

Rural Business Interruption

POLICY WORDING
NOVEMBER 2025

AG GUARD LIMITED



Ag Guard

POWERED BY



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Introduction

About this policy

Your Rural Business Interruption Policy consists of:

- (a) this policy wording,
- (b) the **schedule**,
- (c) any endorsements that **we** apply.

Reading this policy

The headings in this policy wording are for reference only and must not be used when interpreting the policy wording.

The examples and comments, which are in *italics*, have been included to make parts of this policy wording easier to understand. They do not affect or limit the meaning of the section they refer to.

If a word is shown in **bold**, it has a specific meaning. There is a list of these words and what they mean at the end of this policy wording.

It is important to read this policy in full to understand what it means and how it operates.

1. INSURANCE AGREEMENT

1.1 Our agreement

You agree to pay **us** the premium and comply with this policy.

In exchange, and in reliance on the **application**, **we** agree to insure **you** as set out in this policy.

2. WHAT YOU ARE INSURED FOR

2.1 Interruption to your business

You are insured for **business interruption** resulting from **insured damage**.

Please also see 4. 'Contingent business interruption extensions' for other circumstances that we consider to be insured damage.

3. INSURED ITEMS

You only have cover for the following 'Insured items' that are specified in the **schedule**.

3.1 Additional increased cost of working

You are insured for necessary and reasonable additional expenses, provided they are incurred during the **indemnity period** solely to either:

- (a) avoid or diminish the **reduction in turnover**,
- (b) resume or maintain normal **business** operations.

No cover is provided for expenditure which is either:

- (i) covered under an Insured item's 'Increase in cost of working', until the amount of cover under that 'Insured item' for those expenses is exhausted (other than because of the inadequacy of the applicable sum insured),
 - (ii) incurred to reinstate any property.
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3.2 Book debts

You are insured for:

- (a) the amount that **you** are unable to collect from customers due to **your** accounting or other **business** records suffering **insured damage**. **We** will pay the difference between:
 - (i) the total amount of debit balances in customers' accounts due to **you** and outstanding as at the start of the **indemnity period**,
 - (ii) the total amount that can be established as owing by identifiable customers, during the 12 months after the start of the **indemnity period**.
- (b) the additional expenditure incurred in reconstructing, establishing, tracing, and recovering those debts, including the additional cost of financing the shortfall in collections.

3.3 Claims preparation costs

You are insured for the following costs for quantification (but not for negotiation) of claims under this policy and where applicable, **your material damage policy** that covered the **insured damage**:

- (a) fees reasonably incurred to pay **your** accountant, auditor or another professional financial consultant (but not an insurance broker),
- (b) reasonable costs incurred for **your** own staff.

3.4 Loss of gross profit

(a) **Reduction in turnover**

You are insured for loss of **gross profit** produced by the following formula:
[the **rate of gross profit**] × [the **reduction in turnover**].

(b) **Increase in cost of working**

You are insured for necessary and reasonable additional expenditure **you** incur solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the sum produced by the following formula:
[the **rate of gross profit**] × [the amount of the **reduction in turnover** avoided by the additional expenditure].

(c) **Reduced margin**

If **turnover** is maintained during the **indemnity period**, but at a reduced **rate of gross profit** because of the **insured damage**, an equitable allowance will be made for the loss of **gross profit** resulting from the increase in ratio of: [the cost of materials used and goods sold] to [**turnover**].

No allowance will be made for loss of **gross profit** that results from any other **uninsured working expenses** that affects this ratio. *This is because the increase may result from a fixed cost element in the expenses that has not been insured.*

(d) **Savings in insured expenses**

We will deduct from **your** claim any amount saved during the **indemnity period** for costs and expenses of **your business** operations (that would be paid out of **gross profit**) that cease or reduce because of the **insured damage**.

3.5 Loss of rent

(a) **Reduction in rent**

You are insured for **reduction in rent**.

(b) **Increase in cost of working**

You are insured for necessary and reasonable additional expenditure **you** incur solely to avoid or diminish the **reduction in rent**. Provided that this additional expenditure does not exceed the amount of the **reduction in rent** avoided by the additional expenditure.

(c) **Savings in insured expenses**

We will deduct from **your** claim any amount saved during the **indemnity period** for costs and expenses of **your business** operations (that would be paid out of **rent**) that cease or reduce because of the **insured damage**.

3.6 Payroll

(a) **Loss in respect of payroll**

You are insured for the sum produced by the following formula:
[the **rate of payroll**] x [the **reduction in turnover**].

(b) **Increase in cost of working**

You are insured for necessary and reasonable additional expenditure **you** incur solely to avoid or diminish the **reduction in turnover**. Provided that this additional expenditure does not exceed the sum produced by the following formula:

[the **rate of payroll**] x [the amount of the **reduction in turnover** avoided by the additional expenditure].

(c) **Savings in payroll**

We will deduct from **your** claim any amount saved during the **indemnity period** for **payroll** that ceases or reduces because of the **insured damage**.

3.7 Rewriting of records

You are insured for costs reasonably incurred to replace or restore any of the following that are contained within **your business** records:

- (a) entries,
- (b) information,
- (c) **data** (but not **software**).

Provided that the replacement or restoration is required as a result of the **insured damage**.

3.8 Wages in lieu of notice

You are insured for **wages** that **you** have to pay to employees whose services cannot be used at all during the notice period shown in the **schedule** because of the **insured damage**.

If **your** employees' services can only be partially utilised during this notice period because of the **insured damage**, **you** are insured for the difference between the **wages** that would ordinarily have been due during the notice period and the **wages you** actually paid for those employees' services.

The most **we** will pay for any week's **wages** is the sum produced by the following formula:

[the Wages in lieu of notice sum insured shown in the **schedule**] ÷ [the number of weeks in the notice period shown in the **schedule**].

4. CONTINGENT BUSINESS INTERRUPTION EXTENSIONS

We provide the following contingent business interruption cover. **You** only have this cover for the 'Insured items' that are specified in the **schedule**.

We will consider each of the **business interruptions** in the following extensions to have resulted from **insured damage** and we will calculate **your** claim as set out in the relevant 'Insured items' specified in the **schedule**.

Unless expressly stated otherwise, the **deferment period** for these Contingent business interruption extensions is the first 24 hours, for all perils other than for **natural disaster**.

Please also see the 'Natural disaster' optional extension for the deferment period for natural disaster.

Maximum amount payable

The most we will pay under all 'Contingent business interruption extensions' in total for any **event** is the lesser of either:

- (a) 10% of the sum insured shown in the **schedule** for each applicable 'Insured item',
- (b) \$1,000,000 in total.

The amount payable under these extensions are included within 8. 'What we will pay – 8.1 Maximum amount payable for insured items' and 8. 'What we will pay – 8.2 Maximum amount payable for extensions'. They are not in addition.

4.1 Prevention of access – Property damage

You are insured for **business interruption** resulting directly from **property damage** in the **vicinity** that prevents or hinders access to **your rural property**.

4.2 Prevention of access – Danger to human life, injury, murder or suicide

You are insured for **business interruption** resulting directly from any of the following that occur at **your rural property** or in the **vicinity** during the **period of insurance** that prevents or hinders access to **your rural property**:

- (a) immediate and imminent danger to human life,
- (b) injury to any person,
- (c) murder or suicide of any person.

4.3 Prevention of access – Closure by any authority

You are insured for **business interruption** resulting directly from the closure of **your rural property** by an unexpected lawful order by a government, public or local authority during the **period of insurance** due to either:

- (a) defects in drains or other sanitary arrangements,
- (b) the **accidental** escape of fumes or any hazardous material.

4.4 Failure of utilities

You are insured for **business interruption** resulting directly from **property damage** to the buildings, plant, equipment or supply lines, located in New Zealand, of any public utility that supplies power, gas, water, sewage disposal or telecommunications to **your business**.

This extension does not insure **you** for **business interruption** in connection with **property damage** to any:

- (i) offshore oil or gas installation including undersea gas pipelines,
 - (ii) undersea electric or telecommunication cables.
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4.5 Customers' or suppliers' premises

You are insured for **business interruption** resulting directly from **property damage** occurring at any of the following locations within New Zealand:

- (a) where **you** have property stored, deposited, processed, repaired, altered or renovated,
- (b) where any of **your** direct customers are located,
- (c) where any of **your** direct suppliers of goods are located.

4.6 Closure of transport routes, ports, airports or railway terminals

You are insured for **business interruption** resulting directly from the complete closure of any transport route, port, airport or railway terminal occurring anywhere in New Zealand during the **period of insurance**, where such closure was due to any of the following:

- (a) **property damage** to the transport route, port, airport or railway terminal,
- (b) an unexpected lawful order by a government, public or local authority, as a result of either:
 - (i) the occurrence of physical damage to the transport route, port, airport or railway terminal subject to the order,
 - (ii) the identification of an immediate and imminent safety hazard to the transport route, port, airport or railway terminal subject to the order.

The **deferment period** is the first 7 days, for all perils other than for **natural disaster**.

Please also see the 'Natural disaster' optional extension for the deferment period for natural disaster.

5. AUTOMATIC EXTENSIONS

In addition to the cover provided under 2. 'What you are insured for' and 3. 'Insured items', **we** also provide the following Automatic extensions. Unless expressly stated otherwise, any amounts payable under these Automatic extensions are included within 8. 'What we will pay - 8.1 Maximum amount payable for insured items' and 8. 'What we will pay - 8.2 Maximum amount payable for extensions'.

They are not additional.

5.1 Contractual commitments

If the **schedule** shows **you** have cover under '3.4 Loss of gross profit' or '3.5 Loss of rent', then **you** are insured for the amount **you** are legally liable to pay, under contracts **you** entered into before the **insured damage** occurred, for purchases which **you** are not able to use as a result of the **insured damage**. **We** will deduct from **your** claim any sums received or receivable by **you** in respect of such purchases through any salvage handling operations or resale.

This extension does not cover punitive or exemplary damages.

Maximum amount payable

The most **we** will pay under this extension for any **event** is \$100,000.

Payment under this extension is in addition to the limit specified in '8.1 Maximum amount payable for insured items'.

5.2 Deferred indemnity period

You may elect to defer the start of the **indemnity period** provided that:

- (a) **you** notify **us** (in writing or by electronic means) of **your** intention to defer the start of the **indemnity period** within 90 days of the **insured damage** occurring, otherwise this option to defer expires,
- (b) the **deferred indemnity period** starts within 12 months of the date the **insured damage** occurred.

You cannot elect to defer the **indemnity period**:

- (a) where **we** have already paid a claim under any 'Insured item' of this Rural Business Interruption policy, except for Rewriting of records or Claims preparation costs in respect of **your material damage policy**,
- (b) in respect of a claim under 5.4 'Methamphetamine contamination'.

When **you** elect to defer commencement of the **indemnity period** as described above, then:

- (a) **you** must notify **us** (in writing or by electronic means) of the actual date on which **you** elect the **deferred indemnity period** to start no later than 30 days after that actual date,
- (b) the 'Standard adjustments' clause is deleted and replaced with the following:
'When calculating **your** claim under all 'Insured items', **we** will make necessary adjustments to reflect any of the following:
 - (i) the trend of **your business** operations,
 - (ii) variations in **your business** operations,
 - (iii) other circumstances affecting **your business** operations.

These adjustments will account for anything that:

1. occurred either during the 12 months before the date of the **insured damage**, or after the start of the **deferred indemnity period**,
2. would have affected **your business** operations had the **insured damage** not occurred.

We will make these adjustments so that the final figures represent, as close as is reasonably practicable, the results that **you** would have achieved during the **deferred indemnity period**, had the **insured damage** not occurred.

We will take into account both positive and negative adjustments to your business operations.

- (c) if prior to or during the **deferred indemnity period** goods are sold or services are rendered elsewhere than at **your rural property** for the benefit of **your business** either by **you** or by others on **your** behalf the money paid or payable in respect of such sales or services will be brought into account in arriving at the **turnover** during the **deferred indemnity period**,
- (d) if in consequence of the **insured damage** there is an increase in **turnover** prior to the commencement of the **deferred indemnity period**, the amount of the increase will be subtracted from the **reduction in turnover** during the **indemnity period**,
- (e) the definition of **standard turnover** is deleted and replaced with:
'The **turnover** during the period in the previous 12 months immediately before the date of the **insured damage**, subject to any adjustments made in accordance with the amended 'Standard adjustments' clause in (b) above.'

If **insured damage** occurs before the end of the first year in **business**, the results to date will be the basis for establishing standard turnover.'

5.3 Mechanical, electrical or electronic breakdown

You are insured for **business interruption** resulting directly from mechanical, electrical or electronic breakdown of machinery, provided that the breakdown is covered as a claim under any of the following clauses in **your material damage policy**:

- (a) clause 3.7 'Electric fusion',
- (b) clause 3.22 'Refrigerated supplies',
- (c) clause 3.27 'Submersible pumps',
- (d) clause 4.8 'Milk – Event 2: Milk deterioration'.

There is no cover under this extension unless the breakdown causes the machinery to be inoperative for more than 24 hours.

Maximum amount payable

The most **we** will pay under this extension for any **event** is \$50,000.

5.4 Methamphetamine contamination

You are insured for **business interruption** resulting directly from a claim for **contamination damage** that is covered under the 'Methamphetamine contamination' extension of **your material damage policy**.

The **indemnity period** starts as soon as testing is carried out in accordance with New Zealand Standard NZS 8510 or by an operator approved by **us** that confirms **contamination damage** and ends on the earliest of the following dates:

- (a) the date the **remediation** has been completed,
- (b) the date the 'Indemnity period' shown in the **schedule** has expired.

Where **we** have settled **your** claim for **contamination damage** by payment of the estimated costs to **remediate**, **we** will cover the **business interruption** costs for the reasonable estimated period that it would take to **remediate** the building or that part of the building that suffered the **contamination damage**.

Maximum amount payable

The most **we** will pay under this extension per **contamination claim** is the lesser of either:

- (a) 10% of the sum insured shown in the **schedule** for each applicable 'Insured item',
- (b) \$250,000.

Exclusions 7.10 'Unlawful substances' and 7.8 'Seepage, pollution and contamination' do not apply to this Extension.

5.2 'Deferred indemnity period' does not apply to this Extension.

5.5 Property not in use

Your property which is not used for **your business** at the time of **insured damage** shall be deemed to be property used by **you** for the purpose of **your business** provided there is evidence that there are plans in place that such property would, but for the **insured damage**, have been used for the purpose of **your business** during the **indemnity period**.

There is no cover for **insured damage** to **your** property that occurs in the course of installation, construction, demolition, erection or testing following any of them unless covered as a claim under **your material damage policy**.

6. OPTIONAL EXTENSIONS

These Optional extensions only apply when shown in the **schedule** and apply to the 'Insured items' specified in the **schedule**.

6.1 Mechanical, electrical or electronic breakdown

You are insured for **business interruption** resulting directly from mechanical, electrical or electronic breakdown of machinery, provided that the breakdown:

- (a) is covered as a claim under **your** Machinery Breakdown Policy,
- (b) causes the machinery to be inoperative for more than 24 hours.

You are also insured for **business interruption** resulting directly from mechanical, electrical or electronic breakdown at any:

- (a) New Zealand based utility that supplies **your business** with any of the following:
 - (i) power or gas,
 - (ii) water or sewage disposal,
 - (iii) telecommunications.
- (b) Customers' or suppliers' premises located at any of the following locations in New Zealand:
 - (i) where **you** have property stored, deposited, processed, repaired, altered or renovated,
 - (ii) where any of **your** direct customers are located,
 - (iii) where any of **your** direct suppliers of goods are located.

Provided that the breakdown would be covered as a claim under **your** Machinery Breakdown Policy if **you** owned the machinery.

Maximum amount payable

The most **we** will pay under this Extension for any **event** is the lesser of:

- (a) 10% of the sum insured shown in the **schedule** for each applicable 'Insured item',
- (b) \$1,000,000 in total.

For the purposes of this extension, 'Machinery Breakdown Policy' means the Rural Machinery Breakdown policy that **you** have with **us** that insures sudden and **accidental loss** to machinery from electrical, electronic or mechanical breakdown.

The Rural Machinery Breakdown policy is a prerequisite to this Optional extension.

6.2 Natural disaster

You are insured for **business interruption** resulting directly from **insured damage** due to **natural disaster**.

The excess for **natural disaster** as shown in **your material damage policy** applies to the aggregate of all **natural disaster** claims under both this policy and **your material damage policy**.

For cover under the contingent business interruption extensions, the **deferment period** is the first 21 days. This replaces any other **deferment period** shown in this policy or in the **schedule**.

Exclusion 7.5 'Natural disaster' does not apply to this Extension.

7. EXCLUSIONS

7.1 Confiscation

This policy does not insure **business interruption** in connection with expropriation, confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority, (unless the order is given to control any immediate and imminent threat of **loss** provided that the **loss** would be covered under this policy if it did occur).

7.2 Communicable disease

This policy does not insure **business interruption** in connection with any:

- (a) **communicable disease**,
- (b) notifiable organism or disease under the Biosecurity Act 1993,
- (c) fear or threat (actual or perceived) or action taken to control or prevent or suppress any of the diseases, conditions or circumstances described in this exclusion.

This exclusion will not apply to **business interruption** resulting from **loss** directly caused by or arising from any of the following perils:

- fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane,
- **landslide**, earthquake, seismic activity, volcanic activity, tsunami, but only if 'Optional extension – 6.2 Natural disaster' cover is taken,
- **flood**, freeze, weight of snow or ice, avalanche, meteor/asteroid impact, riot, riot attending a strike, civil commotion, vandalism, malicious mischief.

7.3 Cyber

This policy does not insure **business interruption** in connection with any:

- (a) **cyber act** or **cyber incident**, including any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident**, or
- (b) loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data** or **software**, including any amount relating to the value of such **data** or **software**.

Exclusion 7.3 (a) shall not apply to **business interruption** resulting from **loss** directly caused by any of the following:

- (i) theft or forcible entry,
- (ii) storm, windstorm, hail, tornado, cyclone, hurricane,
- (iii) fire, lightning or explosion,
- (iv) earthquake, volcanic activity or tsunami, but only if 'Optional extensions – 6.2 Natural disaster' cover is taken,
- (v) **flood**, freeze or weight of snow,
- (vi) aircraft impact or vehicle impact or falling objects,
- (vii) water damage,
- (viii) **loss** of or damage to refrigerated goods due to a change in temperature.

Provided that there is no cover where such **business interruption** is in connection with a **cyber act**.

7.4 Drones

This policy does not insure **business interruption** in connection with any **loss** to any Drone.

For the purposes of this exclusion, Drone means any of the following:

- (i) a Remotely Piloted Aircraft System (RPAS),
- (ii) an Unmanned Aerial Vehicle (UAV),
- (iii) an Unmanned Aerial System (UAS),
- (iv) an aircraft weighing 25 kilograms or less, without a human pilot on board.

A Drone includes all accessories and parts used in connection with a Drone.

7.5 Natural disaster

This policy does not insure **business interruption** in connection with **natural disaster**, except as provided by Optional extension '6.2 Natural disaster'.

7.6 Nuclear and weapons exclusion

This policy does not insure any **business interruption** directly or indirectly caused by or contributed to arising from any of the following:

- (a) Nuclear Energy Risks.
- (b) Ionising radiations, irradiation or contamination by radioactivity from any Nuclear Material. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- (c) Radioactive, toxic, explosive or other hazardous or contaminating properties of any Nuclear Installation, or other nuclear assembly or nuclear component.
- (d) Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (e) Any chemical, biological, bio-chemical, or electromagnetic weapon.
- (f) Radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

In this exclusion:

Nuclear Energy Risks means any of the following:

- (a) all property on the site of a nuclear power station, Nuclear Reactors, any reactor buildings and plant and equipment therein,
- (b) all property, on any site used or having been used for the generation of nuclear energy,
- (c) all property, on any site used or having been used for, the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

Nuclear Material means any of the following:

- (a) nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material,
- (b) any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose,
- (c) any nuclear waste or by-product from the combustion of nuclear fuel.

Nuclear Installation means any of the following:

- (a) any Nuclear Reactor,
- (b) any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel,
- (c) any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

Nuclear Reactor means any structure containing nuclear fuel in such an arrangement that a self- sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

7.7 Sanctions

This policy does not insure, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

- (i) sanction, prohibition, or restriction under any United Nations resolutions,
 - (ii) trade or economic sanction, law or regulation of New Zealand, Australia, Singapore, the United Kingdom, the United States of America or the European Union.
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7.8 Seepage, pollution and contamination	This policy does not insure business interruption in connection with seepage, pollution or contamination other than seepage, pollution or contamination resulting directly from insured damage .
7.9 Terrorism	<p>This policy does not insure business interruption in connection with Terrorism, including controlling, preventing, suppressing, retaliating against, or responding to Terrorism.</p> <p>In this exclusion, Terrorism includes any act, threat of action or preparation for action, by a person or group acting alone or in connection with any organisation or government which is any of the following:</p> <ul style="list-style-type: none"> – designed to influence any rightful or actual government or intimidate the public – in pursuit of political, religious, ideological, or similar purposes. <p>The act, threat or preparation involves any of the following:</p> <ul style="list-style-type: none"> (i) violence against any person, (ii) damage to property, (iii) endangering of life, except that of the person committing the action, (iv) risk to the health or safety of any person, except the person committing the action, (v) anything designed to interfere with or disrupt an electronic system.
7.10 Unlawful substances	This policy does not insure business interruption caused directly by the presence of any ‘controlled drug’, controlled drug analogue, or precursor substance as defined in the Misuse of Drugs Act 1975.
7.11 War	This policy does not insure business interruption in connection with any war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, insurrection, rebellion, revolution, military or usurped power.
8. WHAT WE WILL PAY	
8.1 Maximum amount payable for insured items	<p>The most we will pay during an indemnity period or deferred indemnity period:</p> <ul style="list-style-type: none"> (a) for any one ‘Insured item’ is the specific sum insured shown in the schedule for that ‘Insured item’; and (b) for all ‘Insured items’ is the total sum insured shown in the schedule.
8.2 Maximum amount payable for extensions	The most we will pay during the indemnity period for any ‘Automatic extension’, ‘Contingent business interruption extension’, or ‘Optional extension’ is the respective limit shown in the policy or schedule for that extension.
8.3 Accumulated stock	If you have a shortage of stock after the indemnity period or deferred indemnity period ends because you used accumulated stock during the indemnity period or deferred indemnity period which temporarily maintained your turnover , we will make a fair allowance for this when settling your claim.
8.4 Departments	If your business operations are conducted in departments that have separately identifiable trading results, this policy shall apply separately to each department. However, the maximum amount payable under 8.1 ‘Maximum amount payable for insured items’ remains unchanged and any claim settlement shall be calculated by reference to the trading results of all departments affected (whether positively or negatively) by the business interruption .

8.5 Standard adjustments	<p>When calculating your claim under all 'Insured items', we will make necessary adjustments to reflect any of the following:</p> <ul style="list-style-type: none"> (i) the trend of your business operations, (ii) variations in your business operations, (iii) other circumstances affecting your business operations. <p>These adjustments will account for circumstances that either:</p> <ol style="list-style-type: none"> 1. occur before or after the start of the indemnity period, 2. would have affected your business operations had the insured damage not occurred. <p>We will make these adjustments so that the final figures represent, as close as is reasonably practicable, the results that you would have achieved during the relevant period after the loss, if the insured damage had not happened.</p> <p><i>We will take into account both positive and negative adjustments to your business operations.</i></p>
8.6 Payment on account	<p>We will make interim payments at any time before the final settlement on production of reasonable evidence to support the amount claimed by you.</p>
8.7 Reinstatement of the sum insured	<p>After we have paid a claim under this policy, we will reinstate your sum insured for the relevant 'Insured item'.</p> <p>We may ask you to pay an additional premium for this reinstatement.</p> <p>In the event of business interruption as a result of natural disaster for which a claim is payable under this policy, your sum insured will not be reinstated unless we have agreed in writing to reinstate it.</p>

9. MANAGING YOUR CLAIM

Your obligations

9.1 Advise us	<p>If you become aware of any event that is likely to give rise to a claim under this policy, regardless of the anticipated quantum, you must contact us as soon as possible.</p>
9.2 Minimise the loss	<p>You must take all reasonable steps to minimise the claim and prevent any further loss or liability arising.</p>
9.3 Notify the police	<p>You must notify the police as soon as possible if you suspect criminal activity has occurred.</p>

9.4 Provide full information

When making a claim, **you** consent to **your** personal information in connection with the claim being:

- (i) disclosed to **us**,
- (ii) transferred to the Insurance Claims Register Limited.

The Insurance Claims Register is a database of insurance claims that participating insurers can access. We may get personal information and details of insurance claims made by you from the Insurance Claims Register.

You must:

1. give **us** free access to examine and assess the claim,
2. send any relevant correspondence or documents to **us**,
3. complete a claim form and/or statutory declaration to confirm the claim if **we** request it,
4. provide any other information, proof of ownership or assistance that **we** may require at any time.

9.5 Do not dispose of property

You must not destroy or dispose of anything that is or could be part of a claim until **we** have given **you** permission to do this.

9.6 Obtain our agreement

You must obtain **our** agreement before:

- (i) incurring any expenses in connection with any claim under this policy,
- (ii) negotiating, paying, settling, admitting or denying any claim against **you**,
- (iii) doing anything that may prejudice **our** rights of recovery.

Managing your claim

9.7 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.

9.8 Reparation

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

10. GENERAL CONDITIONS

How we administer this policy

10.1 Assignment

You may not assign this policy or any interest under this policy without **our** prior written consent.

10.2 Cancellation

By you

You may cancel this policy at any time by giving **us** or **your** broker notice in writing or by electronic means. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium due for the expired portion of the **period of insurance**.

By us

We may cancel this policy by giving **you** or **your** broker notice in writing or by electronic means at **your** or **your** broker's last known address.

The policy will be cancelled from the 30th day after the date of the notice.

We will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

We will cancel this policy if the premium is not paid when due. Cancellation will be effective from the date this policy was paid up to.

10.3 Change of terms

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

10.4 Currency

Any amounts shown in this policy and in the **schedule** are in New Zealand dollars.

10.5 Goods and services tax (GST)

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

- (a) all sums insured exclude GST,
 - (b) all sub limits exclude GST,
 - (c) all excesses include GST,
 - (d) GST will be added, where applicable, to claim payments.
-

10.6 Other insurance

You must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

This policy does not cover **your** liability or loss at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

10.7 Premium adjustments

If the premium for this policy has been calculated based on estimated annual figures, then the premium is only a provisional premium for the **period of insurance**.

Within 3 months of the expiry of the **period of insurance**, **you** must tell **us** what the actual figures were.

We will re-calculate **your** actual premium based on the actual figures.

If **you** have not told **us** what the actual figures were within the 3 months, and at the time of the **insured damage** the sum insured is less than the actual figures for those items, then the amount **we** will pay will be reduced in the same proportion.

The difference between the actual and provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

10.8 Separate insurance

Where the 'Insured' consists of more than one legal entity the word 'Insured' shall apply to each as if a separate policy had been issued to each entity. However, the most **we** will pay to all parties in total is the amount stated in 8.1 'Maximum amount payable for insured items' and 8.2 'Maximum amount payable for extensions'.

Laws and Acts that govern this policy

10.9 Governing Law and Jurisdiction

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

10.10 Legislation and Crown entity changes

Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.

Any reference to any Crown entity includes any new name given to that entity, and any replacement entity that is responsible for the same or similar functions.

Your obligations

10.11 Breach of any condition

If **you**, any other person or entity covered under this policy or anyone acting on **your** behalf breaches any of the conditions of this policy, **we** may decline:

- (a) the claim, either in whole or in part,
 - (b) any claim in connection with the same **event** that **you** make on any other policies **you** have with **us**.
-

10.12 Change in circumstances	<p>You must tell us as soon as possible if there is a material:</p> <ul style="list-style-type: none"> (a) increase in the risk insured, (b) alteration of the risk insured. <p>Once you have told us of the change, we may then vary the policy terms and alter the premium, or we may cancel this policy. If you fail to notify us about a material change in the risk insured, we may:</p> <ul style="list-style-type: none"> (i) declare this policy unenforceable, (ii) decline any subsequent claim either in whole or in part. <p>These actions will be taken from the date you knew, or ought to have known, of the increase or alteration in the risk insured.</p> <p><i>For avoidance of any doubt, information is ‘material’ where we would have made different decisions about either:</i></p> <ul style="list-style-type: none"> <i>(i) accepting your insurance,</i> <i>(ii) setting the terms of your insurance,</i> <i>(iii) setting the premium,</i> <p><i>if we had known that information. If in any doubt, notify us anyway.</i></p>
10.13 Comply with the policy	<p>We will not pay any claim unless you, any other person or entity covered under this policy or anyone acting on your behalf, complies with this policy.</p> <p>However, the cover provided by this policy will not be invalidated or prejudiced by reason of breach of warranty or condition of this policy where the breach occurs without your knowledge or consent provided that notice is given to us as soon as practicable once you become aware of any such breach and you agree to pay an appropriate additional premium and/or agree to a change in terms and conditions if required.</p>
10.14 Dishonest or fraudulent	<p>If you, any other person or entity covered under this policy or anyone acting on your behalf commits a dishonest or fraudulent act or omission, we may treat either this policy or all insurance you have with us as if it no longer exists from the date of the dishonest or fraudulent act, or breach.</p>
10.15 True statements and answers	<p>True statements and answers must be given in all communications with us, whether by you or any other person, including when:</p> <ul style="list-style-type: none"> (a) this insurance is applied for and renewed, (b) we are told about any change in circumstances, (c) you make a claim.
10.16 Reasonable care	<p>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.</p>

11. DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words. For example, the definition of ‘accidental’ also applies to the words ‘accidentally’, ‘accident’ and ‘accidents’.

accidental	Unexpected and unintended by you .
application	The information provided by you to us when you purchased this insurance or requested a quotation for this insurance from us . It also includes any subsequent information you provide us with.
business	Your agricultural and/or horticultural activities.

business interruption	Interruption to or interference with your business operations.
communicable disease	Any disease which can be transmitted by means of any substance or agent from any organism to another organism where: <ul style="list-style-type: none"> (a) 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, (b) 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, (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.
computer system	Any computer, hardware, software , communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller and including any similar system or configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
contamination claim	contamination damage arising out of or attributable to an event or multiple events regardless of the number of acts, persons, tenancies, occupancies or incidents involved.
contamination damage	loss caused by methamphetamine contamination that exceeds the contamination level .
contamination level	The applicable New Zealand recommendations or guidelines from the Ministry of Health for acceptable indoor surface residues for methamphetamine , or any New Zealand standard for indoor surface residues for methamphetamine .
cyber act	An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, or the threat or hoax thereof involving access to, processing of, use of or operation of any computer system .
cyber incident	<ul style="list-style-type: none"> (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system, (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.
data	Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system .
deferment period	The period by which the start of the indemnity period is deferred.
deferred indemnity period	The period during which your business suffers a business interruption that starts from the deferred start date notified to us and ends no later than the number of months specified in the schedule as the 'Indemnity period'.
event	Any one or more occurrence of covered loss during the period of insurance arising from one source or originating cause or related causes.

gross profit	<p>The amount by which the sum of the turnover plus the amount of the closing stock exceeds the sum of the amount of the opening stock plus the amount of the uninsured working expenses.</p> <p>With regard to this calculation:</p> <ul style="list-style-type: none"> (a) the amount of the opening and closing stocks must be in accordance with your normal accounting methods, allowing for depreciation, and (b) the words and expressions used have the usual meaning attached to them as used in your books and accounts, including the uninsured working expenses.
indemnity period	<p>The period that:</p> <ul style="list-style-type: none"> (a) starts when the insured damage occurs, (b) ends no later than the number of months specified in the schedule as the 'Indemnity period', during which your business operations are affected because of the insured damage. <p>However, for a claim under any contingent business interruption extension, 'indemnity period' means the period during which your business suffers a business interruption that starts when the business interruption occurs and ends no later than the number of months specified in the schedule as the 'Indemnity period'.</p>
insured damage	<p>Sudden and accidental loss occurring at your rural property during the period of insurance to any property (or part) owned or used by you for the business, provided that the loss is either:</p> <ul style="list-style-type: none"> (i) covered as a claim under your material damage policy, or would have been covered but for the excess, (ii) caused by the explosion of a pressure vessel, (iii) property damage.
landslide	<p>The movement (whether by way of falling, sliding or flowing, or by a combination thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such materials, which, before movement, formed an integral part of the ground.</p> <p>It excludes the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.</p>
loss	Physical loss or physical damage.
material damage policy	<p>The Rural Material Damage Policy that you have with us that insures sudden and accidental loss to tangible property.</p> <p><i>The Rural Material Damage Policy is a prerequisite to this policy.</i></p>
methamphetamine	The Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975 or any precursor chemicals or by-products for either.
natural disaster	Earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity, landslide or fire caused by any of these.
payroll	Gross salaries and wages (including bonuses, holiday pay, ACC levies and any other costs relating to the ongoing payment of salaries and wages) for all employees of the business .

period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
pressure vessel	Any boiler or economiser that during ordinary use is subjected to either generated fluid pressure or vacuum, including: <ul style="list-style-type: none"> (a) all integral parts including pipes, and (b) controls, and (c) systems (other than systems forming part of a building or structure).
property damage	Sudden and accidental loss to property that you do not own that occurs during the period of insurance and would have been covered as a claim under your material damage policy had you owned the property.
rate of gross profit	The rate of gross profit earned on the turnover , during the financial year immediately before the date of the insured damage , subject to any adjustments as per 8.5 'Standard adjustments'.
rate of payroll	The rate of payroll to turnover , during the financial year immediately before the date of the insured damage , subject to any adjustments as per 8.5 'Standard adjustments'.
reduction in rent	The amount that the rent , during any part of the indemnity period or deferred indemnity period , falls short of the standard rent for the same period, as a result of insured damage .
reduction in turnover	The amount that the turnover , during any part of the indemnity period or deferred indemnity period , falls short of the standard turnover for the same period, as a result of insured damage .
remediate	To reduce the level of methamphetamine contamination to below the contamination level . <i>This means that we will not pay to remove all traces of methamphetamine contamination and will not restore the building to its condition when it was new.</i>
rent	The actual amount of any: <ul style="list-style-type: none"> (a) rent you receive, (b) payments to you for services provided, for letting out the premises at your rural property.
rural property	The location or locations of your farm or agricultural or horticultural business , as shown in the schedule .
schedule	The latest version of the Schedule we issued to you for this policy.
software	Programs, procedures and routines associated with the operation of a computer system .
standard rent	The rent you received during the period in the previous 12 months immediately before the date of the insured damage , subject to any adjustments as per 8.5 'Standard adjustments'. If insured damage occurs before the end of the first year in business , the results to date will be the basis for establishing standard rent.

standard turnover	<p>The turnover during the period in the previous 12 months immediately before the date of the insured damage that corresponds with the indemnity period, subject to any adjustments as per 8.5 'Standard adjustments'.</p> <p>If insured damage occurs before the end of the first year in business, the results to date will be the basis for establishing standard turnover.</p>
turnover	<p>Whichever of the following options provides the most equitable measurement of your claim:</p> <ul style="list-style-type: none"> (a) all money, or other reimbursements you receive for goods or services in connection with your business operations, (b) such other index of your business operations that gives the most equitable result.
uninsured working expenses	<p>Those expenses listed in the schedule as 'Uninsured working expenses'. If no expenses are listed in the schedule then uninsured working expenses are deemed to be expenses that vary in direct proportion to the turnover and/or production.</p>
vicinity	<p>The area within a 10 kilometre radius of your rural property.</p>
wages	<p>The total value of all remuneration (including a pro-rata proportion of bonuses, holiday pay, ACC levies and any other costs relating to the ongoing payment of wages), of all employees, except employees whose remuneration is treated as salaries in your accounts.</p>
we	<p>NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.</p>
you	<p>The person(s) or entity named in the schedule as 'Insured'. We may also use the words 'your' or 'insured' to describe you.</p>

AG GUARD LIMITED AGLPF1.0
NZ COMPANY NUMBER 8835948



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