiating claims.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 10% of the sums insured on Items 1.02 and 1.03.

1.09 Expediting Costs

This Item covers the extra cost of expediting the reinstatement of property insured following physical loss or damage to which this insurance applies. The insured costs include those of express delivery, overtime wages, hire of additional labour and equipment and carriage by airfreight. However, cover for the cost of airfreight only applies to the use of licensed airlines operating regular scheduled services. It does not include the use of chartered Aircraft.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be deemed equal to 5% of the sums insured on Items 1.02, 1.03 and 1.04.

1.10 Mitigation/Temporary Protection Costs

This Item covers the reasonable cost of taking emergency action to reduce the size of an insured loss. The cover applies to action taken after damage has commenced or when it is otherwise imminent and inevitable.

Unless a different sum insured appears in the Schedule for this Item, the sum insured will be equal to 5% of the sums insured on Items 1.02, 1.03 and 1.04. It is available in full for any one loss or series of losses arising out of any one event.

1.11 Leak Search and Repair Costs

This Item covers the cost of searching for and repairing leaks in pipelines that suffered physical loss or damage, but only where the physical loss or damage discovered in the pipeline falls within the scope of cover under this Policy.

Cover under the Item shall be limited to the cost of:

a. searching for and locating leaks, including the cost of excavation for that purpose;
b. effecting repairs; and
c. replacing the excavated material.

The most that we will pay for these costs in total for the Period of insurance is the sum insured shown in the Schedule for this Item. If no such sum is shown, the most that we will pay for these costs in total for the Period of insurance is $250,000 in the aggregate.

1.12 Testing and Commissioning

This Item covers physical loss or damage occurring during any testing and/or commissioning operations, or pre-commercial operational running, or trial operations to new electrical and mechanical equipment for a period not exceeding four weeks, unless a longer period is specified in the Schedule. Provided that, the testing and commissioning period must be specified in a contract for the Project and will not exceed the lesser of:

a. the duration specified in that contract; or
b. the period shown in the Schedule or, if no period is shown in the Schedule, four weeks.

1.13 Reinstatement of Sums Insured

Other than for a Natural Disaster event, where a sum insured is reduced by payment of a claim, it will be automatically reinstated to its original amount. This will take effect from the time of the physical loss or damage. You may have to pay the reasonable extra premium which we require for the reinstatement.

How Premium is Calculated

2.00 Premium is calculated as shown in 2.01 to 2.05 below.

2.01 A deposit premium will be calculated by applying the rate of premium to the estimated Project Value to be insured.

At the end of the Period of Insurance, you must declare the total Project Value. If this is greater than the estimated Project Value, the premium will be adjusted on the difference up to but not exceeding the sum insured for Item 1.06. The additional premium will then be payable by you.

If the Schedule shows a different basis for premium adjustment, the different basis will apply instead of the foregoing.

2.02 Premium for cover under Items 1.03, 1.04 and 1.05 will, at our discretion, be either calculated by applying the rate of premium to the sums insured or will be a fixed premium.

2.03 Premium for cover under Items 1.07, 1.08, 1.09 and 1.10 is included in the premium specified in Item 2.01. Reducing any automatic sum insured under these Items will not reduce the premium.

2.04 Premium is not initially charged for cover under Item 1.06. It is adjusted at the end of the Period of Insurance in accordance with Item 2.01.

2.05 Additional premium will be payable for any optional endorsement that increases the amount of cover.

Basis Upon Which Claims are Paid

3.00 For Property insured, other than Plant, Tools and Reusable Equipment insured under Item 1.05, we will pay the cost of reinstating the property insured to a condition

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the same as but not better than its condition immediately before the loss or damage with allowance for any Deductible.

We will not pay more than the sum insured on any lost or damaged property and, although the total Project Value must be declared at the end of the Period of Insurance (see Item 2.01 above), the sum insured shown in the Schedule at the time loss or damage happens will be used to adjust the claim for that loss or damage.

Where appropriate, your reasonable mark-up or margin applicable to the Project will be included in any settlement.

3.01 Where property insured has been destroyed and you have been indemnified for it, any remaining salvage value of that property will belong to us.

3.02 If the physical loss or damage happens to Plant, Tools and Reusable Equipment insured under Item 1.05, payment will be based on the lesser of the Market Value of such property insured and the cost of repair unless such property is not more than 24 months past its purchase date when new, in which case we will pay the current new replacement value of such property or the cost to repair such property.

3.03 Physical loss or damage resulting from earthquake, fire, water, rain, landslip, erosion, subsidence, collapse, Storm or Flood during any period of ninety-six consecutive hours will be deemed one event of physical loss or damage for the purpose of applying a Deductible. You may choose the time at which a 96-hour period commences, but no two periods may overlap.

3.04 Where you have effected separate "marine cargo insurance", in the event of physical loss or damage to property insured being discovered after the marine voyage has terminated under such marine cargo insurance, and if after proper investigation it is not possible to ascertain whether such physical loss or damage happened prior to the termination of the marine voyage, or subsequently, we will contribute 50% of the properly adjusted claim, provided that the marine cargo insurers also agree to contribute 50% of the claim. Such contribution to be without prejudice to subsequent final apportionment of the claim as may be agreed between us and the marine cargo insurers in the light of the terms and conditions of the respective policies.

It is further agreed that in the event of the Deductible under this Policy being different from the deductible/excess under the marine cargo insurance policy, in settling claims as described above, each insurer shall deduct 50% of its deductible/excess from its 50% share of the adjusted claim.

3.05 Where the property insured sustains physical loss or damage, which we deem to be total, but the foundations are not destroyed, and due to the exercising of statutory powers and/or delegated legislation and/or authority by Government Department, Local Government or any other Statutory Authority reinstatement of the Project has to be carried out upon another site, then the abandoned foundations will be deemed to be lost too.

3.06 This insurance does not cover the cost of any modification or improvement made to property insured during its reinstatement following physical loss or damage.

Exclusions

4.00 Cover under Section One of the Policy is subject to the following exclusions.

4.01 Aluminium Composite Panelling

This insurance does not cover any loss or damage in connection with the combustion of ACP where such combustion directly or indirectly results from, or is exacerbated by, or is due to the application of heat:

i. from any source connected with a Project, or
ii. connected with, from or due to anyone allowed on the Project site.

For the avoidance of doubt, "the Project site" does not include other tenancies or common areas in a complex where the Project is being undertaken.

For the purpose of this exclusion only, "ACP" means Aluminium Composite Panelling of a type which is not approved by relevant authorities for use in new construction work.

4.02 Breakdown

This insurance does not cover loss or damage caused to:

a. second hand machinery forming part of the Project; or
b. any plant, tools or reusable equipment;

through its own mechanical, electrical or electronic breakdown, failure or derangement.

4.03 Cessation of Work

This insurance does not cover loss or damage happening to the Project if no physical building work has been carried out on it for more than sixty consecutive days unless, prior to or during the sixty days, you have notified us that you require cover to continue and you have received our written acceptance of extended cover.

4.04 Communicable Disease

a. This insurance does not cover any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence.
b. In this insurance, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
   i. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
   ii. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
   iii. the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

4.05 Consequential Loss

This insurance does not cover consequential financial loss such as any penalty, any loss due to delay, lack of performance or loss of contract, or any liquidated damages.

4.06 Design, Material and Workmanship

This Policy excludes loss of or damage to and the cost necessary to replace, repair or rectify:

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a. any component part or individual item of property insured which is defective in design plan specification materials or workmanship;
b. property insured lost or damaged to enable replacement repair or rectification of property insured excluded by a. above.

Note: a. above shall not apply to other parts or items of property insured which are free from defect but are lost or damaged in consequence thereof.

For the purpose of the Policy and not merely this exclusion, property insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the property insured or any part thereof. Despite anything in this exclusion to the contrary, the cost of removal and disposal of undamaged parts of the Project necessary to enable the damaged parts of the Project to be replaced, repaired or rectified are covered up to $50,000 for any one claim event.

4.07 Electronic Data

This insurance does not cover any loss or damage arising in connection with Electronic Data. However, this does not apply where the loss is a direct consequence of loss or damage to property insured.

'Electronic Data' means data that can be, or has been, distributed or stored by electronic, electrical or electro-mechanical equipment and includes programs, software and coded instructions for such equipment.

4.08 Fungus, Mildew and Mould

This insurance does not cover any loss or damage to the Project directly or indirectly connected with any type of biological contaminant, including but not limited to any kind of fungus, mildew or mould and any substance produced by, emanating from, or arising out of any fungus, mildew or mould, unless the parts of the Project biologically contaminated are in addition to other parts of the Project which have suffered loss or damage resulting from a Major Hazard event where, due to the event, access to the Project site was prevented and work on the Project could not be resumed following the event.

4.09 Insurance Sanctions

If, by virtue of any law or regulation which is applicable to us, our parent companies or our ultimate controlling entity, at the inception of this insurance or at any time thereafter, providing coverage to you is or would be unlawful because it breaches an applicable embargo or sanction, we will provide no coverage and have no liability whatsoever nor provide any defence to you or make any payment of defence costs or provide any form of security on your behalf, to the extent that it would be in breach of such embargo or sanction.

4.10 Internet Operations

This insurance does not cover any loss or damage directly or indirectly caused by or arising from your Internet Operations.

"Internet Operations" means any of the following:

a. the use of any electronic mail system by you or by anyone else at your order or with your consent; or
b. access through your network to the World Wide Web or a public Internet site by you or by anyone else at your order or with your consent; or
c. access to your internal company information and computing resources that is made available through the World Wide Web; or
d. the operation and maintenance of your web site.

This exclusion will not apply to loss or damage arising out of any material reproduced on your web site that is already in print by a manufacturer in support of its products. However, the exclusion will apply to any other advice or information located on your website for the purpose of attracting customers.

4.11 Inventory

This insurance does not cover loss that is discovered only by taking an inventory unless you can prove the time and cause of the loss.

4.12 Ocean Shipment

This insurance does not cover loss or damage arising during transit by sea unless the shipment is by barge or roll-on, roll-off ferry in coastal waters within the Territorial Limit.

4.13 Other Insurance

a. If you make a claim under this Policy in respect of an event recoverable under this Policy which claim is, or may be, covered in whole or in part by any other contract of insurance, then you must advise us of the full details of such other insurance when making a claim under this Policy.
b. Despite anything contained in this Policy to the contrary, where you have effected any other contract of insurance or are a beneficiary under any other contract of insurance or where any third party beneficiary under this Policy has entered into any other contract of insurance and/or has effected any other contract of insurance which but for the existence of this Policy would cover any claim under this Policy then we shall in respect of such claim not be liable to pay any amount except to the extent that the amount of such claim exceeds the amount payable under such other contract of insurance.
c. This exclusion shall not operate in respect of a claim by you where you are a contracting party to, or has entered into, this Policy and where you are also a contracting party to, or has entered into, the other contract of insurance.

4.14 Paper Records and Money

This insurance does not cover loss of or damage to paper records, including but not limited to files, drawings, accounts, deeds, bills and evidence of debt. Nor does this insurance cover loss of or damage to any currency, stamps, securities or cheques.

For the avoidance of doubt, loss of money includes that money paid to a supplier for services, goods or materials which the supplier fails to supply to you, unless the cause of non-supply is sudden and accidental physical damage to such goods or materials.

4.15 Radioactive Contamination

This insurance does not cover any loss or damage directly or indirectly caused by, or contributed to, or arising from:

a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel; or
b. radio-active toxic explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

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4.16 Terrorism

This insurance does not cover any loss or damage of any nature directly or indirectly caused by, resulting from or in connection with any act of Terrorism regardless of any other contributing cause or event.

For the purpose of this exclusion, "Terrorism" means an act, including but not limited to the use or threat of force, or violence by any person or group of people, whether acting alone or on behalf of or in connection with any organisation or government which, from its nature or context, is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government or put the public or any section of the public in fear.

This insurance also excludes any loss or damage of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

4.17 Vehicles, Watercraft and Aircraft

This insurance does not cover loss of or damage to any Watercraft longer than 10 metres, nor to any Aircraft. The Policy does not cover contractor's plant (or Vehicles) unless it is:

a. used to perform work on the Project site; and
b. a sum insured is shown for it in Item 1.05; and
c. it is not insured by another policy.

4.18 War

This insurance does not cover any loss or damage of any nature directly or indirectly caused by, resulting from or in connection with or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

4.19 Wear and Tear, Corrosion and Deterioration

This insurance does not cover the cost of repairing or replacing any part due to:

a. its wear and tear; or
b. any corrosion or oxidation of that part howsoever caused; or
c. deterioration of any part that is due to lack of use or normal atmospheric conditions.

CONDITIONS

5.00 These conditions must be complied with before you become entitled to any benefit under this Policy. If you fail to observe any of them and the failure increases our exposure to any insured loss, we may reduce the amount of your claim or decline to pay it altogether.

5.01 Alteration of Risk

You must immediately advise us of any alteration to the type, maximum value or duration of Projects or to the description of Business or other information that differs from that which you or your insurance adviser previously disclosed to us.

5.02 Cancellation

The Policy may be cancelled by you at any time by giving notice to us in writing. The cancellation will take effect from the date we receive your notice. Unless the premium is minimum and deposit, you will be entitled to a pro rata refund of premium for any unused Period of Insurance.

Because it is no longer the business we agreed to insure, the Policy will automatically be cancelled from the time your business is wound up or carried on by a liquidator, receiver, administrator or is permanently discontinued.

5.03 Claim Conduct

If any loss or damage occurs that may give rise to a claim under this Policy, you must:

a. inform us of this as soon as you can; and
b. provide such written documents and information as we may reasonably require; and
c. take all steps within your power to minimise the extent of loss or damage or liability; and
d. where reasonably possible, preserve any property affected and make it available for us or our representatives; and
e. inform the Police if the loss or damage has been caused by any malicious act, theft or other crime; and
f. provide any assistance that we may reasonably require.

5.04 Cross Liability

Each party insured will be insured as if a separate Policy had been issued to each. Accordingly, each party will be insured for their liability to any other party. However, this does not increase any sum insured. The sum insured applies to all of the insured parties collectively (This paragraph or its equivalent is known as a 'Cross Liability' clause).

5.05 Fraud

If you make a claim that is fraudulent in any way, or if you collude with anyone in making a claim, we may have the right to cancel this Policy and may seek legal recourse against you.

5.06 Inspection

You must allow us or our representative, after reasonable notice to you and at an arranged time, to inspect any property insured and to review any financial or other records where it is reasonably required for this insurance or a claim under it.

5.07 Risk Management

Without exception, you and your Employees must:

a. fully comply with manufacturer's instructions; and
b. take all reasonable steps to prevent incurring any loss or damage; and
c. ensure that only suitably qualified operators are employed for the operation of plant and equipment and that suitably skilled workers are employed to perform work.

5.08 Subrogation

If you have a right to recover your loss from any other party, then, on accepting cover under this Policy, we will be entitled to exercise that right in your name and to our own

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benefit. This is called 'subrogation'. You must fully co-operate with us in exercising that right. If you are the other party, we will not exercise subrogation against you as long as you have not forfeited your right to indemnity under this Policy.

IMPORTANT INFORMATION

Contacting Us and Confirming Transactions

You can contact MECON by:

Telephone:	0800 632 666
E-mail:	customerservice@mecon.co.nz
By Post:	PO Box 180 Shortland St Auckland 1140

If you need confirmation of any of the Policy details please contact MECON.

Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, which may affect our decision to insure you and on what terms.
You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

Non-disclosure

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Disputes

If a situation arises where you feel we are not listening to you, or you are dissatisfied with our service and have a complaint, we want to know about it.

The first step
Any enquiry or complaint relating to this insurance should be referred to us in the first instance. Please contact our staff. If you prefer, address the matter in writing to:

MECON Insurance Limited
PO Box 180
Shortland St, Auckland 1140

or by emailing customerservice@mecon.co.nz.

The Customer Service team is trained to respond to your concerns efficiently and professionally. If they are not able to resolve the matter to your satisfaction, they will request that their Supervisor or Manager addresses your concern.

The next step
You will be notified of our decision within 15 business days of us receiving notice of the complaint. If we need more information or more time to respond properly to your complaint, we will contact you to agree an appropriate timeframe to respond. Provided we have the information needed, this review will be completed within 15 business days.

If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you can contact the Insurer via email at customerfeedbacknz@aig.com or by writing to:

The Complaints Manager, AIG
PO Box 1745, Shortland Street, Auckland 1140

The Insurer will:

- Acknowledge receipt within 5 business days of receiving your complaint.
- Give you the name and contact details of the person handling your complaint.
- Ensure that someone experienced who has not been handling your case fully investigates your complaint.
- Respond to your complaint within 10 business days of the date it has all the information needed to determine your complaint. Where further information, assessment or investigation is required, it will agree reasonable timeframes with you. If the Insurer cannot agree on reasonable timeframes, you can contact its independent external dispute resolution scheme about those timeframes.
- Update you at least once every 20 business days, or another such interval agreed with you, until your complaint is resolved.

What should you do if you are not happy with our response to your complaint?

If you are not satisfied with our response to your complaint, you can request to have the matter reviewed by the Insurer's Internal Dispute Resolution Committee ("Committee"). The Committee is made up of AIG New Zealand Management with the experience and authority to decide on matters brought before it.

You can request a review by the Committee by contacting the person who signed your complaint response letter or by contacting:

The Chairperson IDRC, AIG Insurance New Zealand Limited
The AIG Building, PO Box 1745, Auckland 1140
customerfeedbacknz@aig.com

To assist the Committee in reviewing your complaint, please provide your reasons for requesting the review.

The Committee will provide their decision with reasons within 15 business days of receipt of your request to refer your dispute to the Committee.

Financial Services Complaints Limited

If your complaint cannot be resolved to your satisfaction through the Committee within 40 business days of when you first lodged it with us, the Insurer will provide you with a

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'deadlock' letter so you can take your matter to the Financial Services Complaints Limited (FSCL). FSCL is a free and independent body approved by the Ministry of Consumer Affairs. AIG New Zealand will comply with any decision made by FSCL. Contact details for FSCL are:

Financial Services Complaints Limited
PO Box 5967 Wellington, 6101
0800 347 257
info@fscl.org.nz
http://www.fscl.org.nz

Use of the FSCL scheme does not preclude you from subsequently exercising any legal rights which you may have and if you are still unhappy with the outcome, we strongly recommend that you obtain independent legal advice.

If your complaint does not fall within the Terms of Reference of FSCL, we recommend you to seek independent legal advice about options that may be available to you.

Fair Insurance Code

The Insurer is a signatory to the Fair Insurance Code. This Code aims to raise the standards of practice and service in the insurance industry, and it includes the following:

When you lodge a claim we will tell you in plain language what information we need and how you should go about making a claim.

We will respond promptly to any request you make for assistance with a claim and it will be considered and assessed promptly.

The sum or sums insured by this Policy are exclusive of New Zealand GST to the extent that, in the event of a claim, Insurers will pay a maximum of the Sum Insured plus additional New Zealand GST if applicable, to a maximum of the current rate of New Zealand GST applied to that sum insured. All other amounts, including the excess and any sub limits noted in this Policy and the attached Schedule are exclusive of New Zealand GST where payable by law.

Privacy Statement

We have adopted the Information Privacy Principles. The Information Privacy Principles apply to any personal information collected by us.

Purpose of collection

We, together with the Insurer, collect personal information about you for the purposes of assessing your application for insurance and administering your Policy. Failure to provide relevant personal information may result in us not being able to administer your Policy, process any claim under your Policy or you may breach your duty of disclosure.

Disclosure

In the course of administering your Policy the Insurer may disclose your information to:

- an entity to which the Insurer is related either in New Zealand or overseas;
- contractors or third party providers providing services related to the administration of your Policy;
- banks and financial institutions for the purpose of processing your application for insurance and obtaining Policy payments;
- in the event of a claim, assessors, lawyers, third party administrators, emergency providers and medical providers;
- third party service providers to enable the Insurer to advise you of their insurance products or services; and
- reinsurers for the purpose of obtaining reinsurance, if required.

The Insurer will only disclose your personal information to these parties for the primary purpose for which it was collected or to enable the Insurer to advise you of our insurance products or services. In some circumstances the Insurer is entitled to disclose your personal information to third parties without your authorisation such as law enforcement agencies or government authorities.

Access to your information

You may gain access to your information by submitting a written request to the Insurer. In some circumstances the Insurer may not permit access to your personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals or where it would be unlawful.

The Insurer has also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however the Insurer reserves the right to charge for access requests in limited circumstances.

If you feel you have a complaint about the Insurer's information privacy principles, require assistance in lodging a privacy complaint or you wish to gain access to your information, you may write to:

The Privacy Manager
AIG Insurance New Zealand Limited
PO Box 1745, Shortland Street, Auckland 1140
(64) 9 355 3100

Your complaint will be reviewed and you will be provided with a written response. If it cannot be resolved, your complaint will be referred to the Internal Disputes Resolution Committee who will respond within 15 business days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint. Should your complaint not be resolved by the Insurer's internal dispute resolution process, you may take your complaint to the Privacy Commissioner for review of the determination.

Utmost Good Faith

The law obligates all parties to a contract of insurance to act towards each other in 'utmost good faith'.

The result is that all material facts within the knowledge of the parties must be disclosed, otherwise the party to whom disclosure should have been made may avoid the contract.

The main implications from the duty of utmost good faith for an insured include:

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- Fulfil your duty of disclosure;
- Make honest statements in the proposal form;
- Fulfil our requests.

We are obliged to:

- Settle claims quickly;
- Disclose restrictions in the Policy.

Failure to act with the utmost good faith may prejudice any claim you have or the continuation of this contract of insurance.

Sanctions

Notwithstanding anything contained herein to the contrary, the Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Australia, New Zealand or United States of America.

END OF POLICY

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ENDORSEMENTS

Each of these endorsements will only apply if the Schedule shows it. The endorsement then forms part of the Policy. It overrides anything in the Policy to the contrary. All terms of the Policy otherwise remain in full effect.

Appliances / Contents

Section One of this Policy does not cover any of the following:

a. Any white goods that are not shown on the original plans
b. Any home entertainment equipment, such as:
   - Any television set,
   - Any radio, and
   - Any device for recording or playing movies, music, games and the like, that is not included in the original plans.
c. Any household furniture.

Contract of Sale Extension

Where the Project is subject to a contract of sale at the time of its Practical Completion, cover under this Policy will be extended for a period up to ninety days after the cover for such Project has ended under the term of this Policy. For the purpose of cover under this extension, physical loss or damage arising out of any insured event during the extended period will be subject to the Deductible shown for this clause in the Schedule. If no such Deductible is shown, a Deductible of $5,000 will apply. This clause has no effect on the end date of the Defects Liability Period which applied before the application of this clause.

Contractors and Subcontractors Insurance

This Policy extends to insure any of your contractors (which term includes: any of their subcontractors; your subcontractors, engineering consultants and other consultants) and the entity which has retained you to perform the Project ("your direct employer") as if they were you (but only to the extent to which they are not insured for the same loss under any other contract of insurance). However, this endorsement only applies:

a. where you have a written contractual obligation to provide the contractor and / or your direct employer with insurance as afforded by this Policy; and
b. the obligation was in effect before anything happened that could give rise to a claim involving the contractor and / or your direct employer; and
c. the value of the work performed by the contractor is included in your declaration of Project value; and
d. in respect of engineering consultants and other consultants, only for loss, damage or liability resulting from manual activities they perform on the Project site.

This endorsement does not extend to insure any tools, plant, machine or reusable equipment of any kind belonging to, or loaned or hired by, the parties covered by this endorsement, unless you have a contractual or legal responsibility for such tools, plant, machine or reusable equipment and there is a sum insured under Item 1.05 (Contractors Plant, Tools and Reusable Equipment).

For the avoidance of doubt, "your direct employer" in this endorsement does not mean the principal referred to in the definition of "you" in the glossary of terms used.

Note: If this endorsement does not apply, but the party specifically named as "the insured" in the Schedule is held responsible for loss or damage caused by any of your contractor(s) and/or your direct employer, then this Policy will indemnify the party named for that loss or damage but only if this Policy would have indemnified the loss or damage had the endorsement applied. For the avoidance of doubt, if this endorsement does not apply, your contractor(s) and/or your direct employer are not insured.

Defective Workmanship

Despite anything contained in the Policy to the contrary, the Policy covers physical loss or damage arising out of defective workmanship. The maximum aggregate amount for which we will indemnify you in respect of all claims made in any one Policy Period is $100,000.

Demolished Areas

This Policy does not cover any areas of the existing structure (insured under Item 1.04 Existing Structures) which are shown on the original approved development application plan for the Project as areas to be demolished.

Dewatering (Limited)

This Policy does not cover any of the following:

a. any dewatering cost incurred because the amount of water was more than the initial Project design allowed for; or
b. any cost incurred for any facility to discharge run-off or underground water; or
c. any cost incurred for grouting or any other measure taken to stop water leaking into any excavation, foundation or basement; or
d. physical loss or damage caused to any basement structure by ground-water pressure.

Despite anything in (a) to (d) above, this insurance covers the cost of dewatering where necessary to gain access to, and enable repairs to be carried out on, any completed section of the Project physically lost or damaged by an insured event. The cover does not apply to the cost of any dewatering that was already being incurred at the time of the physical loss or damage.

Dewatering (Total)

This Policy does not cover any loss or damage associated with dewatering.

Existing Structures (Alterations)

a. Where you are working on a structure that was permanently located on a Project site before the Project commenced; you must ensure that it is made waterproof at the end of each working day and at any time rain is forecast. If you fail to do this we will not pay any claim for consequent loss or damage.
b. Where Existing Structures (Item 1.04) is insured, the Period of insurance for such Existing Structures is deemed to begin on the date shown in the Schedule

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notwithstanding anything to the contrary in the definition for the Period of Insurance.

Financiers Interests

The interest of any financier of the Project is noted in Section One of this Policy, but only to the extent of that interest. Before you become entitled to any claim proceeds, they will first be used to settle any financial obligation that you have with the financier.

Flood Exclusion

This Policy does not cover loss or damage caused by flood, (being the covering of normally dry land by water that has escaped or been released from the normal confines of :

a. any lake, or any river, creek, or other natural watercourse, whether or not altered or modified; or
b. any reservoir, canal or dam).

Heritage Buildings

Any claim payable for damage to heritage listed structures included in the sum insured for Item 1.04 (Existing Structures) will not exceed the cost of reinstatement using modern techniques and readily available materials (of the closest kind to those damaged) from suppliers in New Zealand.

Misalignment of Piles

This Policy does not cover loss of or damage to any pile or casing:

a. resulting from an error in positioning, misplacement or misalignment of piles;
b. by the pile or group of piles or pile casings becoming jammed or obstructed;
c. that fails to pass any load bearing test or any other performance criteria;
d. nor to disconnected or declutched sheet piles or abandoned piles.

Natural Disaster Exclusion

Despite anything contained in the Policy to the contrary, Section One of this Policy excludes loss or damage resulting from Natural Disaster.

Partial Occupancy

Notwithstanding anything to the contrary in the Policy, the Period of insurance for each part of a Project will not end at the time that such part of the Project is taken over by the principal or put into service or a certificate of partial completion (or its equivalent) is issued for that part, subject however to the following:

Any cover provided under or arising out of this endorsement does not extend to any loss, damage or liability arising out of or in connection with:

a. the occupation or use of any such part of the Project unless:
    i. the occupation or use was for residential purposes; or
    ii. the occupation or use was necessary to complete the Project.
b. work done in preparation for the occupation or use of any such part of the Project unless:
    i. the occupation or use was for residential purposes; or
    ii. the occupation or use was necessary to complete the Project.

Notwithstanding, anything to the contrary in the Policy, the Period of insurance specified and/or determined in this endorsement will end:

a. where the insurance is shown in the Schedule as being on an Annual Turnover Basis, at the time defined in paragraph a. of the definition of Period of insurance found in the Policy wording; and

where the insurance is shown in the Schedule as being on a Project Run-Off Basis, at the time defined in paragraph b. of the definition of Period of insurance found in the Policy wording.

Period of Insurance (Extended)

Where the insurance on any part of the Project ends sooner than it ends for the Project as a whole, cover will continue on that part until the end of the Period of Insurance for the whole Project. However, the cover on that part will only apply to loss or damage resulting from the performance of work on the Project.

Pipelines and Trenches

This Policy restricts cover for physical loss of or damage to any open trench together with any pipeline, duct or cable in the trench, to the length or value specified for "Pipelines and Trenches" in the Schedule. The additional exclusion below applies to this endorsement.

Additional Exclusion

Pipelines, conduits or cables in open trenches are not insured unless:

a. they have been secured in a manner which will prevent them being displaced if water enters the trench; and
b. the open ends of the pipe or conduit have been sealed on completion of work on them for the day in such a way that will prevent entry of water or debris; and
c. trenches containing pressure tested lengths of pipeline were backfilled over the whole tested length on the day the test was completed.

For the avoidance of doubt, the length of any open trench (including pipeline, duct or cable in it) which exceeds the length or value specified in the Schedule is not covered by this insurance. This endorsement does not apply to completed or backfilled trenches.

Pools

This Policy does not cover loss or damage to any pool structure caused by its displacement.

Road Works

This Policy does not insure any unsealed road that exceeds the maximum length or value specified for "Road Works" in the Schedule. A road is deemed to be unsealed if it does not have at least one application of a weatherproof substance.

Where a Project includes more than one section of unsealed road, the maximum length or value applies to their combined length or value.

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Tunnels, Shafts and Declines

In relation to Projects that include underground work such as any tunnel, shaft or gallery, this Policy covers the following costs:

a. Cost of replacing previously installed grouting, lining, crib, set or other support that has been lost or damaged.
b. Cost of additional permanent linings, cribs, sets or other supports where necessary to reinstate previously completed sections of the Project that have been lost or damaged. However, this does not include the cost of lining, cribs, sets or other supports that would have been incorporated into the Project to deal with any physical ground conditions surrounding the Project had the condition been detected or anticipated at the time of the original construction planning.
c. Cost of removing collapsed ground material where necessary to gain access to the damage and to provide a clear working area for repairs to previously completed sections of the Project.
d. Cost of dewatering where necessary to gain access to the damage and to provide a clear working area for repairs to previously completed sections of the Project (whether damaged or undamaged) following loss or damage. The cover is only granted up to the daily cost of dewatering being incurred immediately before the loss or damage.

However, this Policy does not cover:

e. any cost associated with any tunnel, shaft, decline or gallery that is not constructed in accordance with the International Code of Practice for Tunnelling Works;
f. cost of grouting unsound earth or rock strata;
g. cost of any measure to control water inflow;
h. cost of removing excavation material in excess of the minimum excavation line provided in the plans;
i. cost of dewatering;
j. cost of any facility for discharging run-off or underground water;
k. cost of refilling cavities that result from overbreak;
l. loss or damage due to failure of the dewatering system if the failure could have been avoided through use of sufficient stand-by facilities.

Usual Action of the Sea

This Policy does not cover loss or damage resulting from usual action of the sea.

Usual action of the sea means the usual behaviour of the sea at the Project site at previous times of the year corresponding to the time of loss or damage with regard to:

a. tidal movement;
b. currents, whether tidal or otherwise caused;
c. wave action, whether wind or tide driven;
d. sediment transport; or
e. any other usual behavior patterns of the sea experienced at such corresponding times.

In determining this usual action, weather records for the same month corresponding to the month of the loss or damage will be reviewed for the previous ten years using records from the area.

If the action of the sea that caused the loss or damage has not occurred in any corresponding period during the previous ten years, then the loss or damage will be insured.

Vegetation

Section One of this Policy does not cover loss of or damage to vegetation caused by any disease, pest, vermin, lack of water, excess-water, lack of nutrient, or lack of proper care.

Welding and Hot Work

This Policy does not cover loss or damage resulting directly or indirectly from heat-producing equipment such as welders, metal or masonry cutters or grinders used on the Project site unless the following precautions have been taken:

a. Where the operator's view is obstructed or impaired by any device, such as a visor or spark shield, another person must be standing-by to watch for incipient fire.
b. Adequate fire fighting equipment and extinguishing agents must be readily at hand, together with a sufficient number of workers on site trained in their use.
c. Combustible materials must be located a safe distance away from the area where the equipment is being used. Any materials that cannot be moved must be protected by overlapping sheets of non-combustible material.
d. If practical, the area where the equipment is to be used must be damped
e. Any flammable gas-line in the vicinity of the operation must be disconnected and purged of gas.
f. Glass must be located a safe distance away from the area where the equipment is being used. Any glass that cannot be moved must be protected by overlapping sheets of non-combustible material.
g. About an hour after use of the equipment has ceased for the day, the area in the vicinity of the work, including floors above and below, the other side of walls and ducts, voids and conduits, all must be examined.

This section has been left intentionally blank.

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AIG/MECON COMBINED LIABILITY COVER (THIS IS A STANDALONE POLICY)

GLOSSARY OF TERMS

Please read this glossary first. It will help you to understand this **policy**. The words shown in **bold** have a specific meaning. The words and their defined meaning are:

Accidental Means unexpected and unintended by **you**.

Aircraft Means a **vehicle** designed to be used primarily in the air and to be supported by the dynamic reaction of the air upon the **vehicle's** wings or rotor-blades, and/or by the **vehicle's** buoyancy in the air. For the purposes of this definition the term aircraft includes missiles, spacecraft and the ground support or control equipment used there with.

Aircraft products Means:

(a) Aircraft and any ground support or control equipment used therewith;

(b) Any **insured** product furnished by the **insured** and installed in aircraft or used in connection with aircraft;

(c) Any tooling used for the manufacture of (a) or (b) above;

(d) Any ground handling tools and equipment used in connection with (a) or (b) above including training aids, navigational aids, instruction or manuals;

(e) Blueprints, engineering or other data furnished by the **insured** in connection with(a),(b), (c) or (d) above;

(f) Any advice, service and/or labour furnished by the **insured** in connection with (a), (b), (c), (d) or (e) above.

Business Means all usual activities and operations of the **named insured** as described in the **policy schedule** and includes:

(a) The ownership, tenancy or occupation of **premises** of the **named insured**;

(b) Private work carried out with the consent of the **named insured** for any **executive**, partner or senior official of the **named insured** by an **employee**;

(c) The provision or management of canteen, social or sports organisations for the **named insured's employees**; and

(d) The provision of the **named insured's** own internal fire, first aid, medical, security and ambulance services.

Claim Means any:

(a) written complaint, proceeding or arbitration seeking damages or non-monetary relief;

(b) criminal charge; and

(c) official, written notice or other demand in connection with an investigation

For the general liability insuring clause, **claim** means a written demand, notice or other written communication received by the **insured** seeking a remedy and/or alleging liability or responsibility on the **insured**'s part for an **occurrence** covered by this policy.

Company Means the **named insured**.

Continuity date Means the date specified in the **schedule**.

Defence costs Means reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the **insurer** in the defence, investigation (by or on behalf of any **insured**), adjustment, settlement or appeal of any **claim** against an **insured** for any management liability, personal **injury** (**employers liability** only), or **statutory liability**.

Electronic data Means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Employee Means any past, present or future full-time, part-time, seasonal and temporary employees who are not **executives**, auditors, consultants, secondees or agents.

For the General Liability insuring clause, **employee** includes:

(a) Any person hired or borrowed by the **named insured** from another employer under an agreement by which the person is deemed to be employed by the **named insured**;

(b) Any person under a work experience or similar scheme while engaged and working under the direction and control of the **named insured** in connection with and in the course of the **business**.

Event Means any act or omission within the **territorial limits** which may result in the violation of a **statute**.

Excess Means the first amount of any **loss** or **claim** that **you** are responsible for, and for which this **policy**.

Executive Means any natural person who is a past, present or future:

(a) duly elected or appointed director or trustee (other than a trustee of an Insolvent entity);

(b) executive officer or senior manager; or

(c) any other person with duties equivalent to those of the positions listed in (i) or (ii) above.

Executive liability Means liability:

(a) for any **wrongful act** of any **executive** or any **employee** of any **company**; or

(b) arising solely from an **insured** person's status as an **executive** or **employee** of a **company**.

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Grounding Means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by the **insured** or manufactured, assembled or processed by any other person or organisation according to the **insured**'s specifications, plans, suggestions, orders or drawings or with tools, **machinery** or other equipment furnished to such persons or organisations by the **insured**, whether such aircraft so withdrawn are owned or operated by the same or different persons, organisations or corporations.

A **grounding** will be deemed to commence on the date of an **occurrence** which discloses such condition or on the date an aircraft is first withdrawn from service on account of such condition, whichever occurs first.

Incidental contracts Means:

(a) Any written agreement for lease of real or personal property which does not impose upon the **named insured**:

  (i) An obligation to insure such property; or

  (ii) Any liability regardless of fault;

(b) Any written contract with any entity for the supply of water, gas or electricity but only to the extent of indemnifying any such entity in respect of liability arising out of the **business** other than contracts for the performance of work or provision of services by the **named insured**.

Insured / you / your Depending on the context in which it is used in this policy, means:

(a) The **named insured** or **company** as listed in the **policy schedule**;

(b) An **insured person**;

For General Liability, in addition to (a) and (b) above, also means:

(c) If the **named insured** is an individual, the **named insured's** spouse, but only with respect to the conduct of a **business** of which the **named insured** is the sole owner;

(d) If the **named insured** is an individual and dies, the **named insured's** legal representative but only with respect to the legal representatives duties in administering or undertaking the **named insured**'s **business**;

(e) The **named insured's** partners, **executives**, **employees**, shareholders or volunteers while acting within the scope of their duties on behalf of the **named insured's business**;

(f) Any person or organisation to whom the **named insured** is obligated by a written insured contract to provide insurance such as is afforded by this **policy**, but only with respect to their liability arising out of operations conducted by the **named insured** or on their behalf and not to any greater extent than required by the contract or agreement; and

(g) Any office bearer or member of social and/or sporting clubs formed with the written consent of the **named insured** in respect of **claims** arising from duties connected with activities of any such club. Cover shall not apply to **personal injury** to or **property damage** of any participants of any game, match, race, practice or trial.

Insured person Means any **executive** or any **employee** of any **company** and any outside **executive**

Insurer Means AIG Insurance New Zealand Limited.

Legal proceedings Means **litigation**, arbitration, mediation, adjudication or any other process of dispute resolution.

Limit of liability Means the amount specified in the **schedule**.

Litigation Includes, but is not limited to, any civil, criminal, administrative or regulatory proceeding as well as any official investigation, examination, inquiry, arbitration or adjudication.

Loss, losses Means:

(a) compensatory damages; and

(b) legal costs and expenses of a plaintiff; and

(c) **penalties**;

(d) punitive and exemplary damages (for the **employers liability** insuring clause and General Liability extension only)

That any **insured** person is legally obligated to pay under the terms of:

  (i) a final judgment entered against any **insured**; or

  (ii) a settlement negotiated by or pre-approved in writing by the **insurer**.

Loss includes **defence costs**, but does not include:

(a) fines or **penalties** (with the exception of any **penalties** under (c) above);

(b) taxes;

(c) employment-related compensation or benefits;

(d) internal or overhead expenses of any **insured person** or any **company**;

(e) the cost of complying with non-monetary damages or relief;

(f) matters which may be deemed uninsurable under applicable law; or

(g) punitive and exemplary damages.

Machine, machinery Means any contrivance for the conversion and direction of motion or energy, or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

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MECON Means MECON Insurance Limited, Company Number 56085 and NZBN9429041620298.

Medical persons Means any medical doctor, medical nurse, dentist and first aid attendant.

Mobile mechanical plant Means any **vehicle** which has attached as an integral part of such **vehicle** any equipment for mechanical digging, scraping, grading, slashing, mowing, drilling, lifting or levelling, whilst such equipment is being used for the purpose for which it was designed.

Named insured Means the entity specified in the schedule.

Occurrence Means an **event**, including continuous or repeated exposure to substantially the same general conditions, which results in **personal injury** or **property damage** neither expected nor intended from the **insured**'s standpoint.

All events of a series consequent on or attributable to one source or original cause shall be deemed one **occurrence**.

Officer Means any **employee** who is concerned in, or takes part in, the management of the **company**.

Other property Means other property more particularly described in the schedule.

Penalty, penalties Means any fine or other monetary **penalty** or costs assessed for which **you** may be liable following a Court determination under a **statute** that **you** should be convicted of any offence, or should pay any **penalty** to the Crown, except where it is illegal to insure a fine or other monetary **penalty** or costs under a **statute**.

Personal injury (Employers Liability) Means, for the Employers Liability insuring clause:

(a) sickness or disease including death resulting from bodily injury, sickness or disease; and

(b) Disability, shock, mental anguish or injury; sustained by an **employee** arising out of or in the course of their employment with the **named insured** within the **territorial limits**.

For the purposes of this **policy** disease shall be sustained when the **employee** is first exposed to conditions in New Zealand out of which the disease being the subject of the **claim** arose.

Personal injury (General Liability) Means, for the General Liability insuring clause:

(a) Bodily injury;

(b) False arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution and humiliation;

(c) Libel, slander, defamation of character or invasion of privacy; and

(d) Assault and battery not committed by or at the direction of the **insured** unless committed for the purpose of preventing or eliminating danger to persons or property.

Policy Means this policy together with any **schedule** and endorsement issued by the **insurer** attached or intended to be attached to it.

Policy period Means the policy period specified in the first issued **schedule** or if renewed the policy period specified in the renewal **schedule**, or any shorter period arising as a result of cancellation of this **policy**.

Pollutant(s) Means but is not limited to any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including but not limited to, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids or alkalis of any sort, chemicals and waste. Waste includes but is not limited to, material to be recycled, reconditioned or reclaimed.

Premises Means

(a) The **premises** specified in the **schedule**; and

(b) The interior portion of any building or property owned or occupied by the **company** as a place to conduct its **business**.

Premium Means the annual **premium** in effect immediately prior to the end of the **policy period**.

Products Means any goods or **products**(after they have ceased to be in the **insured**'s possession or under the **insured**'s control) which is or is deemed(whether by law or otherwise) to have been manufactured, constructed, grown, extracted, treated, imported, exported, produced, processed, assembled, erected, installed, repaired, serviced, sold, supplied or distributed by the **insured**. **Insured products** includes any packaging or containers, designs, formulae or specifications thereof, directions, instructions or advice given or omitted to be given in connection with such things other than a **vehicle** or vending **machine**.

Products hazard Means **personal injury** or **property damage** arising out of the **insured**'s **products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **personal injury** or **property damage** occurs away from **premises** owned by, leased to, rented to or occupied by the **insured** and after physical possession of such **products** has been relinquished to others.

Property damage, damage Means any of the following:

(a) **accidental** physical **loss** or **accidental** physical **damage** to any tangible property; or

(b) **accidental loss** of use of any tangible property that has not suffered physical **loss** or physical **damage** provided such **loss** of use arises out of physical **damage** to, or destruction or **loss** of other tangible property.

Regulations Means building or other **regulations** made under or framed in pursuance of any Act of Parliament or regulation or by-law of any local authority.

Retroactive date Means the date specified in the **schedule**.

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Schedule Means the current schedule of insurance which has been numbered and issued by or on behalf of the **insurer**.

Site Means any parcel of land owned or occupied by the **insured**.

Statute Means any Act of the New Zealand parliament other than an excluded Act. **Statute** also includes any amendment to or re-enactment of those Acts, and any **regulations** or other subordinate legislation made under those Acts.

Statutory liability Means liability for **penalties** for an **event**.

Sub-limit Means the amount specified in the **schedule**. Any specified **sub-limit** forms part of, and is not payable in addition to, the **limit of liability**.

Territorial limits Means anywhere in New Zealand.

Terrorism Means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism shall also include any act which is verified or recognised by the government of any country in which the **insured** operates or exports products into, as an act of **terrorism**.

Vehicle Means any type of **machine** on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.

War Means **war**, whether declared or not, or any **war**-like activities including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial, religious or other ends. **War** includes any act of **war**, civil **war**, invasion, insurrection, and revolution, use of military power or usurpation of government or military power.

Watercraft Means any vessel or **watercraft** made to or intended to float on or in or travel on or through or under water.

Wrongful act Means any actual or alleged **wrongful act**, error or omission by any:

(a) **executive** of a **company**;

(b) **employee** of a **company**; or

(c) **company**.

We, us, our Means the **insurer** and MECON when acting as agent for the **insurer**.

Insuring Agreement

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

Our liability shall not exceed the limit(s) of liability specified in the **schedule**.

General, Employers, Statutory Liability Insurance

Insuring Clause – General Liability

Cover under this Insuring Clause is afforded solely with respect to an **occurrence** happening during the **policy period** within the **territorial limits** which arises from and within the course of the **business** and provided that the action for damages is brought against **you** in a court of law within the **territorial limits**.

General Liability

We agree to insure **you** for all amounts that **you** become legally liable to pay as a result of **claims** or **legal proceedings** for personal **injury** or **property damage**.

Insuring Clauses – Statutory Liability and Employers Liability

Cover under these Insuring Clauses is afforded solely with respect to **claims** first made against **you** during the **policy period** that are reported to us as required by this **policy**.

Employers Liability

We agree to insure **you** for all amounts that **you** become legally liable to pay as a result of **claims** for **personal injury** sustained by an **employee**.

Statutory Liability

We agree to insure **you** for all **penalties** that **you** become legally liable to pay as a result of **claims** for **statutory liability**.

Defence Provisions and Limits of Liability: General Liability

These Defence and Limits Clauses apply to the cover under the General Liability Insuring Clause only.

Defence Costs

We shall defend at **our** cost any **claim** or **legal proceeding** against **you** that seeks compensation, even if the **claim** or **legal proceeding** is groundless, false or fraudulent.

What We Will Pay

In the defence of any **claim** or **legal proceeding** against **you** that seeks compensation covered by this **policy we** will:

(a) Investigate, negotiate and settle the **claim** or **legal proceeding**; and

(b) Pay the following supplementary payments:

  (i) All costs made against the **insured** in the **claim** or **legal proceeding**;

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(ii) Pre-judgment interest awarded against the **insured** on that part of the judgment **we** pay;

(iii) Post-judgment interest that accrues after entry of judgment and before **we** have paid, offered to pay or deposited in court that part of the judgment that is within the applicable **limits of liability**; and

(iv) The **insured** expenses incurred at **our** request or with **our** written consent (including actual **loss** of wages or salary, but not **loss** of other income).

Any **excess** shall be borne by the **insured** and shall remain uninsured, with regard to all payments for which the **insured** shall be liable.

What We May Do

We may undertake investigations, conduct negotiations and with **your** written consent settle any **claim** or **legal proceedings** where settlement has been agreed to by the parties being indemnified or has been recommended by a senior counsel. If consent to such settlement is withheld by **you** then **our** liability on account of that **claim** or **legal proceeding** shall not exceed the amount for which **we** could have settled the **claim** or **legal proceeding** plus the costs and expenses incurred to the date such settlement was recommended in writing to **you**.

What We Won't Pay

We will not defend any **claim** or **legal proceeding** or investigate any **claim** or **legal proceeding** after the exhaustion of the applicable **limits of liability** by the payment of **loss**.

Limits – Personal Injury / Property Damage

Our liability irrespective anyone **occurrence** shall not exceed the **limit of liability** as shown in the **policy schedule**. All **personal injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one **occurrence**.

Limits – Products Hazard

Our total aggregate liability during any one **policy period** for all **occurrence**s involving the **products hazard** shall not exceed the **limit of liability** as shown on the **policy schedule**.

Costs in Addition

Expenses incurred to defend or investigate any **claim** or **legal proceeding** will be in addition to the applicable **limits of liability**.

Automatic Extensions

The following Automatic Extensions are subject to the **policy** terms, unless otherwise stated.

All **sub-limits** are included in and not in addition to the **limit of liability** unless otherwise stated. These extensions are also subject to the **policy excess** unless otherwise stated.

30 Day Minimum Reporting Window

Any **claim** first made against **you** during the last 30 days of the **policy period** will be deemed reported within the **policy period** if actually reported to us within the first 30 days after having been first made against **you**.

Business Advice or Service

You are **insured** for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **policy period** in connection with:

(a) Advice, service, errors or omissions by **you** in connection with **your business**, provided that the advice or service is not charged for, and would in the ordinary course of **your business** not be charged for.

(b) The rendering of or failure to render medical assistance by a person engaged or employed by **you** to provide first aid or other medical services at **your premises**.

Business Travel to a Country Outside New Zealand

You are **insured** for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **policy period** in a country outside of New Zealand, provided **you** are temporarily visiting and not normally resident in that country and that **your** legal liability arises in connection with travel related to, or in, that country for the purposes of **your business**.

No cover is provided under this Extension:

(a) If **you** have a place of **business** in that country, or if **you** are represented by any parent or subsidiary **company** or joint venture in that country.

(b) For liability in connection with any work performed in connection with the manufacture, assembly, repair, servicing, maintenance, amendment, alteration or enhancement of any product or property, and

(c) For liability in connection with the ownership, possession, control, maintenance or use of any **vehicle** or **watercraft**.

In respect of all events and **claims** for **injury** and/or **damage** to property occurring in the United States of America or Canada (including those territories to which the legal jurisdiction of the United States of America or Canada applies), the **limits of liability** specified in the **schedule** shall apply in the aggregate during the **policy period**.

Care, Custody and Control

Notwithstanding the property owned or in **your** physical or legal control or **vehicles** exclusions, **we** agree to indemnify **you** for **property damage** to:

(a) Tangible property (excluding livestock) not owned by **you**, but in **your** physical or legal control;

(b) **Premises** which are leased or rented to **you**;

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(c) **Premises** and their contents not belonging to, leased or rented to **you** at which **you** are undertaking work in connection with the **business**;

(d) **Vehicles** and their contents (not belonging to or used by or on behalf of the **insured**) in **your** physical or legal control where such **property damage** occurs while any such **vehicle** is in a car park owned or operated by **you**; Cover under this extension does not apply if **you**, as part of the **business**, own or operate a car park for reward;

(e) Goods, equipment, merchandise and property other than real property subject to cover being limited to a maximum of $500,000 each **occurrence** and in the aggregate during anyone **policy period** for such **property damage**;

The total amount payable under this extension, other than part(e) above, is for any one **occurrence** and in the aggregate during the **policy period** as described in the **schedule**.

The **excess** shown on the **schedule** applies to each and every **claim** under this extension.

Defence Cost Advancement

We shall advance covered **defence costs** in respect of insuring clauses Employers and **Statutory liability**.

Heirs, Estates and Legal Representatives

Any **claim** made against any estate, heir or legal representative of an **insured person** for **statutory liability** of that **insured person**, shall be covered as if made against that **insured person**.

Innkeeper's Liability

You are **insured** for all sums that **you** become legally liable to pay under the Innkeepers Act 1962 or its amendments.

Landlords Liability

You are **insured** for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **policy period**, in connection with **your** legal ownership, but not physical occupation, of any **premises**.

Product Withdrawal Costs

We agree to indemnify **you** for reasonable costs incurred, where it is necessary for **you** to withdraw or recall **your products**, provided that:

(a) the defect(s) in the product which cause the withdrawal or recall, has already given rise to a **claim** covered by this **policy**, and

(b) the cover is for the withdrawal or recall of **products** within New Zealand only.

We will pay 80% of the costs incurred for any **occurrence**.

The most **we** will pay under this Extension for all **occurrences** that happen during the **policy period** is $100,000.

In respect of this this extension only, cover for **defence costs** is included within the General Liability **Limit of liability** and not in addition to it.

The Product Recall Exclusion does not apply in respect of this Extension.

Punitive and Exemplary Damages (for General Liability only)

We agree to indemnify **you** for punitive and/or exemplary damages awarded to, or on behalf of, a person who has suffered personal **injury** resulting from an **event** in connection with **your business**, or **your** ownership, occupancy or tenancy of a building, structure or land, provided that:

(a) The **claim** must be made against **you** and reported to us during the **policy period**;

(b) Any punitive or exemplary damages awarded by any court outside of New Zealand are excluded;

(c) The total amount payable under this extension shall not exceed $1,000,000, inclusive of all costs any one **claim** and in the aggregate, during any one policy period;

(d) An **excess** of $500

inclusive of costs applies to each and every **claim** under this Extension.

We will not indemnify **you** for **claims** arising from **personal injury** or an **event** that caused **personal injury** where such **personal injury** or **event** occurred prior to the **retroactive date** specified in the **schedule**.

Service and Repair - Machinery

You are **insured** for all sums that **you** become legally liable to pay for **property damage** to **machinery** where the **property damage** happens in New Zealand during the **policy period** in connection with **your business** and arising out of **your** repair of the **machinery**.

Provided that the **machinery** is not, and has not been owned, hired, leased, or rented by **you**.

Exclusions for **property damaged** in **your** care, custody or control, do not apply to this Extension.

The most that **we** will pay under this Extension for all **occurrences** that happen during the **policy period** is $250,000.

An **excess** of $2,500 applies for each **occurrence** under this Extension.

Service and Repair - Motor Vehicles and Watercraft

Notwithstanding the property owned or in **your** physical or legal control or **vehicles** exclusions of this **policy** it is agreed that in respect of **vehicles**, **vehicle** parts or **watercraft** not exceeding 10 metres in length that are or have been in the care custody or control of the **insured** for the purposes of service and/or repair, this **policy** extends to indemnify **you** for amounts they shall become legally liable to pay in respect of:-

(a) **Loss** of or **damage** to the **vehicle** being serviced or repaired;

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(b) **Personal injury** or **property damage** arising from service and/or repairs to **vehicles**;

(c) **Personal injury** or **property damage** as a result of an accident whilst the **vehicle** is being driven on any public or private road or thoroughfare;

The most that **we** will pay under this Extension for any one **occurrence** and in the aggregate for all **occurrences** during any one **policy period** is $500,000.

An **excess** of $1,000 applies to each and every **claim** under this Extension. Provided that this extension of cover does not apply to:

(i) Personal **injury** or **property damage** resulting from towing the **vehicle** except where it is being towed for the reason that it is either mechanically disabled or is designed to be towed in the course of its normal use;

(ii) The cost of rectifying any defective workmanship or faulty workmanship in respect of the actual part or parts worked on by **you**. However, liability consequent upon **personal injury** or **property damage** resulting from defective workmanship is not excluded;

(iii) Liability arising out of any **occurrence** resulting from a **vehicle** or **watercraft** engaged in or being tested in preparation for racing, pace making or speed testing or any **occurrence** resulting from a **vehicle** engaged in any hill climbing test or being driven on any racetrack or speedway;

(iv) Liability arising out of any **occurrence** resulting from the **vehicle** or **watercraft** being driven by a person with **your** consent, who is under the influence of intoxicating liquor or drugs to the extent that an offence is committed under New Zealand law;

(v) Liability arising out of any **occurrence** resulting from a **vehicle** being driven by a person with **your** consent, who does not have the appropriate licence to drive the **vehicle**.

Spouses

Any **claim** made against an **insured person's** spouse for **statutory liability** of that **insured person**, shall be covered as if made against that **insured person**.

Tenant's Liability

You are **insured** for all sums that **you** become legally liable to pay for **damage** that happens during the **policy period** to any **premises** (including landlord's fixtures and fittings) occupied, but not owned, by **you**.

Underground Property or Services

We will indemnify **you** for legal liability arising directly or indirectly out of **property damage** in New Zealand to property or services normally located underground.

Provided that

(a) Prior to the commencement of any work **you** enquired of the relevant authority, corporation or **company** as to the location of such services; and

(b) **You** took all reasonable precautions to prevent **personal injury** or **property damage**; and

(c) Any liability arising out of work carried out more than five meters below ground level is excluded; and

(d) Any liability arising out of work carried out underground by directional drilling or by a thrusting or boring **machine** is excluded; and

(e) Cover for all **claims** for compensation that arise under this extension out of the one **occurrence** are limited in the aggregate during the **policy period** to the **limit of liability** shown in the **schedule**; and

(f) An **excess** of $2,500 shall apply for each **occurrence** under this Extension.

(g) The most **we** will pay for each **occurrence** under this Extension is $250,000.

Vibration and Removal of Support

We agree to indemnify **you** for all sums which **you** shall become legally liable to pay for **personal injury** or **property damage** in New Zealand arising from **your** actions in removing, weakening or interfering with the support of land or buildings, other than those owned or occupied by **you**, provided that:

(a) The most **we** will pay under this Extension for all **occurrences** that happen in the **policy period** is $500,000;

(b) An **excess** of $5,000 shall apply for each **occurrence** under this Extension.

Optional Extension

This Optional Policy Extension only applies where shown in the **schedule** as "**Insured**". The total of all payments made under this extension shall be part of and not in addition to the **limit of liability**.

Defective Workmanship

We agree to indemnify **you** for defective work to property owned or in your physical or legal control during the **policy period** in respect of **property damage** to:

(a) Property owned by, leased or rented to **you**; or

(b) Property belonging to **you** or in **your** care, custody or control or any of **your** employees; or

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(c) That particular part of any real property on which **you** or any contractors working directly or indirectly on **your** behalf are performing operations if the **loss** or **property damage** arises out of those operations; or

Where **you** carry out repairs, indemnity under this extension is limited to the actual cost of repair and shall not include any cover for **your** profit margin.

Our liability under this extension is limited to $100,000 in respect of each **occurrence** and in the aggregate during any one **policy period.**

An **excess** of $1,000 will apply in respect of all costs and damages arising from any one **event**.

Cover does not apply to;

(i) Rendering or failure to render professional advice or services by **you**; or

(ii) Any error or omission arising from the rendering of professional advice, design specification or services; or

(iii) Repair or replacement of **insured products**. All other terms, conditions and exclusions remain unchanged.

Exclusions

This **policy** shall not cover **loss** or make any payment in connection with any **claim** and excludes all liability arising out of, based upon or attributable to any:

Aircraft, Hovercraft and Watercraft

(a) Ownership, possession, maintenance, operation or use by or on behalf of the **insured** of any **aircraft** or hovercraft; or any **watercraft** or vessel exceeding ten (10) metres in length.

(b) Provided that this exclusion shall not apply with respect to:

(i) **Watercraft** owned by others and used by **you** for **business** entertainment; or

(ii) Hand propelled or sailing craft.

This proviso shall only apply where such **watercraft** are sailing or operating in New Zealand territorial or inland waters;

Aircraft Products

Supply, distribution, sale or manufacture of **aircraft products** or reliance upon any representations or warranties made by the **insured** with respect to **aircraft products** or arising out of the **grounding** of any **aircraft**;

Asbestos

Mesothelioma, asbestosis or for any death, disease, **loss** of use of property, **damage** to property (including consequential **loss**) arising directly or indirectly out of or in connection with or in consequence of:

(a) Inhaling, ingesting or physical exposure to asbestos or goods or **products** containing asbestos; or

(b) The use of asbestos in constructing or manufacturing any good, **product** or structure; or

(c) The removal of asbestos from any good, **product** or structure; or

(d) The manufacture, sale, transportation, storage or disposal of asbestos or goods or **products** containing asbestos; or

(e) The presence of asbestos in any building;

Conduct

Criminal, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of **statute** or law;

Contractual Liability

Personal injury or **property damage**:

(a) Where **you** assume liability under any contract or agreement. But this exclusion shall not apply to those written contracts:

(i) Designated in the **policy schedule**;

(ii) Where liability would have been implied by law;

(iii) Where **you** assume liability under a warranty of fitness or quality as regards **your products**;

(iv) To **incidental contracts** entered into by the **named insured**;

(v) To insured contracts entered into by the **named insured** where the **named insured** is obligated to provide insurance as is afforded by this **policy**, to any person or organisation, but only with respect to their liability arising out of operations conducted by the **named insured** or on their behalf and not to any greater extent than required by the contract or agreement;

(b) Where **you** have waived any rights, which but for the existence of such waiver would accrue to **you**;

Expected or Intended

Personal injury or **property damage** expected or intended from the standpoint of the **insured**. However, this exclusion does not apply to:

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(a) **personal injury** or **property damage** resulting from the use of reasonable force to protect persons or property; or

(b) liability of the **insured** for compensation as the result of an act committed by the **insured's employee**(s) which results in **personal injury** or **property damage** expected or intended from the standpoint of the **insured's employee**(s), provided such act was not committed at the direction of the **insured**;

Financial Loss
Financial **loss**, unless such **loss** is a direct result of **personal injury** or **property damage** for which indemnity is provided by this **policy**;

Hazardous Materials
Engagement by **you** of any contractor to dispose of or handle materials unless **you** have taken reasonable steps to ensure that the materials will be disposed of or handled lawfully;

Internet Operations
Personal injury or **property damage** arising directly or indirectly out of or caused by or in connection with **your** internet operations, including but not limited to **business** conducted and/or transacted via the internet, intranet, extranet and/or via **your** own website, internet site, web address and/or via the transmission of electronic mail or documents by electronic means;

Libel and Slander
Publication or utterance of a libel or slander:

(a) made prior to the effective date of this insurance; or

(b) (made at **your** direction with knowledge of the falsity thereof; or

(c) related to advertising, broadcasting or telecasting activities including internet activity conducted by or on behalf of **you**;

Mould / Building Defect
Liability for any **personal injury** or **property damage** or any other **loss**, **injury**, **damage**, cost or expense, including, but not limited to, **losses**, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

(a) Any fungus(i), mould(s), mildew or yeast, or

(b) Any spore(s) or toxins created or produced by or emanating from such fungus(i), mould(s), mildew or yeast, or

(c) Any substance, vapour , gas, or other emission or organic or inorganic body or substance produced by or arising out of any fungus(i), mould(s), mildew or yeast, or

(d) Any material, **product**, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbours, nurtures or acts as a medium for any fungus(i), mould(s), mildew, yeast, or spore(s) or toxins emanating therefrom;

regardless of any other cause, **event**, material, product and/or building component that contributed concurrently or in any sequence to that **loss**, **injury**, **damage**, cost or expense.

This exclusion does not apply to any **claim** that is caused by the leakage of internal pipes, internal water systems or cisterns.

Non Compliance
Any **event** which has resulted from **your** intentional, knowing or reckless failure to comply with any lawful abatement notice or enforcement order, improvement notice, prohibition notice or suspension notice, building notice, notice to rectify, compliance schedule, gazetted notice, or order made by a commission, tribunal, or standards review board;

Nuclear Material

(a) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

(b) The radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof;

of whatsoever nature, directly or indirectly.

Pollution
Personal injury or **property damage** directly or indirectly arising out of, caused by or contributed to by:

(a) The discharge, dispersal, release or escape of **pollutants** into or upon land the atmosphere or any watercourse or body of water;

(b) The cost of removing, monitoring, testing, containing, treating, detoxifying, neutralizing, nullifying or cleaning up **pollutants** or **pollutants** discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;

(c) Fines, **penalties**, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above;

(d) The cost of preventing the escape of **pollutants**;

Prior Claims / Circumstances

(a) As of the **policy** inception, prior or pending **claims** or circumstance reported under any policy of which this **policy** is a renewal or replacement, or the same, continuous,

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repeated or related facts as those alleged in such prior or pending **claim** or such circumstance;

(b) As at the **continuity date**, any pending or prior: a) **litigation**; or b) administrative or regulatory proceeding or official investigation of which an **insured** person had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior **litigation** or administrative or regulatory proceeding or official investigation;

Professional Services

(a) rendering of or failure to render professional advice or services by **you**; or

(b) any error or omission arising from the rendering of professional advice, design specification or services; for a fee.

Provided that this exclusion does not apply to the rendering of or failure to render professional medical advice by **medical persons** employed by **you** to provide first aid and other medical services on **your premises**.

Sanctions

If, by virtue of any law or regulation which is applicable to an **insurer**, its parent **company** or its ultimate controlling entity, at the inception of this **policy** or at any time thereafter, providing coverage to the **insured** is or would be unlawful because it breaches an applicable embargo or sanction, that **insurer** shall provide no coverage and have no liability whatsoever nor provide any defence to the **insured** or make any payment of **defence costs** or provide any form of security on behalf of the **insured**, to the extent that it would be in breach of such embargo or sanction.

Silica

Presence, ingestion, inhalation or absorption of or exposure to silica **products**, silica fibres, silica dust or silica in any form, or to any obligation of the **insured** to indemnify any party because of **personal injury** or **property damage** arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form;

Statutory Liability Excluded

Of the following excluded **statutes**: Arms Act 1983; Aviation Crimes Act 1972; Crimes Act 1961; Land Transport Act 1988; Proceeds of Crimes Act 1991; Summary Offences Act 1981; Transport Act 1962; Transport (Vehicle and Driver Registration and Licensing) Act 1986 and any other Act of Parliament specified by endorsement as an excluded Act;

Transmissible Spongiform Encephalopathy (TSE)

Liability in respect of **personal injury** or **property damage** or any other **loss**, cost or expense, including, but not limited to inspection costs, surveillance costs, slaughter costs and costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by any form of transmissible spongiform encephalopathy (TSE), including, but not limited to bovine spongiform encephalopathy (BSE) ,chronic wasting disease (CWD), Creutzfeldt-Jakob disease, new variant Creutzfeldt-Jakob disease (NV-CJD), scrapie or transmissible mink encephalopathy, regardless of any other cause, event, material or **product** that contributed concurrently or in any sequence to that **personal injury** or **property damage**, **loss**, cost or expense. TSE includes but is not limited to any loss, cost or expense which is related to or contributed to, caused or accelerated by or results from any form of TSE, or any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection therewith;

War or Terrorism

Personal injury or **property damage** arising directly or indirectly as a result of or in connection with **war** and / or **terrorism** including, but not limited to, any contemporaneous or ensuing **personal injury** or **property damage** caused by fire, looting or theft.

In addition, this policy shall not cover loss or make any payment in connection with any claim:

Additional Penalties

For a **penalty** imposed on an **insured** in relation to:

(a) a daily or ongoing event or offence to the extent that the penalty relates to the period of time after you first received notice of the prosecution or of the intention to commence the prosecution; or

(b) the cost or payment of any enforcement order, remedial order or compliance order; or

(c) the cost or payment of any tax (penalty or otherwise), interest, compliance costs, duty or other monetary obligation to the inland revenue department; or

(d) any damages or compensation, not part of a **penalty**, imposed by a tribunal or court of competent jurisdiction;

Personal Injury

For bodily injury, sickness, disease, or death of any person, or infliction of emotional distress; provided that this exclusion does not apply to cover for **claims** made under the Employers or General Liability insuring clauses and extensions thereto;

Indirect Activities

For any **employee** engaged in any activity or occupation not directly part of **your business** unless **you** give prior written notice of such engagement to us and **we** confirm our agreement to cover being extended by way of an endorsement to the **policy** and the payment by **you** of such additional **premium** as **we** may require;

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Loss of use
For **loss** of use of any tangible property which has not been physically injured or destroyed resulting from:

(a) A delay in or lack of performance by you or on your behalf of any contract or agreement; or

(b) The failure of your products to meet the level of performance, quality, fitness or durability express or implied, warranted or represented by **you**.

Provided that this exclusion does not apply to **loss** of use of other tangible property resulting from the sudden and **accidental** physical **injury** to or destruction of **your products** after such **products** have been put to use by any person or organisation other than **you**;

Property Owned or in the Insured's Physical or Legal Control
In respect of **property damage** to:

(a) Property owned by, leased or rented to **you**; or

(b) Property belonging to **you** or in **your** care, custody or control or any of **your** employees

(c) That particular part of any real property on which **you** or any contractors working directly or indirectly on **your** behalf are performing operations if the **loss** or **property damage** arises out of those operations;

This exclusion is subject to the terms of the General Liability **policy** extensions Care, Custody and Control and Landlords Liability

Property Damage to Products
Property Damage to your products.

Product Recall
For any cost or expense incurred or claimed for the withdrawal, inspection, repair, replacement, or **loss** of use of **your products** or of any property of which such **products** form a part, if such **products**, or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

Vehicles
For **personal injury** or **property damage** caused by or arising out of the ownership, possession, use of or operation by **you** of any **vehicle** which is registered or in respect of which insurance is required by virtue of any legislation.

Provided that this exclusion shall not apply to **your** liability for **personal injury** or **property damage** arising from:

(a) The actual loading, unloading, delivery or collection of goods to or from any vehicle;

(b) The use of any mobile mechanical plant or machinery either on any site where **you** are undertaking work or at **your premises**.

Proviso (b) does not extend cover to the use of any **mobile mechanical plant or machinery**, whilst in transit or whilst being used for transport or haulage.

Employers Liability and Accident Compensation (General and Products Liability only)
In the General and Products Liability section:

(a) In respect of personal injury sustained by an employee which arises out of or in the course of their employment by you;

(b) Imposed by the provisions of any:

  (i) Workers' compensation legislation or under any similar legislation;

  (ii) Accident compensation legislation or under any similar legislation;

  (iii) Industrial award, agreement or determination;

(c) For any obligation for which **you** may be held liable under any worker's compensation law or under any similar law;

Conditions: Limits and Application of the Policy Excess

Limit of Liability
The total amount payable by us under this **policy** shall not, in the aggregate, exceed the **limit of liability**. **Sub-limits** of liability, extensions and **defence costs** are part of that amount and are not payable in addition to the **limit of liability** except for payments under the General Liability defence payments extension. The total amounts payable by us under any extensions subject to a sub-**limit of liability** shall not exceed the applicable amount specified for that extension. The inclusion of more than one **insured** under this **policy** does not increase the total amount payable by us under this **policy**.

Excess
We shall only pay for the amount of any **loss** or payments under the General Liability insuring clause or any applicable extension which exceeds the **policy excess**.

The **excess** shall not apply to **loss** involving an **insured person** that cannot be indemnified by the **company**.

The **excess** applies to **defence costs** and must be borne by the **company** and shall remain uninsured. A single **excess** shall apply to **loss** arising from all **claims** alleging the same **statutory liability**, employer's liability, **personal injury**, or **property damage**.

We will not defend any **claim** or **legal proceeding** or investigate any **claim** or **legal proceeding** arising from an **occurrence** after the exhaustion of the applicable **limits of liability** by the payment of **loss**.

Non-Compliance
The amount of indemnity under this **policy** shall be reduced where **your** breach of, or non-compliance with, the terms and conditions of this **policy** prejudices the settlement or

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handling of a **loss** or **claim**, to such sum which in our opinion would have been payable by **us** without such prejudice.

Conditions: Claims

Advance Payment of Defence Costs

The **insurer** may not refuse to advance **defence costs** for **statutory liability** or **employers liability** by reason only that the **insurer** considers that conduct referred to in paragraphs (i) to (iii) of the conduct exclusion has occurred, until such time as there is an admission, or, a judgment, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of **defence costs** for which it is ultimately established the **insurer** is not liable must be repaid by the **insured persons** and/or the **company**.

Bankruptcy or Insolvency

The bankruptcy of any **insured person** or insolvency of the **company** shall not relieve **us** of any obligations under this **policy**.

Circumstances

Any **insured** may, during the **policy period**, notify us at our address shown in this **policy** of any circumstance reasonably expected to give rise to a **claim**. The notice must include the reasons for anticipating that **claim**, and full particulars as to dates, acts and persons involved.

Claims Made and Reported

Cover under this **policy** for all insuring clauses and extensions other than for General Liability is afforded solely with respect to **claims** first made against **you** during the **policy period** that are reported to us as soon as practicable during the **policy period** or the discovery period, if applicable.

Cover under the general liability insuring clause is afforded solely with respect to an **occurrence** happening during the **policy period** within the **territorial limits** which arises from and within the course of the **business** and provided that the action for damages is brought against an **insured** within the **territorial limits**.

Duties in Event of General Liability Claim

Upon the happening of an **occurrence** which may give rise to a **claim** or **legal proceeding** under this **policy you** must:

(a) As soon as reasonably practicable-

  (i) Notify us of such **occurrence**;

  (ii) Provide all particulars and information as **we** may request;

(b) Immediately-

  (i) Forward to us every letter, **claim**, writ of legal proceedings or other document served on **you** or **your** representative;

  (ii) Notify us of any impending prosecution, inquest, fatal inquiry or proceedings in any court;

(c) As **we** may require-

  (i) Retain anything connected therewith;

  (ii) Provide all assistance;

  (iii) Promptly take at your own expense, all reasonable steps to prevent other personal injury or property damage arising out of the same conditions, but such expense shall not be recoverable under this **policy**.

You must not:

(a) Make any admission of liability;

(b) Take any action which may be construed as an admission of liability;

(c) Repudiate or settle any **claim** or legal proceeding; or

(d) Waive any rights of recovery without our prior written consent.

We have the right to:

(a) Defend any **claim** or **legal proceeding** against **you**;

(b) Take over and conduct the defence or settlement of any **claim** or **legal proceeding**;

(c) Prosecute for its own benefit any **claim** or **legal proceeding** for indemnity or damages or otherwise in the name of the **insured**;

(d) Have subrogation of all the **insured**'s rights of recovery against any person or organisation, whether before or after, indemnification by **us**;

(e) Exercise full discretion in the conduct of any **legal proceedings** and in the settlement of any **claim** or legal proceeding, whether before or after indemnification by **us**.

Consent: Insured

We may settle any **claim** with respect to any **insured**, subject to such **insured**'s or the **named insured's** written consent.

Consent: Insurer

You shall not admit or assume any liability, enter into any settlement agreement, or consent to any judgment without **our** prior written consent. Only judgments resulting from **claims** defended in accordance with this **policy** shall be recoverable as a **loss** under this **policy**.

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Continuity
Notwithstanding the known or prior exclusion, cover is provided under this **policy** for any **claim**, or circumstance, which could or should have been notified under any earlier policy, provided always:

(a) the **claim**, or circumstance, could and should have been notified after the **continuity date**; and

(b) the cover provided under this condition shall be in accordance with the provisions of the **policy** under which the **claim**, or circumstance, could and should have been notified.

This condition applies to all insuring clauses other than the General Liability and **personal injury** insuring clauses.

Defence / Settlement
You must, at **your** own cost, provide us with all reasonable assistance and take all reasonable measures to mitigate **loss**. **You** shall defend and contest any **claim** made against **you**. **We** shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve **us**. **We** may undertake investigations, conduct negotiations and with **your** written consent settle any **claim** or **legal proceedings** where settlement has been agreed to by the parties being indemnified or has been recommended by a senior counsel.

Determination of Whether Insurer's Settlement Recommendations are Reasonable
Should **you** wish to contest any **legal proceedings** which **we** want to settle, then **we** agree to the appointment, at **your** request, of a senior lawyer (to be mutually agreed upon by **you** and **us**, or in the absence of mutual agreement to be appointed by the president of the Law Society, or equivalent organisation, in the jurisdiction in which the **legal proceedings** were first served) to determine whether **our** settlement recommendation is reasonable. The senior lawyer shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of you successfully defending the action. The costs of the senior lawyer's opinion will be borne by **us**.

Loss Allocation
Where any **loss** is incurred in respect of any **claim** which arises from both covered matters and matters not covered by this **policy**, our liability under this **policy** is limited to the proportion of the **loss** which represents a fair and equitable allocation between **us** and **you**, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this **policy**.

Allocation Disputes
If the parties are unable to agree, then the fair and equitable allocation is to be determined by a senior lawyer (to be mutually agreed upon by you and us, or in the absence of agreement, to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the **loss** was incurred). The senior lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. The **insurer** and the **insured** (or its designee) may make submissions to the senior lawyer. The senior lawyer is to take account of the parties' submissions, but the senior lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. The senior lawyer's determination shall be final and binding. The costs of the senior lawyer's determination are to be borne by **us**.

For so long as the proportion of **defence costs** to be advanced under the **policy** remains not agreed and undetermined, **we** shall advance the proportion of the **defence costs** which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any **defence costs** incurred prior to agreement or determination.

Preservation of Right to Indemnity
In the **event** and to the extent that **we** are permitted or required to indemnify **you** in respect of a **claim**, but for whatever reason fails or refuses to do so, then **we** shall pay on behalf of **you** any **loss** arising from such **claim**. In such **event** the **excess** applicable to **statutory liability** or **employers' liability** cover shall be paid by **you** to us. In the **event** of you being placed in liquidation (other than voluntary liquidation) no **excess** shall apply.

Recovery
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**.

Related Claims
If notice of a **claim** or circumstance is given as required by this **policy**, then any subsequent **claim** alleging, arising out of, based upon or attributable to the facts alleged in that **claim** or described in that circumstance notice shall be deemed first made against an **insured** and reported to us at the time the required notices were first provided. Any **claim** arising out of, based upon or attributable to continuous, repeated or related management liability, **statutory liability**, **personal injury**, or **property damage** shall be considered a single **claim**.

GENERAL CONDITONS:

These conditions must be complied with before you become entitled to any benefit under this **policy**. If you fail to observe any of them and the failure increases our exposure to any insured **loss**, we may reduce the amount of your claim or decline to pay it altogether.

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Assignment

This **policy** and any rights hereunder cannot be assigned without our prior written consent.

Authority

It is agreed that the **named insured** acts on behalf of all **insured**'s with respect to the exercise of all their rights and the discharge of all their duties in respect of this **policy**, including but not limited to:

(a) Negotiating the terms and conditions of cover;

(b) Binding cover;

(c) The notification of a **claim**, circumstance, **legal proceeding** or **loss**;

(d) The giving and receiving of any notice of cancellation;

(e) The payment of **premium** and the receipt of any refund of **premium** that may become due;

(f) The payment of the **excess**;

(g) The negotiation and receipt of any endorsement;

(h) The appointment of lawyers to defend a **claim** or **legal proceeding** or **loss**;

(i) The receipt of amounts payable by us under this **policy**.

Cancellation

This **policy** may be cancelled;

(a) By **you** at any time by notifying us in writing. If you do so, **we** will refund any **premium** that is due to **you** based on the unused portion of the **policy period**. **You** must pay any outstanding **premium** due for the expired portion of the **policy period**.

(b) By **us** at any time by giving notice in writing to **you**. The cancellation will take effect at 4pm on the 30th day after the notice has been sent. **We** will refund **you** any **premium** that is due to **you** based on the unused portion of the **policy period**.

However, if any **claims**, direct financial **loss**, **legal proceedings** or **losses** have been notified to **us** during the relevant **policy period** and prior to the date of cancellation, no refund of **premium** shall be made to the **named insured**.

Change in Circumstances

You must tell us immediately if there is a material:

(a) Increase in the risk insured; or

(b) Alteration of the risk insured.

You must immediately advise **us** of any alteration to the description of **business** or other information that differs from that which **you** or **your** insurance adviser previously disclosed to **us**.

Once **you** have told **us** of the change, **we** may then cancel this **policy** or alter the **premium** and/or terms of this **policy**. If you fail to notify **us** about a change in the risk **insured**, **we** may:

(a) Declare this **policy** unenforceable; and/or

(b) Decline any subsequent **claim** either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

For the avoidance of 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 doubt, **we** suggest **you** notify **us** anyway.

Changes in The Policy

No change in this **policy** will be valid unless agreed in writing by **us** nor shall the requirements of this **policy** be deemed to be waived unless **we** agree in writing.

Claim Conduct

If any **loss** or **damage** occurs that may give rise to a claim under this **policy**, you must:

(a) inform **us** of this as soon as **you** can; and

(b) provide such written documents and information as **we** may reasonably require; and

(c) take all steps within **your** power to minimise the extent of **loss** or **damage** or liability; and

(d) where reasonably possible, preserve any property affected and make it available for **us** or **our** representatives; and

(e) inform the Police if the **loss** or **damage** has been caused by any malicious act, theft or other crime; and

(f) provide any assistance that **we** may reasonably require.

Compliance

You shall comply with all statutory requirements concerning the inspection of passenger lifts and steam pressure apparatus.

Cross Liability

If the **insured** comprises more than one party, **we** will provide indemnity to each in the same manner and to the same extent as if a separate **policy** had been issued to each, provided that our total liability for liability sustained by any or all of the **insured**'s shall not exceed the **limit of liability** stated in the **policy schedule**.

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Currency
All amounts under this **policy** are expressed and payable in New Zealand dollars. If judgment is given, settlement is made or other element of **loss** or under this **policy** is stated in a currency other than New Zealand dollars, payment under this **policy** will be made in New Zealand dollars at the cash rate of exchange for the purchase of New Zealand dollars by the Reserve Bank of New Zealand on the date the final judgment is reached or in the event of a settlement, the date upon which the amount of the settlement is agreed upon.

Enforceability, Construction and Conformance to Statute.
If any provision contained in this **policy** is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is hereby deemed to be severed and to have no effect on any other valid, legal and enforceable provision of this **policy**.

If any provision contained in this **policy** is for any reason held to be invalid, illegal or unenforceable, it will be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law.

Any provisions of this **policy** which are in conflict with the **statutes** or **regulations** of the territorial limit wherein this **policy** is issued are hereby amended to conform to such **statutes** or **regulations**.

Fraud
If any **claim** under this **policy** is in any respect fraudulent or if any fraudulent means or devices are used to obtain any benefit under this **policy**, or if any **loss**, destruction or **damage** be occasioned by wilful act or with the **insured**'s connivance, all benefit under this **policy** shall be forfeited.

Governing Law
Any interpretation of this **policy** relating to its construction, validity or operation shall be made in accordance with the laws of New Zealand. The parties agree to submit to the exclusive jurisdiction of the New Zealand courts.

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

(a) All limits of liability exclude GST; and

(b) All sub-limits exclude GST; and

(c) All retentions include GST; and

(d) GST will be added, where applicable, to **claim** payments.

Headings and Titles
The descriptions in the headings and titles of this **policy** are solely for reference and convenience and do not lend any meaning to this **policy**. Words in bold typeface have special meaning and are defined in this **policy**. Words and expressions in the singular shall include the plural and vice versa. Words that are not specifically defined in this **policy** have the meaning normally attributed to them.

Inspection
We shall be permitted but not obligated to inspect **your** property and operations at any time. Neither **our** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of **you** or others, to determine or warrant that such property or operations are safe. **We** may examine and audit **your** books and records at any time during the **policy period** and extensions thereof and within three years after the final termination of this insuring agreement, as far as they relate to the subject matter of this insurance.

We may give **you** reports on the conditions that **we** find. **We** may also recommend changes. **We** do not, however, undertake to perform the duty of any person or organisation to provide for the health or safety of **your** employees or the public. **We** do not warrant the health and safety conditions of **you** or **your premises** or operations or represent that **your premises** or operations comply with laws, **regulations**, codes or standards.

Material Facts
The truth of any statements and answers in any:

(a) **claim** form or communication with **us** to provide any further information regarding the **claim**; or

(b) proposal or underwriting information provided for the purpose of obtaining this insurance or any renewal or extension thereof;

given to **us** by **you** or on **your** behalf shall be conditions precedent to **our** liability to make payment under this **policy**.

New Zealand Jurisdiction
The law of New Zealand applies to disputes about this **policy** and the New Zealand courts have exclusive jurisdiction.

Non Accumulation
Regardless of the number of years this **policy** shall continue in force, the number of **premium**s paid and irrespective of whether it is or may be renewed, the **limits of liability** as specified in the **policy schedules** shall not accumulate from year to year or from **policy period** to **policy period**.

Other Insurance
If at the time of any **claim** or **occurrence** arising under this **policy**, there is other valid and collectable insurance covering all or part of the same **loss**, the insurance under this **policy** shall be **excess** insurance over and above the amount of liability covered under such other policy of indemnity or insurance and the **limits of liability** under this **policy** shall be reduced by an amount equal to the limits of liability afforded under such other policy.

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Policy Purchase
In providing cover to the **insured**, **we** have relied upon all the information and documentation submitted to **us** in connection with the underwriting of this **policy** or any prior policy of which this **policy** is a renewal or a replacement or which it succeeds in time. Those documents and information form the basis of cover and shall be considered incorporated into and a part of this **policy**.

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.

Reference to Statute
In this **policy** references to any statutory provision are to be construed as references to that statutory provision as amended, supplemented, re-enacted, or replaced from time to time and are to include any orders, **regulations**, instruments or other subordinated legislation made under or deriving validity from that statutory provision.

Risk Management
Without exception, **you** and **your employees** must:

(a) fully comply with manufacturer's instructions; and

(b) take all reasonable steps to prevent incurring any **loss** or **damage**; and

(c) ensure that only suitably qualified operators are employed for the operation of plant and equipment and that suitably skilled workers are employed to perform work.

Severability – Proposal
In granting cover under this **policy we** have relied upon the declarations and statements which are contained in or constitute the written proposal form or statement of facts together with its attachments and the other information supplied forming part of this **policy**.

Such written proposal form or statement of facts together with its attachments and the other information supplied for coverage shall be construed as a separate proposal form for coverage individually submitted by each **insured person**.

Severability – Conduct
For the purpose of determining the applicability of the conduct exclusion, the **wrongful acts**, criminal, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of **statute** or law, or knowledge possessed by any **insured person** shall not be imputed to any other **insured person**.

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**.

IMPORTANT INFORMATION

Contacting Us and Confirming Transactions
You can contact MECON by:

Telephone:	0800 632 666
E-mail:	customerservice@mecon.co.nz
By Post:	PO Box 180 Shortland St Auckland 1140

If **you** need confirmation of any of the **policy** details please contact MECON.

Duty of Disclosure
Before **you** enter into an insurance contract, **you** have a duty to tell **us** anything that **you** know, or could reasonably be expected to know, which may affect **our** decision to insure **you** and on what terms.
You have this duty until **we** agree to insure **you**.

You have the same duty before **you** renew, extend, vary or reinstate an insurance contract.

You do not need to tell **us** anything that:
- reduces the risk **we** insure **you** for; or
- is common knowledge; or
- **we** know or should know as your **insurer**; or
- **we** waive **your** duty to tell **us** about.

Non-disclosure
If **you** do not tell **us** anything **you** are required to, **we** may cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both.

If **your** failure to tell **us** is fraudulent, **we** may refuse to pay a **claim** and treat the contract as if it never existed.

Disputes
If a situation arises where **you** feel **we** are not listening to **you**, or **you** are dissatisfied with **our** service and have a complaint, **we** want to know about it.

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The first step
Any enquiry or complaint relating to this insurance should be referred to **us** in the first instance. Please contact **our** staff. If **you** prefer, address the matter in writing to:

MECON Insurance Limited

PO Box 180
Shortland St
Auckland 1140

or by emailing customerservice@mecon.co.nz.

The Customer Service team is trained to respond to **your** concerns efficiently and professionally. If **we** are not able to resolve the matter to your satisfaction, **we** will request that a Supervisor or Manager addresses **your** concern.

The next step
You will be notified of **our** decision within 15 business days of **us** receiving notice of the complaint. If **we** need more information or more time to respond properly to **your** complaint, **we** will contact **you** to agree an appropriate timeframe to respond. Provided **we** have the information needed, this review will be completed within 15 business days.

If this does not resolve the matter or **you** are not satisfied with the way a complaint has been dealt with, **you** can contact the **insurer** via email at customerfeedbacknz@aig.com or by writing to:

The Complaints Manager, AIG
PO Box 1745, Shortland Street, Auckland 1140

The **insurer** will:

- Acknowledge receipt within 5 business days of receiving **your** complaint.
- Give **you** the name and contact details of the person handling **your** complaint.
- Ensure that someone experienced who has not been handling **your** case fully investigates **your** complaint.
- Respond to **your** complaint within 10 business days of the date it has all the information needed to determine **your** complaint. Where further information, assessment or investigation is required, **we** will agree reasonable timeframes with **you**. If the **insurer** cannot agree on reasonable timeframes, **you** can contact its independent external dispute resolution scheme about those timeframes.
- Update **you** at least once every 20 business days, or another such interval agreed with **you**, until **your** complaint is resolved.

What should you do if you are not happy with our response to your complaint?

If **you** are not satisfied with **our** response to **your** complaint, **you** can request to have the matter reviewed by the **insurer's** Internal Dispute Resolution Committee ("Committee"). The Committee is made up of AIG New Zealand Management with the experience and authority to decide on matters brought before it.

You can request a review by the Committee by contacting the person who signed **your** complaint response letter or by contacting:

The Chairperson IDRC, AIG Insurance New Zealand Limited
PO Box 1745, Auckland 1140
customerfeedbacknz@aig.com

To assist the Committee in reviewing **your** complaint, please provide **your** reasons for requesting the review.

The Committee will provide their decision with reasons within 15 business days of receipt of **your** request to refer **your** dispute to the Committee.

Financial Services Complaints Limited

If **your** complaint cannot be resolved to **your** satisfaction through the Committee within 40 business days of when **you** first lodged it with **us**, the **insurer** will provide **you** with a 'deadlock' letter so **you** can take **your** matter to the Financial Services Complaints Limited (FSCL). FSCL is a free and independent body approved by the Ministry of Consumer Affairs. AIG New Zealand will comply with any decision made by FSCL. Contact details for FSCL are:

Financial Services Complaints Limited
PO Box 5967 Wellington, 6101
0800 347 257
info@fscl.org.nz
http://www.fscl.org.nz

Use of the FSCL scheme does not preclude **you** from subsequently exercising any legal rights which **you** may have and if **you** are still unhappy with the outcome, **we** strongly recommend that **you** obtain independent legal advice.

If **your** complaint does not fall within the Terms of Reference of FSCL, **we** recommend **you** to seek independent legal advice about options that may be available to **you**.

Fair Insurance Code

The **insurer** is a signatory to the Fair Insurance Code. This Code aims to raise the standards of practice and service in the insurance industry, and it includes the following:

When **you** lodge a **claim we** will tell **you** in plain language what information **we** need and how **you** should go about making a **claim**.

We will respond promptly to any request **you** make for assistance with a **claim** and it will be considered and assessed promptly.

Privacy Statement

We have adopted the Information Privacy Principles. The Information Privacy Principles apply to any personal information collected by **us**.

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Purpose of collection

We, together with **MECON**, collect personal information about **you** for the purposes of assessing **your** application for insurance and administering **your policy**. Failure to provide relevant personal information may result in **us** not being able to administer **your policy**, process any **claim** under **your policy** or **you** may breach **your** duty of disclosure.

Disclosure

In the course of administering **your policy we** may disclose **your** information to:

- an entity to which the **insurer** is related either in New Zealand or overseas;
- contractors or third party providers providing services related to the administration of **your policy**;
- banks and financial institutions for the purpose of processing **your** application for insurance and obtaining **policy** payments;
- in the event of a **claim**, assessors, lawyers, third party administrators, emergency providers and medical providers;
- third party service providers to enable the **insurer** to advise **you** of their insurance products or services; and
- reinsurers for the purpose of obtaining reinsurance, if required.

The **insurer** will only disclose **your** personal information to these parties for the primary purpose for which it was collected or to enable the **insurer** to advise **you** of **our** insurance products or services. In some circumstances the **insurer** is entitled to disclose **your** personal information to third parties without **your** authorisation such as law enforcement agencies or government authorities.

Access to your information

You may gain access to **your** information by submitting a written request to the **insurer**. In some circumstances the **insurer** may not permit access to **your** personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals or where it would be unlawful.

The **insurer** has also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however the **insurer** reserves the right to charge for access requests in limited circumstances.

If **you** feel **you** have a complaint about the **insurer's** information privacy principles, require assistance in lodging a privacy complaint or **you** wish to gain access to **your** information, **you** may write to:

The Privacy Manager
AIG Insurance New Zealand Limited
PO Box 1745, Shortland Street, Auckland 1140
(64) 9 355 3100

Your complaint will be reviewed and **you** will be provided with a written response. If it cannot be resolved, **your** complaint will be referred to the Internal Disputes Resolution Committee who will respond within 15 business days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint. Should **your** complaint not be resolved by the **insurer's** internal dispute resolution process, **you** may take **your** complaint to the Privacy Commissioner for review of the determination.

Utmost Good Faith

The law obligates all parties to a contract of insurance to act towards each other in 'utmost good faith'.

The result is that all material facts within the knowledge of the parties must be disclosed, otherwise the party to whom disclosure should have been made may avoid the contract.

The main implications from the duty of utmost good faith for an insured include:

- Fulfil **your** duty of disclosure;
- Make honest statements in the proposal form;
- Fulfil **our** requests.

We are obliged to:

- Settle claims quickly;
- Disclose restrictions in the **policy**.

Failure to act with the utmost good faith may prejudice any **claim you** have or the continuation of this contract of insurance.

Sanctions

Notwithstanding anything contained herein to the contrary, the **insurer** shall not be deemed to provide cover and the **insurer** shall not be liable to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the **insurer**, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Australia, New Zealand or United States of America.

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