

Rural Employers Liability

POLICY WORDING
AUGUST 2025

AG GUARD LIMITED



Ag Guard

POWERED BY



CONTENTS

1. Insurance Agreement	3
2. What you are insured for	3
3. Automatic policy extensions	4
4. Exclusions	5
5. General conditions	6
6. Managing your claim	8
7. Definitions	11

Introduction

About this policy

Your Rural Employers Liability Policy consists of:

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

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** or anyone acting on **your** behalf must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

- (a) to accept or decline **your** insurance,
- (b) the cost or terms of the insurance, including the excess.

You also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** or anyone acting on **your** behalf breaches this duty, **we** may treat this policy as being of no effect and to have never existed.

Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

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 Employers' liability

You are insured for all amounts that **you** become legally liable to pay as damages (including punitive or exemplary damages) arising from an **injury** to an **employee**, where the **injury** happens in New Zealand in connection with the **business**.

Provided that all the following conditions are met:

- (a) the **employee's injury** arose out of an **event** that happened after the **retroactive date**,
 - (b) **you** first knew about, or ought to have known about, the **claim** arising from the **employee's injury** during the **period of insurance**,
 - (c) **you** have advised **us** of the **claim** arising from the **employee's injury** as soon as possible, but no later than 30 days after the **period of insurance** ends.
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2.2 Limit of indemnity

The most **we** will pay for **your** legal liability for each **event** and in the aggregate during the **annual period** is the **limit of indemnity** shown in the **schedule**.

2.3 Defence costs

In addition to the **limit of indemnity**, **we** will pay the reasonable and necessary **defence costs** incurred by **you** with **our** prior written consent, to defend any **claim** that if proven, would be covered under Section 2.1 'Employers' liability'.

Provided that if **we** pay the **limit of indemnity** in respect of any **claim**, **we** will not be liable to pay any further **defence costs** in connection with that **claim**.

The most **we** will pay in total for all **defence costs** arising from all **claims** during the **annual period** is \$1,000,000 or an amount equal to the **limit of indemnity** shown in the **schedule**, whichever is less.

In addition to the **limit of indemnity**, **we** will pay all reasonable and necessary **defence costs** incurred with **our** prior written consent in relation to any civil legal action (or threat of civil legal action) that, if proven, would be covered by this policy.

2.4 Separate limits

The limit for **defence costs** is a separate limit and cannot be used to meet liability for **claims**.

2.5 Excess

You must pay the excess specified in the **schedule** in respect of each **claim** including **defence costs**.

If a single **injury** results in **claims** being accepted under more than one rural policy that **you** hold with **us** only one excess will be applied, being the highest applicable individual policy excess.

3. AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 2. 'What you are insured for', **we** also provide the following Automatic policy extensions. These are subject to the terms and conditions of the policy.

Unless expressly stated otherwise, any amounts payable under these Automatic policy extensions are included within 2.2 'Limit of indemnity' and are not payable in addition to the **limit of indemnity**.

3.1 Continuous cover

You are insured for any **claim** that would be covered under this policy but for the operation of Exclusion 4.7 'Known claims and circumstances', provided that all the following conditions are met:

- (a) **we** were **your** employers' liability insurer at the primary level under a policy ("the former policy") at the time **you** first became aware of the circumstances, that subsequently gave rise to the **claim**,
 - (b) **we** continued without interruption as **your** employers' liability insurer at the primary level from the time when **you** first became aware of the circumstances up until such time as the **claim** was made against **you** and notified to **us**,
 - (c) **our** liability is limited to the amount **we** would have been liable for at the time referred to in (a) above in accordance with the terms and conditions of the former policy,
 - (d) **our** liability will be reduced by the amount that fairly represents the extent to which liability for the **claim** could have been reduced had the circumstances been reported under the former policy.
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3.2 Extended reporting period	<p>If we elect to cancel or refuse to offer to renew this policy, then you have the right to extend cover under this policy for another 12 months, provided you pay us an additional premium (being 90% of the last premium).</p> <p>However, we will only provide cover in respect of an injury otherwise covered under this policy that happened before the expiry of the effective date of cancellation or non-renewal.</p> <p>This right of extension will lapse unless we receive written notice of such election, together with payment of the additional premium due within 30 days following the effective date of cancellation or non-renewal. If the right of extension lapses, then cover under this policy ceases as at the effective date of the cancellation or non-renewal.</p> <p>Any claim made during the extended reporting period will be treated as if it had been made during the last period of insurance and is subject to the remaining limit of indemnity and limit on defence costs as at the effective date of cancellation or non-renewal.</p> <p>The entire premium for the extended reporting period is deemed fully earned and non-refundable on payment.</p>
3.3 New subsidiary companies	<p>This policy is extended to insure a subsidiary company created or acquired by you during the period of insurance, provided that all the following conditions are met:</p> <ul style="list-style-type: none"> (a) the operations and activities of the new subsidiary company are the same as the business, (b) you give us notice that you wish to extend cover within 30 days of the acquisition or creation of the new subsidiary company, (c) we are entitled to vary the policy terms, conditions and exclusions and charge an additional premium. <p>We do not cover any claim in connection with any injury that occurred prior to the acquisition of the subsidiary company.</p>
3.4 Previous subsidiary companies	<p>The definition of you is extended to include any entity that ceased to be your subsidiary company before or during the period of insurance.</p> <p>However, we will only cover the previous subsidiary for a claim arising out of an injury that occurred after the retroactive date and before the previous subsidiary ceased to be your subsidiary.</p>
4. EXCLUSIONS	
4.1 ACC	<p>You are not insured for liability for compensation that either:</p> <ul style="list-style-type: none"> (a) is available under the Accident Compensation Act 2001, (b) would have been available under that Act, except for your status as an exempt employer under that Act.
4.2 Asbestos	<p>You are not insured for liability in connection with asbestos.</p>
4.3 Dishonesty or fraud	<p>You are not insured for liability in connection with any deliberate, dishonest, fraudulent, criminal or malicious act or omission by you or your employees.</p>
4.4 Employment disputes	<p>You are not insured for liability arising out of the Employment Relations Act 2000, or unpaid wages or other benefits due to any employee.</p>

4.5 Fines and contractual obligations	You are not insured for liability for any: (a) fine or penalty, (b) contractual obligation, (c) aggravated or liquidated damages.
4.6 Health and Safety at Work Act	You are not insured for liability in connection with any: (a) prosecution, including a private prosecution, under the Health and Safety at Work Act 2015, (b) failure by you to comply with any lawful notice issued to you or your employees under the Health and Safety at Work Act 2015.
4.7 Known claims and circumstances	You are not insured for liability in connection with any claim that you first knew of, or ought to have known of, prior to the start of the period of insurance .
4.8 Legal jurisdiction	You are not insured for liability in connection with: (a) legal proceedings first brought in a court or tribunal outside New Zealand, (b) legal proceedings brought in a court or tribunal within New Zealand to enforce a judgment made by a court or tribunal outside of New Zealand, (c) legal liability arising under the proper law of a country other than New Zealand.
4.9 Nuclear	You are not insured for liability in connection with: (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, (b) the use, handling or transportation of any radioactive materials, weapon of war or explosive device employing nuclear fission or fusion.
4.10 Retroactive date	You are not insured for liability in connection with any injury that occurred prior to the retroactive date .
4.11 Sanctions	We do not provide any cover or benefit, or pay anything in connection with this policy, if doing so may breach or risk exposure to any of the following: (a) sanction, prohibition or restriction under United Nations resolutions, (b) trade or economic sanction, law or regulation of New Zealand, Australia, Singapore, the United Kingdom, the United States of America, or the European Union.
4.12 Terrorism or war	You are not insured for any liability in connection with any of the following: (a) terrorism , or controlling, preventing, suppressing, retaliating against or responding to terrorism , (b) war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

5. GENERAL CONDITIONS

How we administer this policy

5.1 Assignment	You may not assign this policy or any interest under this policy without our prior written consent.
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5.2 Cancellation	<p>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.</p> <p>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. Your policy will be cancelled from 4pm on 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.</p> <p>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.</p>
5.3 Change of terms	<p>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.</p> <p>Unless otherwise specified in the notice the change in terms will take effect from 4pm on the 30th day after the date of the notice.</p>
5.4 Currency	Any amounts shown in this policy or in the schedule are in New Zealand dollars.
5.5 Goods and services tax (GST)	<p>Where GST is recoverable by us under the Goods and Services Tax Act 1985:</p> <ul style="list-style-type: none"> (a) the limit of indemnity excludes GST, (b) all sub limits exclude GST, (c) all excesses include GST, (d) GST will be added, where applicable, to claim payments.
5.6 Other insurance	<p>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.</p> <p>If you hold other insurance cover with any other insurer in respect of any claim covered under this policy, then we will only pay under this policy once cover under any other policy has been exhausted.</p>
5.7 Separate insurance	Where the defined word ' you ' consists of more than one legal entity then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, this does not increase the amount of cover available under this policy.
Laws and Acts that govern this policy	
5.8 Disputes about this policy	The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.
5.9 Legislation and Crown entity changes	<p>Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.</p> <p>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.</p>

Your obligations

5.10 Comply with the policy

You and any other person or entity covered by the policy must comply with the terms and conditions of this policy.

5.11 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 terms or conditions of this policy, **we** may decline both:

- (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 underwritten by IAG New Zealand Limited.
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5.12 True statements and answers

True statements and answers must be given in all communications with **us**, whether by you or any other person, including when:

- (a) applying for this insurance,
 - (b) notifying **us** regarding any change in circumstances,
 - (c) making any claim under this policy, including when communicating with **us** or providing any further information regarding the **claim**.
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5.13 Take 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. However this exclusion will not apply to that part of any **claim** seeking punitive or exemplary damages.

5.14 Change in circumstances

You must give **us** notice in writing as soon as possible if there is a material increase or change in the risk insured.

Once **you** have told **us** of the change, **we** may then vary the policy terms and charge an additional premium, or **we** may cancel this policy.

If **you** fail to notify **us** about a material change in the risk insured, **we** may do any of the following:

- (a) declare this policy unenforceable,
- (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.

Information is 'material' where, if we had known that information, we would have made different decisions about either:

- *accepting your application for insurance,*
- *setting the terms of this insurance.*

If in any doubt, notify us anyway.

6. MANAGING YOUR CLAIM

Your obligations

6.1 Do not admit liability

You must not:

- (a) admit **you** are liable,
 - (b) do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.
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6.2 Advise us	If you become aware of any injury or circumstance that might give rise to a claim under this policy, regardless of the anticipated amount, you must contact us as soon as possible.
6.3 Minimise the loss	You must take all reasonable steps to minimise the claim and avoid any further loss or liability arising.
6.4 Provide full information	<p>When making a claim, you consent to your personal information in connection with the claim being both:</p> <ul style="list-style-type: none"> (a) disclosed to us, (b) transferred to the Insurance Claims Register Limited. <p>You must:</p> <ul style="list-style-type: none"> (a) give us free access to examine and assess the claim, (b) send any relevant correspondence or document to us, (c) complete a claim form or statutory declaration to confirm the claim if we request it, (d) provide any other information, proof of ownership or assistance that we may require at any time.
6.5 Dishonesty	<p>If your claim is dishonest or fraudulent in any way, we may, at our sole discretion, do any of the following:</p> <ul style="list-style-type: none"> (a) decline the claim, either in whole or in part, (b) declare either this policy or all insurance you have with IAG New Zealand Limited to be of no effect and to no longer exist from the date of the dishonest or fraudulent statement.
6.6 Obtain our agreement	<p>You must obtain our agreement in writing before doing any of the following:</p> <ul style="list-style-type: none"> (a) incurring any defence costs or other expenses in connection with any claim under this policy, (b) negotiating, paying, settling, admitting or denying any claim against you, (c) doing anything that may prejudice our rights of recovery.

How we manage a claim

6.7 Allocation of defence costs	<p>If a claim is covered only partly by this policy, we will attempt to ensure a fair and proper allocation of the defence costs for insured and uninsured portions.</p> <p>If all parties are unable to agree upon the allocation of the defence costs, then that allocation will be decided by a lawyer that we and you agree to instruct, whose determination will be binding upon all parties. The cost of the lawyer's determination is to be taken as part of the defence costs covered under this policy.</p> <p>If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.</p>
6.8 Claim below the excess	<p>If we believe that a claim will not exceed the excess, we may instruct you to conduct the investigation, defence and settlement of the claim at your expense.</p> <p>If the claim subsequently exceeds the excess, we agree to reimburse the reasonable defence costs incurred by you that exceed the excess, or to pay any additional defence costs on your behalf. You must advise us as soon as the total costs of the claim exceed, or are likely to exceed, the excess.</p>

6.9 Claim exceeds the limit of indemnity	<p>If any payment, settlement or judgment in excess of the limit of indemnity has to be made to settle or dispose of any claim, our liability for defence costs is limited to such proportion as the limit of indemnity bears to the amount payable to dispose of the claim.</p> <p>You must refund to us all amounts we pay for defence costs in excess of our proportion.</p>
6.10 Defence of a claim	<p>After you have made a claim under this policy, subject to condition 6.12 'Requirement to defend a claim', we have the sole right (which will be a condition precedent to your right to be covered) to:</p> <ul style="list-style-type: none"> (a) act in your name and on your behalf to defend, negotiate or settle the claim as we see fit, (b) appoint lawyers of our choice to defend or legally represent you and the lawyers will report directly to us.
6.11 Discharge of a claim	<p>We may elect at any time to pay you either:</p> <ul style="list-style-type: none"> (a) the maximum amount payable under Section 2.2 'Limit of indemnity', (b) any lesser amount that the claim against you can be settled for. <p>Once we have paid this (including any defence costs already incurred up to the date of our election), our responsibility to you under this policy for that claim is met in full.</p>
6.12 Requirement to defend a claim	<p>If the lawyer appointed to defend you advises that the claim should not be defended, then we are not required to defend the claim against you unless a second lawyer that we and you agree to instruct, advises that the claim should be defended.</p> <p>If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society. In formulating their advice, the lawyer must be instructed to consider the:</p> <ul style="list-style-type: none"> (a) economics of the matter, (b) damages and costs likely to be recovered, (c) likely costs of defence, (d) prospects of successfully defending the claim. <p>The cost of the second lawyer's opinion is to be taken as part of the defence costs covered under this policy.</p> <p>If the second lawyer advises that the claim should be settled and that the terms of settlement that we recommend are reasonable, then you must co-operate with us to effect such settlement in accordance with this policy and must pay the applicable excess.</p>
6.13 Your right to contest settlement of a claim	<p>If you do not agree with a decision by us to settle a claim (including publishing a retraction or apology in the case of defamation proceedings), you can elect to contest the claim at your own expense.</p> <p>However, our liability will not exceed the amount for which the claim could have been settled in the opinion of the lawyer appointed under Condition 6.12 'Requirement to defend a claim'.</p> <p>We will pay defence costs incurred up to the date you notify us in writing of your election under this clause, and will pay you (subject to the excess) the amount for which the claim could have been settled. You expressly agree that our liability in respect of such a claim will then be at an end.</p>

6.14 Waiver of legal privilege

The lawyers **we** instruct to act on **your** behalf in relation to any **claim** against **you**, may disclose to **us** any information they receive in that capacity, including information they receive from **you**. **You** authorise the lawyer to disclose this information to **us**.

7. 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**.

agricultural chemical

Any agricultural chemical, including:
(a) pesticides, herbicides or insecticides,
(b) lime or fertilisers,
(c) growth regulators and defoliant.

It does not include:

- (i) any substance or chemical that requires or required regulatory approval, and for which approval has not been given or is no longer current,
 - (ii) 1080, 1081, or other poison with a similar method of action,
 - (iii) any hormone herbicides including phenoxy,
 - (iv) agricultural waste and discharges, animal effluent or manure.
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application

The information provided by **you** or on **your** behalf to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**. It also includes any subsequent information **you** provide to **us**, including when requesting any change to the policy, and at renewal.

It does not include publicly available information, for example from **your** social media, or websites or advertising activities.

business

The business stated in the **schedule**, including:

- (a) using **your** property for agricultural and/or horticultural activities,
 - (b) the sale or supply of farm goods and produce including sale at shows, fairs and farmers' markets,
 - (c) **occasional contracting**,
 - (d) exhibitions and competitions at agricultural or horticultural shows,
 - (e) the use of **agricultural chemicals** at **your** farm,
 - (f) the ownership, possession or use of any agricultural or horticultural plant and machinery (except aircraft or watercraft), provided that it is used only for:
 - (i) **your** own business activities,
 - (ii) **occasional contracting**,
 - (g) provision of short term farmstay or bed and breakfast accommodation incidental to the **business** at a farm property owned by **you**.
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claim

Any of the following:

- (a) legal proceeding issued against **you** in connection with an **injury** to an **employee**,
 - (b) a notice **you** receive from any other person that they intend to commence legal proceedings against **you**, in connection with an **injury** to an **employee**,
 - (c) a circumstance that a reasonable person in **your** position would have considered may lead to either (a) or (b) above.
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defence costs	<p>Legal costs and expenses that relate directly to the investigation, defence, compromise or handling of any claim. Defence costs include disbursements and the costs of any witnesses, assessors, adjusters or experts, if required.</p> <p>Defence costs do not include any costs of your time, including any time spent in assisting us or our appointed lawyers with the conduct of any claim.</p>
employee	Any person who is employed by you , in connection with the business , under a written employment agreement.
event	Any act or omission by you , in connection with the business , that gives rise to, or may give rise to, an injury to an employee .
injury	The accidental death of or the accidental bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.
limit of indemnity	The amount shown in the schedule as 'Limit of Indemnity' or 'Sum Insured'.
occasional contracting	<p>Paid agricultural and horticultural contracting work anywhere in New Zealand, provided that this work represents less than 30% of your annual turnover and does not involve either:</p> <ul style="list-style-type: none"> (a) the spraying, application or release of pesticides, herbicides, insecticides, hormone sprays or any other chemical product, (b) the use of explosives.
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
retroactive date	The retroactive date shown in the schedule .
schedule	The latest version of the schedule we issue to you for this policy.
terrorism	<p>Any act, threat of action or preparation for action, which from its nature or context is designed to influence any rightful or actual government or intimidate the public, or is in pursuit of political, religious, ideological or similar purposes, that involves any of the following:</p> <ul style="list-style-type: none"> (a) violence against any person, (b) damage to property, (c) danger to life, other than the life of the person committing the action, (d) risk to the health or safety of any person, (e) planned interference with or disruption to an electronic system.
we	<p>NZI, a business division of IAG New Zealand Limited.</p> <p>We may also use the words 'us' or 'our' to describe NZI.</p>
you	<p>Any person or entity named in the schedule as 'Insured' and if the named insured is a company, it includes its directors, officers or employees and any subsidiaries and their directors, officers or employees, but only while the person is acting within the scope of their duties in such capacity and does not extend to include any person or employee who is bringing a claim.</p> <p>We may also use the word 'Insured' to describe you.</p>

AG GUARD LIMITED AGLPF1.0
NZ COMPANY NUMBER 8835948



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