

# Rural Machinery Breakdown

POLICY WORDING  
AUGUST 2025

AG GUARD LIMITED



**Ag Guard**

POWERED BY



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## Introduction

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### Policy contract

**Your** Machinery Breakdown 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. That meaning is set out within the clause where the word appears, or in the 'Definitions' section 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.*

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## 1. INSURANCE AGREEMENT

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### 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.

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## 2. WHAT YOU ARE INSURED FOR

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### 2.1 Damage to insured machinery

**You** are insured for sudden and **accidental loss** to **insured machinery** occurring at **your rural property**.

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## 3. AUTOMATIC EXTENSIONS

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In addition to the cover under '2.1 Damage to insured machinery', **we** also provide the following 'Automatic extensions'.

Any amount payable under the 'Automatic extensions' are payable in addition to the sum insured shown in the **schedule** for an item of **insured machinery**.

### 3.1 Cost of hire of electric motors

**You** are insured for the reasonable costs **you** incur to hire a replacement electric motor following a **loss** to an electric motor covered by this policy.

The most **we** will pay for this extension is \$2,500 for any **event**, unless a different amount is shown in the **schedule**.

### 3.2 Demolition costs

**You** are insured for the reasonable costs **you** incur to:

1. demolish, dismantle, shore up or prop up **insured machinery**,
2. dispose of debris (including any kind of solid, liquid or gas) from the **insured machinery**.

Provided that the costs arise following a **loss** covered by this policy.

**You** are not insured for any costs associated with the demolition of or removal of debris from buildings or other assets.

3.3 Expediting expenses	<p><b>You</b> are insured for the reasonable costs of express freight and overtime to expedite the repair or replacement of <b>insured machinery</b> following a <b>loss</b> covered under this policy.</p> <p><b>You</b> must have <b>our</b> prior approval before incurring any costs.</p> <p><i>Our approval will be based on our economic benefit gained.</i></p> <p>The most <b>we</b> will pay under this extension for any <b>event</b> is 20% of the sum insured for the item of <b>insured machinery</b> damaged.</p> <p>'Exclusion 5.8 (4)' does not apply to this extension.</p>
3.4 Explosion of boilers and pressure vessels	<p><b>You</b> are insured for the sudden and <b>accidental loss</b> of boilers and <b>pressure vessels</b> caused by collapse, overheating or explosion.</p> <p>Provided that the boiler or <b>pressure vessel</b> is part of the <b>insured machinery</b> covered by this policy.</p> <p>The most <b>we</b> will pay under this extension, for any <b>event</b> and in total during the <b>period of insurance</b>, is the sum insured for the item of <b>insured machinery</b> damaged.</p> <p>In this extension, 'Explosion' means the sudden and violent breaking apart of the plant by forces of internal gas or fluid pressure or centrifugal force, resulting in either:</p> <ul style="list-style-type: none"> <li>(a) physical displacement of any part of the plant,</li> <li>(b) forcible ejection of the plant's contents.</li> </ul>
3.5 Newly acquired machinery	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to machinery that <b>you</b> acquire during the <b>period of insurance</b>.</p> <p>Provided all of the following apply:</p> <ul style="list-style-type: none"> <li>(a) <b>you</b> own or are legally responsible for the machinery,</li> <li>(b) the machinery is similar in type, class and function to the <b>insured machinery</b>,</li> <li>(c) the <b>loss</b> occurs following the satisfactory completion of the machinery's installation, testing and commissioning,</li> <li>(d) <b>you</b> notify <b>us</b> within 90 days of <b>your</b> acquisition of the machinery.</li> </ul> <p>The most <b>we</b> will pay under this extension, per <b>event</b> and in total during the <b>period of insurance</b> is the lesser of \$50,000 or the value of the item of machinery.</p>
3.6 Refrigerant replacement	<p><b>You</b> are insured for the reasonable costs <b>you</b> incur to replace lost refrigerant gas following a <b>loss</b> covered by this policy.</p> <p>The most <b>we</b> will pay for this extension is \$2,500 for any <b>event</b>.</p>
3.7 Testing	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to <b>insured machinery</b> caused by tests that are conducted to comply with statutory safety regulations.</p> <p>The most <b>we</b> will pay under this extension is \$2,500 for any <b>event</b>.</p> <p><b>We</b> will not pay for any <b>loss</b> to <b>insured machinery</b> that is condemned as a result of the tests.</p> <p>'Exclusion 5.16 (2)' does not apply to this extension.</p>

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## 4. OPTIONAL EXTENSION

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In addition to cover under 'Damage to insured machinery' and 'Automatic extensions' **we** also provide the following 'Optional extension'. This 'Optional extension' only applies where specified in the **schedule**.

Any amount payable under the 'Optional extension' is payable in addition to the sum insured shown in the **schedule** for an item of **insured machinery**.

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### 4.1 Submersible pumps

**You** are insured for sudden and **accidental loss** to **submersible pumps** occurring at **your rural property**, including any costs **you** incur to:

1. dismantle and re-assemble the **submersible pump**,
2. hire a replacement pump during the time taken to repair the damaged **submersible pump**.

The most **we** will pay under this extension for any **event**, is the sum insured shown in the **schedule** for the **submersible pump** that is damaged.

**We** will not pay for **accidental loss** that happens either:

- (a) to any **submersible pump** that is not recovered to the surface,
- (b) as a result of inadequate maintenance or a failure to maintain regular servicing of the **submersible pump**.

'Exclusion 5.3 (2)' does not apply to this extension.

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## 5. EXCLUSIONS

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### 5.1 Causes of loss not insured

This policy does not insure **loss** to **insured machinery** caused by any of the following:

1. fire or lightning,
2. explosion due to the combustion of the machine's contents,
3. impact from a source external to the machine,
4. storm or **flood**,
5. smoke or soot,
6. chemical explosion,
7. gas or vapour,
8. rainwater or water discharged (or leaking) from any pipe or system that is not part of the **insured machine**,
9. burglary or theft or attempted burglary or theft,
10. settling, warping or cracking caused by earth or other movements,
11. the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compacting or erosion.

*Cover may be available for some of these causes of loss under a Material Damage policy. Contact your broker for information.*

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## 5.2 Types of loss not covered

This policy does not insure any of the following:

1. **loss** that occurs during any of the following:
  - (a) the dismantling of **insured machinery** for removal to other situations,
  - (b) the installation and testing of additional or replacement **insured machinery**,
  - (c) modification of existing **insured machinery**,
2. **loss** that occurs gradually, including:
  - (a) fatigue, rust, oxidation, boiler scale, sludge deposits, corrosion or erosion, cavitation, atmospheric or chemical action,
  - (b) the wearing away or wearing out of any part caused by normal use or operation,
3. any of the following types of damage to **insured machines**:
  - (a) cosmetic damage including marring, or scratching,
  - (b) cavitation, chipping or denting,
4. any of the following types of damage if the **insured machine** is a boiler or a **pressure vessel**:
  - (a) cracks, fractures, blisters, lamination, scaling, flaws or grooving, even when any of these is accompanied by leakage,
  - (b) leakage of joints.

This exclusion does not apply to any resultant **accidental loss** to another part of the **insured machine**.

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## 5.3 Types of machinery not insured

This policy does not insure **loss** to any of the following:

1. accounting or office machinery,
  2. **submersible pumps**.
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## 5.4 Parts of machinery not insured

This policy does not insure **loss** to the following parts of the **insured machine**:

1. operating media other than refrigerant gas,
2. exchangeable parts or detachable tools, including bits, drills, knives, saw blades and other cutting edges,
3. belts, chains, ropes, elevating and conveying bands, leathers, packing gaskets or other jointing or sealing materials, filters, clutch and brake linings and facings,
4. electrical circuit protection devices, fuses, lighting and heating elements, batteries and electrical contacts at which sparking or arcing normally occurs,
5. components that are naturally subject to a high rate of wear and tear.

This exclusion does not apply to any resultant **accidental loss** to another part of the **insured machine**.

This exclusion does not apply if the **loss** to parts is the result of a **loss** otherwise covered by this policy, that occurs as a result of **loss** to other separately identifiable parts of the **insured machine**.

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### 5.5 Communicable disease

This policy does not insure any **loss**, cost or expense caused by, or in connection with any:

1. Communicable Disease,
2. notifiable organism or disease under the Biosecurity Act 1993,
3. 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.

Subject to the other terms, conditions and exclusions of this policy, this exclusion will not apply to machinery breakdown and any Time Element Loss directly resulting from that machinery breakdown.

For the purpose of this exclusion, the following definitions apply:

Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (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.

Time Element Loss means any of the following, that would be covered by this policy but for this exclusion:

- increase in cost of working,
- escalation,
- expediting expenses,
- loss of gross profit,
- loss of rental.

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### 5.6 Confiscation

This policy does not insure any **loss**, costs or expense 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 by this policy if it did occur).

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### 5.7 Consequential loss

This policy does not insure any kind of consequential loss (*e.g. financial loss that occurs as a result of the loss of insured property*), including the following:

1. penalties,
2. loss of use of any property,
3. delays,
4. loss of market.

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### 5.8 Costs not insured

This policy does not insure the cost of any of the following:

1. alterations, additions or improvements to any **insured machinery**,
2. maintenance of **insured machinery**,
3. provisional repairs following **loss to insured machinery**, other than repairs that are part of the final repairs already covered by this policy, and do not increase the total repair cost,
4. expediting costs, including:
  - (a) express freight,
  - (b) overtime.

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## 5.9 Cyber

This policy does not insure any loss, damage, cost or expense caused by, or in connection with any:

1. Cyber Act, including any action taken in controlling, preventing, suppressing or remediating any Cyber Act,
2. Cyber Incident, including any action taken in controlling, preventing, suppressing or remediating any Cyber Incident,
3. loss of use, reduction in functionality, repair, replacement, restoration or reproduction, of any Data, including any amount relating to the value of such Data.

Exclusion (2) will not apply to machinery breakdown and any Time Element Loss directly resulting from that machinery breakdown.

For the purpose of this exclusion, the following definitions apply:

Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof, involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means any:

- (a) error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System,
- (b) 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.

Computer System means 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 any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

Data means information, facts, concepts, code or any other information of any kind that is either:

- (a) recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System,
- (b) converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment.

Time Element Loss means any of the following, that would be covered by this policy but for this exclusion:

- increase in cost of working,
- escalation,
- expediting expenses,
- loss of gross profit,
- loss of rental.

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## 5.10 Defective work or design

This policy does not insure the cost of any of the following:

1. repairing or replacing defective materials,
2. putting right defective work
3. putting right work performed to a defective design plan or defective design specification.

This exclusion does not apply to resultant sudden and **accidental loss** to other **insured machinery** occurring as a result of the defective materials or workmanship, or as a result of work performed to a defective plan or design specification.

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## 5.11 Natural disaster

This policy does not insure any **loss**, cost or expense in connection with any earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity, landslide, or fire caused by any of these.

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## 5.12 Nuclear and weapons

This policy does not insure any **loss**, cost or expense caused by or in connection with any of the following:

1. Nuclear Energy Risks.
2. 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.
3. Radioactive, toxic, explosive or other hazardous or contaminating properties of any Nuclear Installation, or other nuclear assembly or nuclear component.
4. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
5. Any chemical, biological, bio-chemical, or electromagnetic weapon.
6. 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.

For the purpose of this exclusion, the following definitions apply:

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.

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## 5.13 Sanctions

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

1. sanction, prohibition or restriction under any United Nations resolution,
  2. 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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<b>5.14 Seepage, pollution and contamination</b>	This policy does not insure any <b>loss</b> , cost or expense caused by or in connection with seepage, pollution or contamination.
<b>5.15 Terrorism</b>	<p>This policy does not insure any <b>loss</b>, or expense in connection with Terrorism, including in connection with controlling, preventing, suppressing, retaliating against or responding to Terrorism.</p> <p>For the purposes of this exclusion, Terrorism includes 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, and which involves any of the following:</p> <ul style="list-style-type: none"> <li>(i) violence against any person,</li> <li>(ii) damage to property,</li> <li>(iii) danger to life, other than the life of the person committing the action,</li> <li>(iv) risk to the health or safety of any person,</li> <li>(v) planned interference with or disruption to an electronic system.</li> </ul>
<b>5.16 Testing / Maintenance / Modification</b>	<p>This policy does not insure <b>loss</b> caused by any of the following:</p> <ol style="list-style-type: none"> <li>1. the use of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul, or</li> <li>2. hydraulic tests, experiments, overloads, or similar tests requiring the imposition of abnormal conditions.</li> </ol> <p>This exclusion does not apply to any resultant sudden and <b>accidental loss</b> to another part of the <b>insured machine</b>.</p>
<b>5.17 War</b>	This policy does not insure any <b>loss</b> , cost or expense in connection with war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, insurrection, rebellion, revolution, military or usurped power.

## 6. BASIS OF SETTLEMENT

<b>6.1 Method of indemnity</b>	<p><b>We</b> will indemnify <b>you</b> by whichever of the following options <b>we</b> choose:</p> <ol style="list-style-type: none"> <li>1. pay the cost of repairs,</li> <li>2. pay an amount equal to the reasonable cost of repair,</li> <li>3. replace the <b>insured machine</b> with one of similar performance and condition,</li> <li>4. pay an amount equal to the <b>market value</b> of the <b>insured machine</b>.</li> </ol> <p>Where replacement parts for the <b>insured machine</b> are no longer available, <b>we</b> will pay up to the last known selling or list price of the parts, plus what would have been the reasonable cost of fitting them.</p>
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## 6.2 Machinery that is repaired

If the **insured machine** is repairable, **we** will pay the cost of restoring it to its state of serviceability before the **loss** occurred.

**We** will also pay the following costs, provided they are properly and reasonably incurred:

1. dismantling and re-assembly costs associated with repairing the machine,
2. ordinary freight to and from the place of repair,
3. any government charges.

In all cases **we** will make the following allowances:

- (a) **we** will not make any deduction for depreciation of any part replaced,
- (b) **we** will deduct the value of any salvage,
- (c) if **you** repair the machine **yourself**, **we** will pay **you** the cost of materials, wages and overheads required to make the repairs.

**We** will consider the **insured machine** a **total loss** if the total cost of the repairs equals or exceeds either:

- (i) the **market value** of the item immediately before the **loss**,
- (ii) the sum insured for the item of **insured machinery**.

If this happens, **our** settlement to **you** will be on the same basis as shown in 6.3 'Machinery that is a total loss' below.

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## 6.3 Machinery that is a total loss

If the **insured machinery** is a **total loss**, at **our** option, **we** will either:

1. pay the lesser of:
  - (a) the **market value** of the item of **insured machinery** immediately prior to the **loss**, including the cost of dismantling and re-assembly, ordinary freight and any government charges,
  - (b) the sum insured for the item of **insured machinery**,
2. replace the **insured machine** with one of a similar type, performance and condition.

In all cases **we** will make the following allowances:

- (i) **we** will pay the costs of removing the **insured machine**,
  - (ii) **we** will deduct the value of any salvage.
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## 6.4 Maximum amount payable

1. The most **we** will pay for any specified item of **insured machinery** is the lesser of:
    - (a) the sum insured for that item shown in the **schedule**,
    - (b) the **market value** of the item immediately prior to the **loss**, including the cost of dismantling and re-assembly, ordinary freight and any government charges.
  2. The most **we** will pay for any unspecified item of **insured machinery** is the lesser of:
    - (a) \$2,500,
    - (b) the **market value** of the item immediately prior to the **loss**, including the cost of dismantling and re-assembly, ordinary freight and any government charges.
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## 6.5 Excess

The excess shown in the **schedule** will be deducted from the amount of the **loss** for each **event** unless a different excess or nil excess is shown in this policy wording.

If more than one item of **insured machinery** suffers **loss** from an **event** only one excess will apply, that being the highest excess.

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## 6.6 Sub limits

The most **we** will pay under any automatic or optional policy extension is the higher of:

1. the amount shown in this policy wording,
  2. the amount shown in the **schedule**.
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**6.7 Reinstatement of the sum insured**

After **we** have paid a claim under this policy, **we** will reinstate **your** sum insured. **We** may ask **you** to pay an additional premium for this. If **we** do, **you** must pay the additional premium.

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## 7. MANAGING YOUR CLAIM

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### Your obligations

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**7.1 Advise us**

If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** as soon as possible.

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**7.2 Minimise the loss**

**You** must take all reasonable steps to minimise the claim and avoid any further **loss** or liability arising.

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**7.3 Provide full information**

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

- (a) disclosed to **us**,
- (b) transferred to the Insurance Claims Register Limited.

**You** must:

- (a) give **us** free access to examine and assess the claim,
  - (b) send any relevant correspondence or documents 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.
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**7.4 Dishonest or fraudulent**

If **your** claim is dishonest or fraudulent in any way, **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 omission.

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**7.5 Do not dispose of property**

**You** must not dispose of any property involved in **your** claim until **we** have given **you** permission to do this.

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**7.6 Incurring costs**

All costs claimed for under this policy must be necessarily and reasonably incurred. **You** are not authorised to start any repairs without **our** permission, unless the repairs are necessary to prevent further **loss** or liability.

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### Managing your claim

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**7.7 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.

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## 8. GENERAL CONDITIONS

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### How we administer this policy

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<b>8.1 Assignment</b>	<p><b>You</b> may not assign this policy or any interest under this policy without <b>our</b> prior written consent.</p>
<b>8.2 Cancellation</b>	<p><b>By You</b> <b>You</b> may cancel this policy at any time by notifying <b>us</b>, or <b>your</b> broker. If <b>you</b> do, <b>we</b> will refund any premium that is due to <b>you</b> based on the unused portion of the <b>period of insurance</b>. <b>You</b> must pay any outstanding premium due for the used portion of the <b>period of insurance</b>.</p> <p><b>By Us</b> <b>We</b> may cancel this policy by giving <b>you</b> or <b>your</b> broker notice in writing or by electronic means at <b>your</b> or <b>your</b> broker's last known address. <b>Your</b> policy will be cancelled from 4pm on the 30th day after the date of the notice. <b>We</b> will refund <b>you</b> any premium that is due to <b>you</b> based on the unused portion of the <b>period of insurance</b>.</p> <p>If <b>we</b> cancel this policy because <b>you</b> have not paid the premium, the cancellation will be effective from the date the policy was paid up to.</p>
<b>8.3 Change of terms</b>	<p><b>We</b> may change the terms of this policy (including the excess) by giving <b>you</b> or <b>your</b> broker notice in writing or by electronic means at <b>your</b> or <b>your</b> broker's last known address. Unless otherwise specified in the notice the change of terms will take effect from 4pm on the 30th day after the date of the notice.</p>
<b>8.4 Currency</b>	<p>Any amounts shown in this policy and in the <b>schedule</b> are in New Zealand dollars, unless otherwise specified in the <b>schedule</b>.</p>
<b>8.5 GST</b>	<p>Where GST is recoverable by <b>us</b> under the Goods and Services Tax Act 1985:</p> <ol style="list-style-type: none"><li>1. all sums insured exclude GST,</li><li>2. all sub limits exclude GST,</li><li>3. all excesses include GST,</li><li>4. GST will be added, where applicable, to claim payments.</li></ol>
<b>8.6 Premium adjustments</b>	<p>If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the <b>period of insurance</b>.</p> <p>Within 3 months of the expiry of the <b>period of insurance</b>, <b>you</b> must tell <b>us</b> what the actual figures are. <b>We</b> will re-calculate <b>your</b> actual premium based on the actual figures.</p> <p>The difference between the actual and the provisional premiums will either be payable to <b>us</b> or refunded to <b>you</b> depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium paid.</p>
<b>8.7 Other insurance</b>	<p><b>You</b> must tell <b>us</b> as soon as <b>you</b> know about any other insurance that covers <b>you</b> for any of the risks covered under this policy.</p> <p>If <b>you</b> or anyone else who can claim under this policy can claim under any other insurance, <b>we</b> will only pay over and above the limit payable by the other insurances.</p>

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<b>8.8 Interests of other parties</b>	<p>If <b>we</b> are advised of any party having a financial interest over <b>your</b> insured assets, <b>we</b> may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of <b>our</b> obligations to <b>you</b> under this policy.</p> <p><b>You</b> consent to <b>us</b> transferring <b>your</b> relevant personal information to that party.</p>
<b>8.9 Separate insurance</b>	<p>If more than one person or entity is named as ‘insured’ in the <b>schedule</b>, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).</p> <p>However, the maximum amount <b>we</b> will pay to all parties is the amount stated in each part of this policy.</p>
<b>Laws and Acts that govern this policy</b>	
<b>8.10 Governing law and jurisdiction</b>	<p>The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.</p>
<b>8.11 Legislation and Crown entity changes</b>	<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>
<b>Your obligations</b>	
<b>8.12 Comply with the policy</b>	<p><b>We</b> will not pay any claim unless <b>you</b>, any person or entity covered under this policy, or anyone acting on <b>your</b> behalf, complies with this policy. If <b>you</b>, or any other person or entity covered by this policy or anyone acting on <b>your</b> behalf breaches any terms and conditions of this policy, <b>we</b> may decline both:</p> <ul style="list-style-type: none"> <li>(i) the claim, either in whole or in part,</li> <li>(ii) any claim in connection with the same <b>event</b> that <b>you</b> make on any other policies <b>you</b> have with <b>us</b>.</li> </ul>
<b>8.13 True statements and answers</b>	<p>True statements and answers must be given, whether by <b>you</b> or any other person, in all communications with <b>us</b>, including when:</p> <ol style="list-style-type: none"> <li>1. this insurance is applied for and renewed,</li> <li>2. <b>we</b> are told about any change in circumstances,</li> <li>3. <b>you</b> make a claim under this policy, including when communicating with <b>us</b> or providing any further information regarding the claim.</li> </ol>
<b>8.14 Reasonable care</b>	<p><b>You</b> must take reasonable care at all times to avoid circumstances that could result in a claim.</p> <p><b>Your</b> claim will not be covered if <b>you</b> are reckless or grossly irresponsible.</p>

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### 8.15 Change in circumstances

**You** must tell **us** as soon as possible if there is a material increase in the risk insured or alteration of the risk insured.

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 change in the risk insured, **we** may decide to either:

- (a) declare this policy unenforceable, 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.

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

- (a) *accepting your insurance,*
- (b) *setting the terms of your insurance, including the premium.*

*If in any doubt, notify us anyway.*

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## 9. DEFINITIONS

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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'.*

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### **accidental**

Unexpected and unintended by **you**.

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### **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.

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### **event**

Any one or more occurrence of covered **loss** during the **period of insurance** arising from one source or original cause or related causes.

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### **flood**

Water that has overflowed onto normally dry land, from the normal confines of any natural or artificial watercourse, lake, reservoir, swamp, sea, canal or dam.

In addition, rainwater will be considered as flood where that rainwater:

- (a) cannot run-off into a natural or artificial watercourse, lake, reservoir, swamp, sea, canal or dam, because it has overflowed or flooded, and/or
- (b) mixes with existing floodwater as described above.

Flood also includes:

1. seepage of artesian water, drains or irrigation races,
  2. surface flooding where run-off surface water has saturated land.
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### **insured machinery**

The electrical and mechanical plant shown in the **schedule** as insured items.

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### **loss**

Physical loss or physical damage occurring during the **period of insurance**.

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### **market value**

The reasonable sale price of the same or a comparable machine, of similar pre-loss age, capacity, usage and condition at the time of a **loss**.

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### **period of insurance**

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

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<b>pressure vessel</b>	The parts of any <b>insured machinery</b> or vessel that during ordinary use are subjected to either generated fluid or gas pressure or vacuum, including: (a) all integral parts, (b) controls, (c) systems (other than systems forming part of a building or structure).
<b>rural property</b>	The location or locations of <b>your</b> farm or agricultural horticultural business as shown in the <b>schedule</b> .
<b>schedule</b>	The latest version of the schedule issued to <b>you</b> for this policy.
<b>submersible pump</b>	A pump that is designed to operate and operates wholly or partly under liquid or down a bore hole.
<b>total loss</b>	Where the cost of repairs, as determined by <b>us</b> , equals or exceeds either: 1. the <b>market value</b> of the <b>insured machine</b> immediately prior to the <b>loss</b> , 2. the sum insured for the item of <b>insured machinery</b> .
<b>we</b>	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words 'us', 'our' or 'company' to describe NZI.</i>
<b>you</b>	The person(s) or entity named in the <b>schedule</b> as 'Insured'. <i>We may also use the word 'insured' to describe you.</i>

AG GUARD LIMITED AGLPF1.0  
NZ COMPANY NUMBER 8835948



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