

LiabilityOne

Policy wording



Welcome to NZI.

Thanks for selecting us as your insurer.
This is your Liability One policy wording.



Why NZI

NZI is one of New Zealand's largest and most well-known insurance brands. We're proudly backed by IAG (Insurance Australia Group) New Zealand. IAG is Australasia's largest general insurer. At IAG, our purpose is to make your world a safer place.



Get in touch

If you have any questions, or you would like more information on this insurance policy, please contact your broker.

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NZI Liability One

Introduction

About this policy

This NZI Liability One Policy consists of:

- (a) The following sections:
 - Section 1 – Broadform Liability
 - Section 2 – Statutory Liability
 - Section 3 – Employers Liability
 - Section 4 – Directors and Officers Liability
 - Section 5 – Crime
 - Section 6 – Consequential Loss
 - Section 7 – Prosecution Legal Expenses
 - Section 8 – Employment Disputes (optional)
 - Section 9 – Cyber Base (optional)

The **schedule** indicates which sections are included and which sections are excluded,

- (b) the **schedule**,
- (c) any endorsements or warranties that have been applied.

Defined words

If a word is shown in bold, it has a specific meaning. There is a list of these words, and what they mean under 'Definitions' in each Section of the policy.

Examples

We have used examples and comments to make parts of this policy document easier to understand. These examples and comments, which appear in italics, do not affect or limit the meaning of the section they refer to.

Headings

The headings in this policy document are for reference only and do not form part of it. They must not be used when interpreting the policy document.

Section 1 – Broadform Liability

Policy wording

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 information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What you are insured for

2.1 Public and product liability

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance**, caused by an **event** in connection with the **business**.

2.2 Defence costs

You are insured for all **defence costs** necessarily and reasonably incurred by **you** to defend any civil legal action that if proven, would be covered by this policy.

We will meet these costs even if the legal action seems groundless.

3. Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated. Some clauses have specified sub-limits and excesses and these will apply unless specifically stated otherwise in the **schedule**. All sub-limits are included in and are not in addition to the **sum insured**.

3.1 Advertising liability

You are insured for all sums that **you** become legally liable to pay for **advertising liability** that happens during the **period of insurance** caused by an **event** in connection with the **business**.

You are not insured for **advertising liability** in connection with:

- (a) an **event** that arose with **your** knowledge that it was illegal or false,
- (b) a breach of contract, other than misappropriation of an idea, concept or design contrary to an implied contract,
- (c) incorrect description of **products**, goods or services,
- (d) a mistake in the advertised price of **products**, goods or services,
- (e) an alleged failure of the **products**, goods or services to conform with advertised performance, quality, fitness or durability.

No cover is provided for any **advertising liability** where **your business** is that of advertising, broadcasting, publishing or telecasting.

Exclusion 5.6 – ‘Defamation’ does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$1,000,000. An excess of \$1,000 applies for each **event** under this Extension.

3.2 Business advice or service

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

- (a) advice, service, errors or omissions by **you** in connection with **your business**, provided that the advice or service is not charged for,
- (b) the rendering of or failure to render medical assistance by a person engaged or employed by **you** to provide first aid or other medical services at **your** premises.

Exclusion 5.4 – ‘Business advice/error or omission’ does not apply to this Extension.

3.3 Business travel to a non-territorial country

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

No cover is provided under this Extension:

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

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- (b) for liability in connection with any work performed in connection with the manufacture, assembly, **repair**, servicing, maintenance, amendment, alteration or enhancement of any product or property.
- (c) for liability in connection with the ownership, possession, control, maintenance or use of any **vehicle** or **watercraft**.

In respect of all **events** and claims for **injury** and/or **damage** to property occurring in the United States of America or Canada, (including those territories to which the legal jurisdiction of the United States of America or Canada applies), the **sum insured** specified in the **schedule** shall apply in the aggregate during the **annual period** and notwithstanding Section 6.1 B – ‘Defence costs’, cover for **defence costs** is included within the **sum insured** and not in addition to it.

Exclusions 5.13 – ‘Legal jurisdiction’ and 5.22 – ‘Territorial limits’ do not apply to this Extension.

3.4 Care, custody or control

You are insured for all sums that **you** become legally liable to pay for **damage** that happens during the **period of insurance** caused by an **event** in connection with **your business**, to property that is in **your** control or possession (and not owned by any person or entity defined under **you**, other than **employees**).

Exclusion 5.19 (b) – ‘Property in your care, custody or control’ does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$500,000.

An excess of \$1,000 applies for each **event** under this Extension.

3.5 Drones

You are insured for all sums that **you** become legally liable to pay for **injury** and/or **damage** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your** use or operation of a **drone** where such use or operation is in connection with **your business**. Provided that **you**:

- (a) do not hold, and are not required to hold, a Civil Aviation Authority Rules Part 102 unmanned aerial operations certificate, and
- (b) comply with all Civil Aviation Authority rules and regulations regarding the use of **drones**, and
- (c) comply with all central or local government laws or bylaws regarding the use of **drones**.

Exclusion 5.1 (a) – ‘Aircraft’ does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$1,000,000.

An excess of \$1,000 applies to each **event** under this Extension.

3.6 Goods lifted or carried by crane

You are insured for all sums that **you** become legally liable to pay for **damage** to property being lifted, lowered or conveyed by any crane operated by **you**, which happens during the **period of insurance** caused by an **event** in connection with **your business**, provided that **you** are not otherwise insured for **your** liability under any other policy.

However, no cover is provided for liability for:

- (a) **damage** in connection with dual or multi-lifts. For the purpose of this Extension a ‘dual lift’ is where two cranes are used for any one lift, ‘multi-lifts’ are where more than two cranes are used for any one lift,
- (b) **damage** to property being carried under a contract of carriage.

Exclusions 5.8 – ‘Faulty workmanship’, 5.19 (b) – ‘Property in your care, custody or control’ and 5.25 (a) – ‘Vehicles’ do not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$250,000.

An excess of \$2,500 applies to each **event** under this Extension.

3.7 Hot works away from your premises

You are insured for all sums **you** become legally liable to pay for **injury** and/or **damage** that happens during the **period of insurance**, caused by an **event** in connection with **your business**, where the **injury** and/or **damage** arises from **your** undertaking **hot work** away from **your** premises. Provided that:

- (a) the area of the **hot work** shall be cleared of combustible material for a safe distance from or beneath the area of **hot work**. A safe distance shall be no less than 10 (ten) metres from where the **hot work** is being carried out. Where such a distance cannot practically be cleared, combustible material will be covered with fireproof blankets or similar protective equipment. Any combustible parts of the premises will be similarly protected, and

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- (b) hose reels or fire extinguishers of a type and capacity suitable for the combustible material and the premises shall be kept adjacent to the area of **hot work** and be available for immediate use, and
- (c) **hot work** equipment will be lit, ignited or switched on for as short a time as possible before use and extinguished immediately after use and never left unattended whilst lit or ignited, and
- (d) a thorough examination of the area will be made for any signs of combustion immediately after completing the **hot work** and again an hour after ceasing the **hot work**, and
- (e) before applying any heat to metal built into or projecting through walls, floors or ceilings, an examination will be made to ensure that the other end of the metal is cleared of combustible material or such material is covered, and
- (f) any site specific **hot work** permit is complied with.

Exclusion 5.11 – ‘Hot work away from your premises’ does not apply to this Extension.

3.8 Innkeeper’s liability

You are insured for all sums that **you** become legally liable to pay under the Innkeepers Act 1962 for **damage** that happens during the **period of insurance** caused by an **event** in connection with **your business**.

Exclusion 5.19 (b) – ‘Property in your care, custody or control’ does not apply to this Extension.

3.9 Landlord’s liability

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

3.10 Lost or stolen keys

You are insured for the costs reasonably and necessarily incurred in altering or replacing locks, and their keys or combinations, if the keys or combinations are lost, stolen or believed on reasonable grounds to have been duplicated without proper authority, during the **period of insurance**, where the keys or combinations are in **your** possession in connection with **your business**. Provided that **you** do not own, hire, lease or rent the property to which the keys or locks relate.

Exclusion 5.19 (b) – ‘Property in your care, custody or control’ does not apply to this Extension.

3.11 Product withdrawal costs

You are insured for reasonable costs incurred, where it is necessary for **you** to withdraw or recall **your products**, provided that:

- (a) the defect(s) in the **product** which cause the withdrawal or recall, have already given rise to a claim covered by this policy, and
- (b) the cover is for the withdrawal or recall of **products** within New Zealand only.

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

Exclusion 5.18 – ‘Product recall’ does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$100,000 inclusive of **defence costs**.

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

3.12 Punitive or exemplary damages

You are insured for punitive or exemplary damages **you** are ordered to pay by a New Zealand Court for **injury** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business**.

You are not insured for:

- (a) punitive or exemplary damages connected with a dishonest or fraudulent act or omission by **you**, or
- (b) any liability arising from trespass to the person, assault, battery, false imprisonment, malicious prosecution, sexual harassment or sexual abuse.

Exclusion 5.9 (b) – ‘Fines and exemplary damages’ and General condition 7.3 D – ‘Reasonable care’ do not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$1,000,000.

3.13 Service/Repair – Machinery

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

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

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Exclusions 5.8 – ‘Faulty workmanship’, 5.19 (b) – ‘Property in your care, custody or control’, and 5.20 – ‘Reinstatement, repair or replacement of your products’ do not apply to this Extension. The most that **we** will pay under this Extension during the **annual period** is \$250,000. An excess of \$2,500 applies for each **event** under this Extension.

3.14 Service/Repair – Vehicle and Watercraft

You are insured for all sums that **you** become legally liable to pay for **injury** and/or **damage**, that happens in New Zealand during the **period of insurance** arising from an **event** in connection with **your business**:

- (a) arising from **your repair** of a:
 - (i) **vehicle**,
 - (ii) **watercraft** not exceeding ten metres in length,
 - (iii) an internal combustion engine, accessories or fittings for either (i) or (ii) above,
- (b) to a **vehicle** or **watercraft** not exceeding ten metres in length, that is in **your** care, custody or control for the purposes of **repair**, including while it is being driven or operated by **you**.

Provided that the **vehicle** or **watercraft** is not owned, hired, leased, or rented by **you**.

Exclusions 5.8 – ‘Faulty workmanship’, 5.19 (b) – ‘Property in your care, custody or control’, 5.20 – ‘Reinstatement, repair or replacement of your products’ and 5.25 (a) – ‘Vehicles’ do not apply to this Extension.

The most that **we** will pay for each **event** under this Extension for **damage** to the **vehicle** or **watercraft** being **repaired** is \$500,000. This sub-limit does not apply to any resultant damage to other property including other **vehicles** and **watercraft**.

An excess of \$1,000 applies for each **event** under this Extension.

3.15 Tenant’s liability

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

Exclusion 5.19 (b) – ‘Property in your care, custody or control’ does not apply to this Extension.

3.16 Underground services

You are insured for all sums that **you** become legally liable to pay for **damage** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business** to any existing:

- (a) underground cables,
- (b) underground pipes,
- (c) other underground facilities.

Provided that prior to commencement of the work that caused the **damage**, **you** have:

- (i) inquired with the appropriate authorities or owners to verify the existence of the cables, pipes or other underground facilities, or
- (ii) sighted a plan of their location if such a plan exists, or
- (iii) utilised a competent third party to confirm their location, and
- (iv) taken all reasonable precautions to prevent **damage**.

Exclusion 5.24 – ‘Underground services’ does not apply to this Extension.

An excess of \$2,500 applies to each **event** under this Extension.

3.17 Vehicles/mobile mechanical plant liability

You are insured for all sums that **you** become legally liable to pay for **injury** and/or **damage** that happens in New Zealand during the **period of insurance** caused by an **event** in connection with **your business** arising from:

- (a) loading or unloading or bringing to or removal of a load from a **vehicle**,
- (b) the use of any **vehicle** while it is operating as mobile mechanical plant or machinery at the time of the **injury** and/or **damage**, but not, while it is being driven as a **vehicle**,
- (c) **damage** to a **vehicle** (not belonging to **you** or used by or on **your** behalf) in **your** physical or legal control where such **damage** occurs while the **vehicle** is in a car park owned or operated by **you**,

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- (d) damage to a bridge, viaduct, culvert, weigh bridge or road beneath the **vehicle**, where the **damage** is caused by vibration or by the weight of the **vehicle** and/or its load, provided that any designated weight restrictions were not exceeded.

Exclusion 5.25 (a) – 'Vehicles' does not apply to this Extension. Exclusion 5.19 (b) – 'Property in your care, custody or control' does not apply to claims under part (c) of this Extension.

3.18 Vibration and removal of support

You are insured for all sums that **you** become legally liable to pay arising from **injury** and/or **damage** that happens during the **period of insurance** in New Zealand caused by an **event** in connection with **your business** arising from the:

- (a) vibration, or
- (b) removal of the support, or
- (c) weakening of the support, or
- (d) interference with the support, of land, buildings or structures.

Provided that the land, buildings or structures are not owned or occupied by **you**.

Exclusion 5.26 – 'Vibration and removal of support' does not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$500,000.

An excess of \$5,000 applies for each **event** under this Extension.

4. Optional extension

This Optional extension only applies if it is shown in the **schedule** and is subject to the policy terms. Cover under the Optional extension is included within the **sum insured** and not additional to it.

4.1 Property being worked on

You are insured for all sums that **you** become legally liable to pay for:

- (a) **damage** to property **you** are or have been working on, where the **damage** happens in New Zealand during the **period of insurance** as a result of an **event** in connection with the **business**. Provided that the property is not owned, hired, leased or rented by **you**.
- (b) **faulty products** where **your** product has caused **accidental** physical loss or destruction to other tangible property, where the accidental physical loss or destruction happens in New Zealand during the **period of insurance** caused by an **event** in connection with the **business**.

Provided that, **you** are not insured for liability:

- (a) in connection with any defect in any design, plan or specification,
- (b) in relation to property that is machinery, a **vehicle** or **watercraft**.

For the purposes of this Optional extension:

faulty products means the cost of repairing, correcting, removing, or replacement of the whole or part of **your product** which is faulty, defective, harmful or has failed to perform the function for which it was sold, supplied, manufactured or installed.

Exclusions 5.8 – 'Faulty workmanship', 5.19 (b) – 'Property in your care, custody or control' and 5.20 – 'Reinstatement, repair or replacement of your products' do not apply to this Extension.

The most **we** will pay under this Extension during the **annual period** is \$100,000.

An excess of \$1,000 applies for each **event** under this Extension.

5. Exclusions

5.1 Aircraft

You are not insured for liability in connection with:

- (a) **your** ownership, possession, control, service, **repair**, maintenance, operation, loading, unloading or use of an **aircraft**,
- (b) **products** that are knowingly incorporated in any **aircraft** or aerial device.

5.2 Asbestos

You are not insured for liability in connection with asbestos.

5.3 Building defects

You are not insured for liability in connection with a building or structure being affected by:

- (a) moisture or water build-up or the penetration of external moisture or water,
- (b) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms,
- (c) the failure of any building or structure:
 - (i) to comply with, or perform to, the requirements of any building code or standard,
 - (ii) to meet any standard of performance, quality, fitness or durability,
 - (iii) to be fit for its intended purpose.

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

5.4 Business advice/ error or omission

You are not insured for liability in connection with any error or omission in:

- (a) service or advice given by **you**,
- (b) medical advice or medical treatment provided by **you**.

5.5 Contractual liability

You are not insured for liability that **you** have agreed to assume under a contract, unless:

- (a) **you** would otherwise have been legally liable in the absence of that contract,
- (b) **you** have advised **us** of the contract and it is shown in the **schedule** as being accepted,
- (c) it is liability assumed by **you** under a warranty of fitness or quality in respect of **your products**, but subject always to Exclusions 5.8 – ‘Faulty workmanship’ and 5.14 – ‘Loss of use’,
- (d) it is liability assumed by **you** under any lease or hire of real or personal property.

5.6 Defamation

You are not insured for liability in connection with libel or slander, being the publication or utterance of any defamatory or disparaging material.

5.7 Employer’s liability

You are not insured for liability in connection with:

- (a) **your** capacity or obligations as an employer,
- (b) **injury** to an **employee** that arises out of, and in the course of, **your** employment of any person.

5.8 Faulty workmanship

You are not insured for liability for the cost of performing, completing, **repairing**, rectifying, correcting or improving any work undertaken by **you** or on **your** behalf.

This exclusion does not apply to liability for resultant damage to other property.

5.9 Fines and exemplary damages

You are not insured for liability for:

- (a) any fine or penalty imposed on **you** (whether under contract or statute),
- (b) any punitive or exemplary damages awarded against **you**.

5.10 Genetically modified organisms

You are not insured for liability in connection with genetically modified engineered organisms or material, transgenic seeds or any other products of a similar nature.

5.11 Hot work away from your premises

You are not insured for liability in connection with **hot work** carried out away from **your** own premises.

5.12 Information technology hazards

You are not insured for liability in connection with any of the following:

- (a) use of electronic mail systems by **you** (including by **your employees**), including part-time and temporary staff, and others within **your** organisation,
- (b) access through **your** network to the world wide web or a public internet site by **you** (including by **your employees**), including part-time and temporary staff, and others within **your** organisation,

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- (c) access to **your** intranet (meaning internal company information and computer resources) which is made available through the world wide web for **your** customers or others outside **your** organisation,
- (d) the operation and maintenance of **your** web site.

For the avoidance of doubt nothing in this exclusion shall be construed to extend coverage to any liability which would not have been covered in the absence of this exclusion.

5.13 Legal jurisdiction

You are not insured for liability in connection with:

- (a) any legal action brought in a court or tribunal in a **non-territorial country**,
- (b) any legal action brought in a court or tribunal within New Zealand to enforce a judgement handed down in a court or tribunal in a **non-territorial country** whether by way of a reciprocal agreement or otherwise,
- (c) any legal action to which the proper law to be applied is that of a **non-territorial country**,
- (d) liability under the law of any country, state or territory (outside of New Zealand) that requires such liability to be insured or secured with an insurer or organisation in that country, state or territory.

5.14 Loss of use

You are not insured for liability in connection with the loss of use of tangible property that has not suffered physical loss or physical damage, where that loss of use is caused by:

- (a) **your** delay in performing a contract,
- (b) the failure of **your products** to meet a level of performance, quality, fitness or durability expressly represented by **you**.

5.15 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 radioactive materials,
- (c) the use, handling or transportation of any weapon of war, explosive device employing nuclear fission or fusion.

5.16 Offshore oil or gas platforms

You are not insured for liability in connection with any offshore gas or oil platforms.

5.17 Pollution

You are not insured for liability in connection with pollution.

'Pollution' means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

However, this Exclusion shall not apply if the discharge, dispersal, release or escape of pollutants is caused by a sudden, identifiable and **accidental** occurrence that takes place in its entirety at a specific time and place.

Provided that, the Exclusion stands and there is no cover under this policy for liability in connection with pollution that occurs in the United States of America or Canada, including those territories to which the legal jurisdiction of the United States of America or Canada extends or applies.

5.18 Product recall

You are not insured for liability in connection with the recall, withdrawal, **repair**, inspection, replacement, modification or loss of use of **your products**, or any property that **your products** form a part of, if such **products** or property are withdrawn from the market or from use because of any known or suspected defect in them or because of any Government or statutory ban, order or notice.

5.19 Property in your care, custody or control

You are not insured for liability for **damage** to:

- (a) property owned by **you**,
- (b) property in **your** control or possession.

5.20 Reinstatement, repair or replacement of your products

You are not insured for liability for **damage** to **your product** arising out of such **product** or any part of such **product**.

5.21 Sanctions

You are not insured for liability to the extent it would expose **us** to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.

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5.22 Territorial limits

There is no cover for liability in connection with:

- (a) an **event** that occurs outside the **territorial limits**,
- (b) claims made upon **you** outside the **territorial limits**,
- (c) claims that arise out of any contract entered into by **you** under the terms of which the work is to be performed outside the **territorial limits**.

However, this Exclusion does not apply to liability in connection with **your products** that have been exported to a **non-territorial country** without **your** knowledge.

5.23 Terrorism

You are not insured for liability in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

5.24 Underground services

You are not insured for liability in connection with any:

- (a) underground cables,
- (b) underground pipes,
- (c) other underground facilities.

5.25 Vehicles

You are not insured for liability in connection with:

- (a) **your** ownership, possession, **repair** or use of any **vehicle**,
- (b) the use or driving of any **vehicle** when **you**:
 - (i) do not hold an appropriate driver's licence or do not comply with the conditions of **your** driver's licence,
 - (ii) have a proportion of alcohol in **your** breath or blood that exceeds the legal limit,
 - (iii) are under the influence of any other intoxicating substance or drug,
 - (iv) fail or refuse to supply a breath or blood sample as required by law,
 - (v) fail or refuse to stop, or remain at the scene, following an accident (as required by law),
 - (vi) are using the **vehicle** outside the manufacturer's recommended specifications,
- (c) the use or driving of any **vehicle** that is in an unsafe condition if:
 - (i) the condition of the **vehicle** causes or contributes to, the **injury** and/or **damage**, and
 - (ii) **you** were, or ought to have been aware of the unsafe condition of the **vehicle**.

5.26 Vibration and removal of support

You are not insured for liability in connection with:

- (a) vibration,
 - (b) removal of the support,
 - (c) weakening of the support,
 - (d) interference with the support,
- of land, buildings or structures.

5.27 War

You are not insured for liability in connection with controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

5.28 Watercraft

You are not insured for liability in connection with:

- (a) **your** ownership, possession, **repair** or use of any **watercraft** that exceeds ten metres in length,
- (b) the operation of any **watercraft**:
 - (i) while **you** are under the influence of alcohol or any other intoxicating substance or drug,
 - (ii) outside the manufacturer's recommended specifications.

6. Basis of settlement

6.1 Maximum amount payable

A. Legal liability

The most **we** will pay for **your** legal liability for each **event** is:

- (a) the **sum insured** shown in the **schedule**, or
- (b) where one or more Extensions apply, the limit for the Extension/s, whichever is lesser.

However, whenever **your** legal liability arises in connection with **your products**, the most **we** will pay for all **events**, in the aggregate, during the **annual period**, is the **sum insured** shown in the **schedule**.

B. Defence costs

We will pay all **defence costs** covered under Section 2.2 – ‘Defence costs’ in addition to Section 2.1 – ‘Public and product liability’.

6.2 Excess

An excess of \$500 applies for each **event**, unless a different amount is shown in an Extension or in the **schedule**.

For avoidance of any doubt, if **you** are entitled to cover under more than one Extension, then **we** will only deduct one excess. That excess will be the highest excess.

7. General conditions

7.1 How we administer this policy

A. Assignment

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

B. Cancellation

By you

You may cancel this policy at any time by notifying **us**. 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, your** broker or agent, notice in writing or by electronic means, at **your, your** broker's or agent'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**.

C. Change of terms

We may change the terms of this policy (including the excess) by giving **you, your** broker or agent, notice in writing or by electronic means, at **your, your** broker's or agent's, last known address.

Unless otherwise specified in the notice the change in terms will take effect from 4pm on the 30th day after the date of the notice.

D. Currency

Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.

E. GST

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

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

Section 1 – Broadform Liability / Policy wording

F. 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 the liability or loss is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

G. Premium payment options

If **you** choose to pay the premium other than annually, then:

- (a) **you** must use the Deduction Authority **we** require, and
- (b) this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

This policy will be renewed for further monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

H. Premium adjustments

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

Within three months of the expiry of an **annual period**, you must tell **us** what the actual figures are.

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

The difference between the actual and the 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.

I. Separate insurance (cross liability)

Where the 'Insured' 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.

7.2 Laws and Acts that govern this policy

A. Disputes about this policy

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

B. Legislation changes

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

C. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Act 1977 and Insurance Law Reform Act 1985.

7.3 Your obligations

A. Comply with the policy

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times.

B. Breach of any condition

If:

- (a) **you**,
- (b) any other person or entity **we** cover under this policy,
- (c) anyone acting on **your** behalf,

breaches any of the terms and/or conditions of this policy, **we** may:

- (i) decline **your** claim either in whole or in part, and/or
- (ii) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist.

Section 1 – Broadform Liability / Policy wording

C. True statements and answers

True statements and answers must be given, whether by **you** or any other person, when **you**:

- (a) apply for this insurance, and/or
- (b) notify **us** regarding any change in circumstances, and/or
- (c) make any claim under this policy, and communicate with **us** or provide any further information regarding the claim.

D. 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.

E. Change in circumstances

You must tell **us** immediately if there is a material:

- (a) increase in the risk insured,
- (b) alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or the terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

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

For avoidance of any doubt, information is 'material' where we would have made different decisions about either:

- (i) accepting your insurance, or*
- (ii) setting the terms of your insurance,*

if we had known that information. If in any doubt, notify us anyway.

8. Managing your claim

8.1 Your obligations

A. 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.

B. Advise us

If **you** become aware of any **event** that is likely to give rise to a claim under this policy regardless of the anticipated quantum, **you** must contact **us** immediately.

C. Minimise the loss

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

D. Notify the Police

You must immediately notify the Police if **you** suspect criminal activity has occurred.

E. Provide full information

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

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

You must:

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

Section 1 – Broadform Liability / Policy wording

F. Dishonesty

If **your** claim is dishonest or fraudulent in any way, **we** may:

- (a) decline **your** claim either in whole or in part, and/or
- (b) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

G. 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.

H. What you must obtain our agreement to do

You must obtain **our** agreement before **you**:

- (a) incur any expenses in connection with any claim under this policy,
- (b) negotiate, pay, settle, admit or deny any claim against **you**,
- (c) do anything that may prejudice **our** rights of recovery.

8.2 Managing your claim

A. Allocation of defence costs

If a claim is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the **defence costs** for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the **defence costs** then that allocation shall be decided by a lawyer that **we** and **you** agree to instruct, whose determination shall 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.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

B. Apportionment

If **we** pay costs and/or expenses in excess of the maximum amount payable, then:

- (a) **you** must refund to **us** all amounts in excess of the maximum amount payable,
- (b) **we** can offset that payment against what **we** must pay to **you** under this policy.

C. Your Defence

If the lawyer appointed to defend **you** advises that the claim should not be defended, then **we** are not required to defend a claim against **you** unless a second lawyer that **we** and **you** agree to instruct, advises that the claim should be defended.

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 his or her advice, the lawyer must be instructed to consider the:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the claim.

The cost of the second lawyer's opinion is to be taken as part of the **defence costs** covered under this policy.

If the second lawyer advises that the claim should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the second lawyer's opinion, and in the light of the matters they are required to consider), then:

- (i) **you** cannot object to the settlement, and
- (ii) **you** must immediately pay the excess shown in the **schedule**.

D. 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.

Section 1 – Broadform Liability / Policy wording

E. Defence of liability claims

After **you** have made a claim under this policy, subject to Section 8.2 C – ‘Your defence’, **we** have the sole right (which shall be a precedent to **your** right to be covered) to:

- (a) act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and
- (b) defend or legally represent **you**, and
- (c) publish a retraction or apology (in the case of defamation proceedings).

We may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

F. Discharge of liability claims

We may elect at any time to pay **you**:

- (a) the maximum amount payable under the policy,
- (b) any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (including any **defence costs** already incurred up to **our** date of election), **our** responsibility to **you** under the policy is met in full.

G. Waiver of professional privilege

The lawyers **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**. **You** authorise the lawyers to disclose this information to **us**.

9. 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 .
act of terrorism	Any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: (a) involves violence against one or more persons, (b) involves damage to property, (c) endangers life other than that of the person committing the action, (d) creates a risk to health or safety of the public or a section of the public, (e) is designed to interfere with or disrupt an electronic system.
advertising liability	Means accidental : (a) defamation, (b) infringement of copyright or passing off of a title or slogan, (c) unfair competition, or idea, concept or design misappropriation, contrary to an implied contract, (d) invasion of privacy, in connection with any advertisement, publicity, article, broadcast, telecast or communication to the public made in connection with advertising activities by you or on your behalf.
aircraft	Any vessel, craft or thing including a drone made or intended to fly or move in or through the atmosphere or space.
annual period	The period of insurance . However, if you pay the premium monthly or quarterly, the annual period is the current 12 month period calculated consecutively from the date this policy first started.
application	Means the information provided to us by you , or on your behalf, when you purchased this insurance or requested a quotation for this insurance from us .

Section 1 – Broadform Liability / Policy wording

business	The business described in the schedule including any change in the activities undertaken by you provided that you have given us prior written notice of such activities and you have received confirmation of coverage of those activities from us .
damage	Any of the following: (a) accidental physical loss or accidental physical damage to any tangible property, including its subsequent loss of use, (b) accidental loss of use of any tangible property that has not suffered physical loss or physical damage provided such loss of use arises out of physical damage to, or destruction or loss of other tangible property.
defence costs	Legal costs and expenses including disbursements, witnesses' costs, assessors' or adjusters' costs or experts' costs that relate directly to the investigation, defence, compromise or handling of any claim, incurred by us , or by you with our prior written consent. For the avoidance of doubt, defence costs do not include any costs of your time including any time spent in assisting us or our appointed solicitors with the conduct of any claim.
drone	Means a remotely piloted aircraft system (RPAS), Unmanned Aerial Vehicle (UAV), Unmanned Aircraft System (UAS), Remotely Piloted Vehicle (RPV), or model aircraft, and that: (a) is not used to carry or deliver cargo or equipment of any nature, other than carrying camera, GPS, or audio equipment, and (b) does not exceed a gross take-off weight of 5kg, and (c) is operated by you from a ground based controller, and (d) is not powered by an internal combustion engine.
employee	Any person who is employed by you in connection with your business and in respect of whose remuneration you deduct PAYE tax at source.
event	Any one event (including continuous or repeated exposure to conditions or liability) or series of events arising from one source or original cause.
hot work	Any work involving; (a) the application of heat, a naked flame or an open heat source, or work that produces sparks, (b) the use of gas, welding, arc welding, oxyacetylene welding equipment including cutting with such equipment, (c) cutting involving the use of rotary disc or grinding equipment, soldering, brazing or use of heat guns.
injury	Any of the following: (a) the accidental death of, or the accidental bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury, (b) false arrest, false imprisonment, malicious prosecution or malicious humiliation, (c) wrongful entry or eviction, or any other invasion of the right of private occupancy, (d) battery or assault, provided that: (i) it is not committed by you , or (ii) it is not committed under your direction, unless it is committed to prevent or eliminate danger to persons or property.
non-territorial country	Any country that is outside the territorial limits .
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
products	Anything (after it has ceased to be in your possession or under your control) manufactured, constructed, erected, assembled, installed, applied, repaired , serviced, grown, treated, sold, supplied or distributed by you , including any packaging or container (other than a vehicle).
repair	Repair, alter, renovate, service or install.
schedule	The latest version of the schedule we issue to you for this policy.

Section 1 – Broadform Liability / Policy wording

sum insured	The amount shown in the schedule .
territorial limits	New Zealand and any additional countries or territories that are specified in the schedule .
vehicle	Any: (a) motor vehicle, (b) machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, (c) anything, other than a watercraft, designed to be towed by either (a) or (b) above and includes its accessories, tools, specialised equipment and spare parts.
watercraft	Any vessel, hovercraft, craft or thing made or intended to float on or in or travel on or through the water.
you	Any person or entity named in the schedule as 'Insured'. This includes any of the following: (a) any existing subsidiary company of that entity provided they are incorporated in New Zealand, (b) any other organisation: (i) where the named Insured exercises more than 50% management control, and (ii) over which the named Insured is exercising active management, and (iii) that is incorporated or based in New Zealand, (c) any director, executive officer, employee or partner of: (i) that person or entity, or (ii) any entity referred to in (a) and (b) above, but only while acting in that capacity, (d) any office bearer or member of a social or sporting club, welfare organisation or an employee superannuation fund formed with the consent of an entity referred to in (a), (b) or (c), but only in respect of claims arising from duties connected with activities of such club or organisation, (e) any new organisation that the person or entity acquires through consolidation, merger, purchase of the assets, or assumption of control and active management, provided that: (i) the new organisation is acquired during the period of insurance, and (ii) the acquisition is notified to us within 90 days after it takes effect, and (iii) they are incorporated or based in New Zealand. (f) any principal who is party to a contract with: (i) the person or entity named in the schedule, or (ii) any entity referred to in (a) and (b) above, but only for the principal's liability that arises out of that persons or entity's actions under that contract, (g) any contractor or sub-contractor but only while they are engaged and working in New Zealand for and on behalf of the person or entity named in the schedule or any entity referred to in (a) and (b) above, provided that they are not otherwise insured. General Condition 7.1 I – 'Separate Insurance (Cross Liability)' does not apply in respect of such contractors or sub-contractors. We may also use the word 'Insured' to describe you.
we	NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.

Section 2 – Statutory Liability

Claims made policy wording

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 information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What you are insured for

2.1 Statutory liability

You are insured for any **fine** that a New Zealand court or tribunal imposes on **you** arising out of an **event** that occurs in New Zealand in connection with the **business**, provided that **you** first knew, or ought to have known, of the **prosecution** in relation to that **event**, during the **period of insurance**, and **you** have advised **us** of the **prosecution** as soon as possible, but no later than 30 days after the **period of insurance** ends.

2.2 Defence costs

You are insured for **defence costs** necessarily and reasonably incurred by **you** with **our** prior written consent, to defend a:

1. **prosecution** that if proven, could result in a **fine** insured under this policy,
2. **proceeding** that if proven could result in **statutory damages** insured under this policy,
3. **prosecution** under the Health and Safety at Work Act 2015.

3. Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated. The amounts payable under all Automatic policy extensions are included within the **sum insured** and are not in addition to it.

3.1 Defence costs if acquitted

We shall reimburse **your** reasonable **defence costs** incurred to defend a **proceeding** or **prosecution** where it is alleged that **you** acted, or omitted to act, knowingly, wilfully or intentionally if **you** are subsequently acquitted.

For the purposes of this Automatic extension “acquitted” means the dismissal of charges before or after a defended hearing, or the entry of a not guilty verdict. “Acquitted” does not include the disposition of a charge pursuant to a plea bargain where multiple charges or informations have been laid.

3.2 Enforceable undertakings

You are insured for:

- (a) any amount **we** agree to pay as part of an enforceable undertaking under the Health and Safety at Work Act 2015 in respect of a **prosecution** arising out of an **event** in connection with the **business**.
- (b) **defence costs** necessarily and reasonably incurred by **you** with **our** written consent.

Provided that:

- (i) the **prosecution** could result in an order for **reparation** if **you** were convicted, and
- (ii) the amount **we** pay is no greater than the amount **we** would expect to pay as **reparation** had **you** been convicted.

You are not insured for:

- (a) any amounts in respect of an undertaking or agreement **you** make without **our** prior written consent, or
- (b) any costs in connection with compliance, training or remedial actions, or
- (c) any costs of compliance monitoring activities or meeting any non-financial terms of the enforceable undertaking, or
- (d) any amount payable to any party other than a person who would be a victim under the definition of “victim (a)” under the Sentencing Act 2002 had the **event** resulted in a conviction (or their estate in the event of death), or
- (e) any amount, **finances**, **defence costs** or **reparation** that may result from **your** failure to comply with or contravention of any of the terms of the enforceable undertaking.

Section 2 – Statutory Liability / Claims made policy wording

The amount **we** agree to pay as part of an enforceable undertaking is included in the **sum insured** under 5.1 – ‘Maximum amount payable A. Liability’

3.3 Extended reporting period

If **we** elect to cancel or refuse to offer a renewal of this policy, then **you** may pay **us** an additional premium (being 90% of the last premium), to extend **your** cover under this policy for another 12 months.

However, this will only cover **you** for **events** or acts or omissions that happened before the expiry of the effective date of such cancellation or non-renewal.

This right of extension will lapse unless written notice of such election, together with payment of the additional premium due, is given to **us** 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.

3.4 Mergers and consolidations

If the company named as Insured in the **schedule**:

- (a) is merged, amalgamated, or consolidated with or becomes a subsidiary company of another company,
- (b) sells all or substantially all of its assets to another company, this policy will be extended to insure the new company, provided that:
 - (i) the operations and activities of the merged, amalgamated or consolidated company are the same as those undertaken by **you** as described in the **schedule**, and
 - (ii) **you** give **us** notice that **you** wish to extend cover within 30 days of the merger, amalgamation, consolidation or sale, and
 - (iii) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.

There is no cover for any **proceeding** or **prosecution** in connection with any **event** that has occurred prior to the date of the merger, amalgamation or consolidation.

3.5 New subsidiary companies

This policy is extended to insure a subsidiary company created or acquired by **you** during the **period of insurance**, provided that:

- (a) the operations and activities of the new subsidiary company are the same as those undertaken by **you** as described in the **schedule**, and
- (b) **you** give **us** notice that **you** wish to extend cover within 30 days of the acquisition or creation of the new subsidiary company, and
- (c) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.

We will only cover **events** or acts or omissions that happen after the acquisition.

3.6 Official investigations cover

You are insured for **defence costs** necessarily and reasonably incurred by **you** in connection with an **official investigation** involving **you**, provided that:

- (a) the investigation arises out of:
 - (i) an **event**, or potential **event** in New Zealand in connection with the **business**, or
 - (ii) an act or omission in New Zealand in connection with the **business** that may result in **you** being liable to pay **statutory damages**, and
- (b) **you** first knew, or ought to have known, of the **prosecution** in relation to that **event** or the **proceeding** in relation to **your** act or omission during the **period of insurance**, and
- (c) **you** have advised **us** of the **prosecution** or **proceeding** as soon as possible, but no later than 30 days after the **period of insurance** ends.

3.7 Previous subsidiary companies

The definition of **you** is extended to include any entity that ceased to be **your** subsidiary company before or during the **period of insurance**, but **we** will not indemnify any such previous subsidiary for any **claim** arising out of an **event** occurring after it ceased to be **your** subsidiary.

3.8 Statutory damages/ reparations

You are insured for **your** legal liability to pay **statutory damages** or **reparations** that **you** become liable to pay arising out of **your** act or omission in New Zealand in connection with the **business**.

Exclusion 4.16 – ‘Punitive or exemplary damages’ does not apply to claims under this Automatic extension.

4. Exclusions

4.1 Asbestos	You are not insured for liability in connection with asbestos.
4.2 Commerce Act	You are not insured for any liability in connection with a breach of the Commerce Act 1986. However this exclusion does not apply to any individual person(s) covered under this policy.
4.3 Compliance costs	You are not insured for any liability in connection with: (a) any costs incurred in complying with any abatement, compliance, enforcement or remedial notice or order, (b) failing to comply with any abatement, compliance, enforcement or remedial notice or order.
4.4 Continuing offences	If any fine, reparation or statutory damages is imposed for a continuing offence under an Act , you are not insured for the part of the fine, reparation or statutory damages that relates to any period after you : (a) knew an offence was being committed, (b) ought to have known that an offence was being committed.
4.5 Dishonesty or fraud	You are not insured for liability in connection with any: (a) wilful breach of duty or wilful breach of an Act, (b) dishonest, fraudulent or malicious act or omission, (c) act or omission committed with criminal intent, (d) unlawful profit or advantage, (e) insider trading.
4.6 Excluded Acts	There is no cover for any liability under the following Acts : (a) Arms Act 1983 (b) Aviation Crimes Act 1972 (c) Crimes Act 1961 (d) Land Transport Act 1998 (e) Misuse of Drugs Act 1975 (f) Proceeds of Crime Act 1991 (g) Summary Offences Act 1981 and any other Act specified in the schedule as an excluded Act .
4.7 Health and Safety at Work Act	You are not insured for any fine under the Health and Safety at Work Act 2015.
4.8 Infringement fees	You are not insured for any infringement fees of any kind.
4.9 Intentional or reckless breach	You are not insured if you intentionally or recklessly disregard the provisions of an Act .
4.10 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 inception of this policy.
4.11 Legal jurisdiction	You are not insured for liability in connection with: (a) proceedings or a prosecution first brought in a court or tribunal outside New Zealand, (b) proceedings or a prosecution 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.
4.12 Monetary amounts paid or offered before sentence	You are not insured for any sum paid, or offered to be paid, by you prior to sentencing by the court where the sum is paid or offer made without our prior written consent.
4.13 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 radioactive materials, (c) the use, handling or transportation of any weapon of war, explosive device employing nuclear fission or fusion.

Section 2 – Statutory Liability / Claims made policy wording

4.14 Personal grievances	You are not insured for liability arising out of any contract of employment or service or any intended contract of employment or service, including any personal grievance or similar action by an employee .
4.15 Private prosecutions	You are not insured for any investigation, defence, proceeding, inquiry, or prosecution taken by a person or entity other than the statutory authority or enforcement agency given responsibility for administering enforcement of an Act .
4.16 Punitive or exemplary damages	You are not insured for any damages, including punitive, aggravated, liquidated or exemplary damages imposed by a court for the breach of any Act .
4.17 Retroactive date	You are not insured for any claim of any type in connection with an event that occurred prior to the retroactive date .
4.18 Sanctions	You are not insured for liability to the extent it would expose us to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.
4.19 Taxes	You are not insured for any event or act or omission in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other kind of revenue under an Act .
4.20 Terrorism	You are not insured for any claim of any type in connection with an act of terrorism , including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism .
4.21 War	You are not insured for any claim of any type in connection with controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

5. Basis of settlement

5.1 Maximum amount payable	A. Liability The most we will pay in total for all fines, reparations, or statutory damages in the aggregate during the annual period is the sum insured. B. Defence Costs The most we will pay in total for all defence costs incurred during the annual period is the sum insured. C. Separate Limits For the avoidance of doubt, the limits under 5.1 A – ‘Liability’ and 5.1 B – ‘Defence costs’ are separate. This means the sum insured available under 5.1 A – ‘Liability’ cannot be used to meet defence costs, and the sum insured under 5.1 B – ‘Defence costs’ cannot be used to meet liability for fines, reparations or statutory damages.
5.2 Excess	The excess shown in the schedule will be deducted from the amount we pay for fines, reparations, statutory damages or defence costs. If a claim arises from separate events, acts or omissions then an excess will apply to each event, act or omission. We will deduct only one excess for a series of related events, acts or omissions arising from one source or cause, the highest excess will apply.

6. General conditions

6.1 How we administer this policy

A. Assignment

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

B. Cancellation

By you

You may cancel this policy at any time by notifying **us**. 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 used portion of the **period of insurance**.

By us

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

C. Change of terms

We may change the terms of this policy (including the excess) by giving **you, your** broker or agent notice in writing or by electronic means at **your, your** broker's or agent's last known address. Unless otherwise specified in this policy the change in terms will take effect from 4pm on the 30th day after the date of the notice.

D. Currency

Any amounts shown in this policy are in New Zealand dollars, unless otherwise specified in the **schedule**.

E. GST

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

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

F. 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.

G. Premium payment options

If **you** choose to pay the premium other than annually, then:

- (a) **you** must use the Deduction Authority **we** require, and
- (b) this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

This policy will be renewed for further monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

H. Premium adjustments

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

Within three months of the expiry of an **annual period**, you must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the 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.

I. Separate insurance (cross liability)

Where the 'Insured' consists of more than one legal entity, then all parties are insured separately (as though a separate policy has been issued to each person/entity). However, this does not increase the amount of cover available under this policy.

Section 2 – Statutory Liability / Claims made policy wording

6.2 Laws and acts that govern this policy

A. Disputes about this policy

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

B. Legislation changes

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

C. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to your rights under the Insurance Law Reform Act 1977 and Insurance Law Reform Act 1985.

6.3 Your obligations

A. Comply with the policy

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times.

B. Breach of any condition

If:

- (a) **you**,
- (b) any other person or entity **we** cover under this policy,
- (c) anyone acting on **your** behalf,

breaches any of the terms and/or conditions of this policy, **we** may:

- (i) decline **your** claim either in whole or in part, and/or
- (ii) declare either this policy or all insurance **you** have with us to be of no effect and to no longer exist.

C. True statements and answers

True statements and answers must be given, whether by **you** or any other person, when **you**:

- (a) apply for this insurance, and/or
- (b) notify **us** regarding any change in circumstances, and/or
- (c) make any claim under this policy, and communicate with **us** or provide any further information regarding the claim.

D. 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.

E. Change in circumstances

You must tell **us** immediately if there is a material:

- (a) increase in the risk insured,
- (b) alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

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

For avoidance of any doubt, information is 'material' where we would have made different decisions about either:

- (i) *accepting your insurance,*
- (ii) *setting the terms of your insurance,*

if we had known that information. If in any doubt, notify us anyway.

F. Confidentiality

You must not:

- (a) reveal that **you** hold this policy,
- (b) disclose the terms of this policy.

You may only give this information if:

- (i) **we** agree in writing,
- (ii) **you** are bound to give the information by law.

7. Managing your claim

7.1 Your obligations

A. 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.

B. Advise us

If **you** become aware of any **event** that is likely to give rise to a claim under this policy, **you** must contact **us** immediately.

C. Minimise the loss

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

D. Notify the Police

You must immediately notify the Police if **you** suspect criminal activity has occurred.

E. Provide full information

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

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

You must:

- (i) give **us** free access to examine and assess the claim, and
- (ii) send any relevant correspondence or documents to **us**, and
- (iii) complete a claim form and/or statutory declaration to confirm the claim if **we** request it, and
- (iv) provide any other information, proof of ownership or assistance that **we** may require at any time.

F. Dishonesty

If **your** claim is dishonest or fraudulent in any way, **we** may:

- (a) decline **your** claim either in whole or in part, and/or
- (b) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

G. 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.

H. What you must obtain our agreement to do

You must obtain **our** agreement before **you**:

- (a) incur any expenses in connection with any claim under this policy, or
- (b) negotiate, pay, settle, admit or deny any claim against **you**, or
- (c) do anything that may prejudice **our** rights of recovery.

7.2 Managing your claim

A. Allocation of defence costs

If a claim is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the **defence costs** for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the **defence costs** then that allocation shall be referred to a lawyer that **we** and **you** agree to instruct, whose determination shall be binding upon all parties.

The cost of the lawyer's determination is to be taken as part of the **defence costs** covered under Section 2.2 – 'Defence costs'.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

Section 2 – Statutory Liability / Claims made policy wording

B. Apportionment

If **we** pay **defence costs** in excess of the maximum amount payable under Section 5.1 B – ‘Defence costs’, then **you** must refund to **us** all amounts in excess of the maximum amount payable.

C. Your defence

If the lawyer appointed to defend **you** advises that the **proceeding** or **prosecution** should not be defended, then **we** are not required to defend the **proceeding** or **prosecution** unless a second lawyer that **we** and **you** agree to instruct, advises that it should be defended.

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:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the **proceeding** or **prosecution**.

The cost of the second lawyer’s opinion is to be taken as part of the **defence costs** covered under this policy.

If the second lawyer advises that the **proceeding** or **prosecution** should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the second lawyer’s opinion, and in the light of the matters they are required to consider), then:

- (a) **you** cannot object to the settlement, and
- (b) **you** must immediately pay the excess shown in the **schedule**.

D. Defence of prosecutions

After **you** have made a claim under this policy, subject to Section 7.2 C – ‘Your defence’, **we** have the sole right (which shall be a precedent to **your** right to be covered) to act in **your** name and on **your** behalf to defend, negotiate or settle the **proceeding** or **prosecution** as **we** see fit (this will be done at **our** expense).

We may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

E. Discharge of prosecutions

We may elect at any time to pay:

- (a) the maximum amount payable under Section 5.1 A – ‘Liability’, or
- (b) any lesser sum that the claim against **you** can be settled for.

Once **we** have paid this (including any defence costs already incurred up to **our** date of election) **our** responsibility to **you** under the policy is met in full.

F. Waiver of professional privilege

The lawyers **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**.

You authorise the lawyers to disclose this information to **us**.

8. 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 .
Act	Any Act of the New Zealand Parliament and any statutory regulations that the Government makes under such Acts.
act of terrorism	Includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which: (a) involves violence against one or more persons, (b) involves damage to property, (c) endangers life other than that of the person committing the action, (d) creates a risk to health or safety of the public or a section of the public, (e) is designed to interfere with or to disrupt an electronic system.
annual period	The period of insurance . However, if you pay the premium monthly or quarterly, the annual period is the current 12 month period calculated consecutively from the date this policy first started.
application	The information provided to us by you , or on your behalf, when you purchased this insurance or requested a quotation for this insurance from us .
business	The business described in the schedule .
defence costs	Legal costs and expense including disbursements, witnesses' costs, assessors' or adjusters' costs or experts' costs that relate directly to the investigation, defence, compromise or handling of any claim, incurred by us , or by you with our prior written consent. For the avoidance of doubt, 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.
employee	Any person who is employed by you in connection with your business and in respect of whose remuneration you deduct PAYE tax at source.
event	Your accidental commission of an offence under an Act .
fine	The amount of money you are sentenced to pay as a fine (including court costs). This does not include compliance or remedial costs.
official investigation	An investigation: (a) by a body empowered under an Act to investigate, and (b) relating to a breach or potential breach of an Act .
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
proceeding	Whichever of the following that occurs first: (a) receipt by you of an official complaint of a breach (or potential breach) of either the Privacy Act 1993 or the Human Rights Act 1993, or (b) service upon you of a civil proceeding alleging a breach (or potential breach) of either the Privacy Act 1993 or the Human Rights Act 1993, or (c) a circumstance that you become aware of, that is likely to lead to either (a) or (b) above.
prosecution	Whichever of the following that occurs first: (a) receipt by you of an official complaint of a breach (or potential breach) of an Act , or (b) service upon you of a prosecution (or notice of intended prosecution) under an Act , or (c) a circumstance that you become aware of, that is likely to lead to either (a) or (b).
reparation	The amount of money you are ordered to pay as reparation under Section 32 of the Sentencing Act 2002.

Section 2 – Statutory Liability / Claims made policy wording

retroactive date	The retroactive date shown in the schedule .
schedule	The latest version of the schedule we issue to you for this policy.
statutory damages	Damages recoverable under either the Privacy Act 1993 or the Human Rights Act 1993 for an accidental breach of the applicable Act .
sum insured	The amount shown in the schedule .
we	NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.
you	Any person or entity named in the schedule as 'Insured'. If the entity is a company then it includes: (a) any subsidiary company, and (b) any director, officer, partner or employee of the entity or its subsidiaries, but only while they are acting in that capacity.

Section 3 – Employers Liability

Claims made policy wording

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 information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What you are insured for

2.1 Liability

You are insured for all sums that **you** become legally liable to pay (including punitive or exemplary damages) arising from an **employee** sustaining **injury**, provided that:

- (a) the **injury** is sustained:
 - (i) in New Zealand, and
 - (ii) after the **retroactive date** of this policy, and
 - (iii) in connection with the **business**, and
- (b) **you** first become aware of the **claim** during the **period of insurance**, and
- (c) **you** have advised **us** of the **claim** as soon as possible, but no later than 30 days after the **period of insurance** ends.

2.2 Defence costs

You are insured for **defence costs** necessarily and reasonably incurred by **you** with **our** prior written consent, to defend any legal action (or threat of legal action) that if proven, would be insured under Section 2.1 – ‘Liability’.

We will meet these costs even if the legal action seems groundless.

3. Automatic policy extensions

The following Automatic Policy Extensions are included automatically and are subject to the policy terms, unless otherwise stated. The amounts payable under all Automatic Policy Extensions are included within the **sum insured** and are not in addition to it.

3.1 Continuous cover

We will indemnify **you** for any **claim** that would be covered under this policy but for the operation of Exclusion 4.8 – ‘Known claims and circumstances’, subject to the following:

- (a) **we** were **your** employers liability insurer at the primary level under a policy (“the former policy”) at the time when **you** first became aware of the circumstances, that subsequently gave rise to the **claim**, and
- (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**, and
- (c) **our** liability is limited to the amount **we** would have been liable for at the time referred to in sub-clause (a) above in accordance with the terms and conditions of the former policy, and
- (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 duly reported under the former policy.

3.2 Extended reporting period

If **we** elect to cancel or refuse to offer a renewal of this policy, then **you** may pay **us** an additional premium (being 90% of the last premium), to extend **your** cover under this policy for another 12 months.

However, this will only cover **you** for **events** that happened before the expiry of the effective date of such cancellation or non-renewal.

This right of extension will lapse unless written notice of such election, together with payment of the additional premium due, is given to **us** 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.

Section 3 – Employers Liability / Claims made policy wording

3.3 Mergers and consolidations

If the company named as the Insured in the **schedule**:

- (a) is merged, amalgamated, or consolidated with or becomes a subsidiary company of another company, or
 - (b) sells all or substantially all of its assets to another company,
- this policy will be extended to insure the new company, provided that:
- (i) the operations and activities of the merged, amalgamated or consolidated company are the same as those undertaken by **you** as described in the **schedule**, and
 - (ii) **you** give **us** notice that **you** wish to extend cover within 30 days of the merger, amalgamation, consolidation or sale, and
 - (iii) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.

There is no cover for any **claim** in connection with any **event** that has occurred prior to the date of the merger, amalgamation or consolidation.

3.4 New subsidiary companies

This policy is extended to insure a subsidiary company created or acquired by **you** during the **period of insurance** provided that:

- (a) the operations and activities of the merged new subsidiary company are the same as those undertaken by **you** as described in the **schedule**, and
- (b) **you** give **us** notice that **you** wish to extend cover within 30 days of the acquisition or creation of the new subsidiary company, and
- (c) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.

We will only cover **events** that happen after the acquisition.

3.5 Previous subsidiary companies

The definition of **you** is extended to include any entity that ceased to be **your** subsidiary company before or during the **period of insurance**. However, **we** will not indemnify any such previous subsidiary for any **claim** arising out of an **injury** after it ceased to be **your** subsidiary.

4. Exclusions

4.1 ACC

You are not insured for liability if compensation:

- (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

You are not insured for liability in connection with asbestos.

4.3 Dishonesty or fraud

You are not insured for liability in connection with any:

- (a) wilful breach of duty or wilful breach of an Act of Parliament,
- (b) dishonest, fraudulent or malicious act or omission,
- (c) act or omission committed with a criminal intent,
- (d) unlawful profit or advantage,
- (e) insider trading.

4.4 Employment disputes

You are not insured for liability arising out of the Employment Relations Act 2000 or unpaid wages or other benefits due to any **employee**.

4.5 Existing litigation

You are not insured for liability in connection with any litigation in existence at the commencement of the **period of insurance**.

4.6 Fines and contractual obligations

You are not insured for liability for:

- (a) any fine or penalty imposed on **you** (whether under contract or statute),
- (b) any contractual obligation in the nature of a performance warranty or **claim** for liquidated damages.

4.7 Health and Safety at Work Act

You are not insured for liability if **you** fail to comply with any lawful notice that **you** receive from an appropriate authority under the Health and Safety at Work Act 2015.

Section 3 – Employers Liability / Claims made policy wording

4.8 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 inception date of this policy.
4.9 Legal jurisdiction	You are not insured for liability in connection with: (a) proceedings or a prosecution first brought in a court or tribunal outside New Zealand, (b) proceedings or a prosecution 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.
4.10 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 radioactive materials, (c) the use, handling or transportation of any weapon of war, explosive device employing nuclear fission or fusion.
4.11 Retroactive date	You are not insured for liability in connection with any event , circumstances or accident that occurred prior to the retroactive date .
4.12 Sanctions	You are not insured for liability to the extent it would expose us to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.
4.13 Terrorism	You are not insured for any claim of any type in connection with an act of terrorism , including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism .
4.14 War	You are not insured for any claim of any type in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

5. Basis of settlement

5.1 Maximum amount payable	A. Liability The most we will pay in total for liability arising from all claims (excluding defence costs), during the annual period is the sum insured. B. Defence costs The most we will pay in total for defence costs arising from all claims, during the annual period is the sum insured. C. Separate limits For the avoidance of doubt, the limits under 5.1 A – ‘Liability’ and 5.1 B – ‘Defence costs’ are separate. This means the sum insured under 5.1 A – ‘Liability’ cannot be used to meet defence costs, and the sum insured under 5.1 B – ‘Defence Costs’ cannot be used to meet liability for claims.
5.2 Excess	The excess shown in the schedule will be deducted from the amount we pay for a claim .

6. General conditions

6.1 How we administer this policy

A. Assignment

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

B. Cancellation

By you

You may cancel this policy at any time by notifying **us**. 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 used portion of the **period of insurance**.

By us

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

C. Change of terms

We may change the terms of this policy (including the excess) by giving **you, your** broker or agent notice in writing or by electronic means at **your, your** broker's or agent's last known address. Unless otherwise specified in this policy the change in terms will take effect from 4pm on the 30th day after the date of the notice.

D. Currency

Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.

E. GST

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

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

F. 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.

G. Premium payment options

If **you** choose to pay the premium other than annually, then:

- (a) **you** must use the Deduction Authority **we** require, and
- (b) this policy is for the initial **period of insurance** starting on the 'From' date and ending on the 'To' date stated in the **schedule**.

This policy will be renewed for further monthly or quarterly **periods of insurance** (as indicated in the **schedule**) by payment of each premium due under the Deduction Authority.

H. Premium adjustments

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

Within three months of the expiry of an **annual period**, you must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the 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.

I. Separate insurance (cross liability)

Where the 'Insured' consists of more than one legal entity, then all parties are insured separately (as though a separate policy has been issued to each person/entity). However, this does not increase the amount of cover available under this policy.

Section 3 – Employers Liability / Claims made policy wording

6.2 Laws and Acts that govern this policy

A. Disputes about this policy

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

B. Legislation changes

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

C. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Act 1977 and Insurance Law Reform Act 1985.

6.3 Your obligations

A. Comply with the policy

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times.

B. Breach of any condition

If:

- (a) **you**, or
- (b) any other person or entity **we** cover under this policy, or
- (c) anyone acting on **your** behalf,

breaches any of the terms and/or conditions of this policy, **we** may:

- (i) decline **your** claim either in whole or in part, and/or
- (ii) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist.

C. True statements and answers

True statements and answers must be given, whether by **you** or any other person, when **you**:

- (a) apply for this insurance, and/or
- (b) notify **us** regarding any change in circumstances, and/or
- (c) make any claim under this policy, and communicate with **us** or provide any further information regarding the claim.

D. 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.

E. Change in circumstances

You must tell **us** immediately if there is a material:

- (a) increase in the risk insured, or
- (b) alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

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

For avoidance of any doubt, information is 'material' where we would have made different decisions about either:

- (i) accepting your insurance, or
- (ii) setting the terms of your insurance,

if we had known that information. If in any doubt, notify us anyway.

F. Confidentiality

You must not:

- 1. reveal that **you** hold this policy,
- 2. disclose the terms of this policy.

You may only give this information if:

- (a) **we** agree in writing,
- (b) **you** are bound to give the information by law.

7. Managing your claim

7.1 Your obligations

A. 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.

B. Advise us

If **you** become aware of any event that is likely to give rise to a claim, **you** must contact **us** immediately.

C. Minimise the loss

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

D. Provide full information

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

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

You must:

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

E. Dishonesty

If **your** claim is dishonest or fraudulent in any way, **we** may:

- (a) decline **your** claim either in whole or in part, and/or
- (b) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

F. What you must obtain our agreement to do

You must obtain **our** agreement before **you**:

- (a) incur any expenses in connection with any claim under this policy,
- (b) negotiate, pay, settle, admit or deny any **claim** against **you**,
- (c) do anything that may prejudice **our** rights of recovery.

7.2 Managing your claim

A. Allocation of defence costs

If a **claim** is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the **defence costs** for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the **defence costs** then that allocation shall be referred to a lawyer that **we** and **you** agree to instruct, whose determination shall be binding upon all parties.

The cost of the lawyer's determination is to be taken as part of the **defence costs** covered under Section 2.2 – 'Defence costs'.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

B. Apportionment

If **we** pay **defence costs** in excess of the maximum amount payable under Section 5.1 B 'Defence costs', then **you** must refund to **us** all amounts in excess of the maximum amount payable.

Section 3 – Employers Liability / Claims made policy wording

C. Your defence

If the lawyer appointed to defend **you** advises that the claim should not be defended, then **we** are not required to defend a claim against **you** unless a second lawyer that **we** and **you** agree to instruct advises that the claim should be defended.

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:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the claim.

The cost of the second lawyer's opinion is to be taken as part of the **defence costs** covered under this policy.

If the second lawyer advises that the claim should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the second lawyer's opinion, and in the light of the matters they are required to consider), then:

- (i) **you** cannot object to the settlement, and
- (ii) **you** must immediately pay the excess shown in the **schedule**.

D. Defence of liability claims

After **you** have made a claim under this policy, subject to 7.2 C – 'Your defence', **we** have the sole right (which shall be a precedent to **your** right to be covered) to act in **your** name and on **your** behalf to defend, negotiate or settle the **claim** as **we** see fit (this will be done at **our** expense).

We may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

E. Discharge of liability claims

We may elect at any time to pay **you**:

- (a) the maximum amount payable under clause 5.1 A – 'Liability', or
- (b) any lesser sum that the **claim** against **you** can be settled for.

Once **we** have paid this (including any **defence costs** already incurred up to **our** date of election), **our** responsibility to **you** under the policy is met in full.

F. Waiver of professional privilege

The lawyers **we** instruct to act on behalf of **you** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from **you**.

You authorise the lawyers to disclose this information to **us**.

8. 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 .
act of terrorism	Includes any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: (a) involves violence against one or more persons, (b) involves damage to property, (c) endangers life other than that of the person committing the action, (d) creates a risk to health or safety of the public or a section of the public, (e) is designed to interfere with or disrupt an electronic system.
annual period	The period of insurance . However, if you pay the premium monthly or quarterly, the annual period is the current 12 month period calculated consecutively from the date this policy first started.
application	The information provided to us by you , or on your behalf, when you purchased this insurance or requested a quotation for this insurance from us .
business	The business described in the schedule .
claim	Any of the following: (a) any proceeding commenced against you in connection with an employee sustaining an injury, (b) any notice you receive from any other person that they intend to commence a proceeding against you, in connection with an employee sustaining an injury, (c) any circumstance that a reasonable person in your position would have considered may give rise to a demand for damages.
defence costs	The reasonable costs, charges, fees and expenses (including but not limited to lawyers' fees, investigators' fees and experts' fees) incurred with our prior written consent. Defence costs does not include charges for time spent by you or your partners, directors, officers or employees or reimbursement of any form for remuneration of such people.
employee	Any person who is employed by you in connection with your business and in respect of whose remuneration you deduct PAYE tax at source.
event	Any one claim or series of claims arising from one source or original cause.
injury	The accidental death of, or the accidental bodily injury to any person including sickness, disease, disability, shock, fright, mental anguish or mental injury.
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.
sum insured	The amount shown in the schedule .
we	NZI, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe NZI.
you	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. We may also use the word 'Insured' to describe you.

Section 4 – Directors and Officers Liability

Policy wording

1. Insurance agreement

1.1 Our agreement

The **insured** agrees to pay **us** the premium and comply with this policy. In exchange, and in reliance on the information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What this policy covers

2.1 Directors liability

We will cover a **director** where the **company** is not legally permitted to indemnify the **director**, for **loss** arising out of a **claim**:

- (a) first made against a **director** and notified to **us** during the **period of insurance** or within 30 days of its expiry, and
- (b) for a **wrongful act** that happened after the **retroactive date**.

2.2 Company reimbursement

We will cover the **company** to the extent it is legally permitted to indemnify a **director**, for **loss** arising out of a **claim**:

- (a) first made against a **director** and notified to **us** during the **period of insurance** or within 30 days of its expiry, and
- (b) for a **wrongful act** that happened after the **retroactive date**.

2.3 Defence costs

In addition to the **limit of indemnity**, **we** will also cover a **director** (or the **company** where it is legally permitted to indemnify the **director**) for all reasonable and necessary **defence costs** incurred with **our** prior written consent for the investigation, defence, settlement or appeal of any **claim** covered by this policy.

The most **we** will pay for **defence costs** for all **directors** during the **period of insurance** for all **claims** covered by this policy is \$1,000,000, or an amount equivalent to the **limit of indemnity**, whichever is the lesser amount.

3. Automatic extensions

Subject to the terms of Section 2. 'What this policy covers', and all the other terms of this policy, the following extensions are included automatically.

Some automatic extensions have a specified sub-limit and these will apply unless specifically stated otherwise in the **schedule**. Unless specifically stated otherwise, all sub-limits are included in, and are not in addition to, the **limit of indemnity** or the amount payable for **defence costs**, whichever is applicable.

3.1 Advancement of defence costs

We will advance **defence costs** in connection with an **investigation** or a **claim** made against a **director** that would be covered by this policy, but for Exclusions 4.7 'Fraud or dishonesty' or 4.13 'Personal profit', prior to the disposition of such **claim**.

If it is established by judgment, written admission or other final adjudication that such **defence costs** are not covered by this policy, that **director** agrees to repay such **defence costs**.

3.2 Continuity of cover

We will cover any **claim** against a **director** that would be covered by this policy but for Exclusion 4.9 'Known claims and circumstances', provided that:

- (a) **we** were the **insured's** directors and officers insurer under a policy ('the former policy') at the time the **insured** should have notified **us** of the **claim** or circumstance that might give rise to a **claim**, and
- (b) **we** have continued without interruption as the **insured's** directors and officers insurer from the time the **insured** should have notified **us** up until such time as the **claim** was made against the **insured** and notified to **us**, and
- (c) **our** liability is limited to the amount for which **we** would have been liable at the time referred to in (a) in accordance with the terms and conditions of the former policy, and

Section 4 – Directors and Officers Liability / Policy wording

- (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.

3.3 Court attendance costs

We will pay to a **director** \$500 per day, for each day a **director** is required to attend a court as a witness in connection with a **claim** covered by this policy.

The most **we** will pay under this extension during the **period of insurance** for all **directors** is \$20,000.

3.4 Crisis costs

We will cover the reasonable fees, costs, charges and expenses of a public relations consultant, crisis management consultant or law firm engaged by the **company** to minimise the effect of a **crisis** and prevent or limit any adverse or negative publicity in respect of a **crisis**. Provided that the **crisis** has, in the reasonable opinion of the chief executive officer (or the equivalent thereof) of the **company**, the potential to cause a **financial loss** if not managed.

We will only pay such costs:

- (a) if the **crisis** first occurs and is notified to **us** during the **period of insurance**, and
- (b) for a 45 day period immediately following the day on which the **crisis** first occurs.

The most **we** will pay under this extension during the **period of insurance** is \$250,000 or the amount payable for **defence costs**, whichever is the lesser amount.

3.5 Emergency defence costs

If **our** prior written consent cannot reasonably be obtained before a **director** incurs **defence costs**, **we** will waive the requirement for prior written consent provided that **our** written consent is obtained within 14 days following the date such costs start being incurred.

We will not pay **defence costs** in relation to a **claim** that is not covered by this policy.

The most **we** will pay for **defence costs** incurred without **our** prior written consent is 10% of the amount payable for **defence costs**.

3.6 Estates, legal representatives and spousal liability

We will cover a **director's** lawful spouse, estate, heirs, legal representatives or assigns for their liability that arises from a **wrongful act** committed by a **director** on the same terms and conditions as **we** cover the **director**.

3.7 Extended reporting period

If **we** do not offer to renew this policy, then the **insured** may extend cover under this policy for another 12 months. However, this extended period will only cover a **wrongful act** that happened before the expiry of this policy's **period of insurance** but not a **wrongful act** that happens during the extended period.

If the **insured** elects to extend this policy as described above, then notice of such election must be given to **us** within 30 days of **our** refusal to renew this policy and the **insured** must pay **us** an additional premium (being 50% of the last annual premium).

This policy cannot be extended if **we** cancel this policy or declare this policy unenforceable because the **insured** did not:

- (a) pay the premium, or
- (b) disclose information material to the risk, or
- (c) comply with terms of this policy.

This extension does not provide a new **limit of indemnity** for the extended period.

3.8 Extended reporting period for retired directors

If the **insured** does not renew or replace this policy with any other directors and officers liability or management liability policy, then an extended period of 84 months immediately following the expiry of this policy's **period of insurance** will be provided to any **director** who retired or resigned from the **company** before the date of non-renewal.

During this extended period, notice may be given to **us** of any **claim** arising from a **wrongful act** committed by a **director** prior to the expiry of the **period of insurance** but not a **wrongful act** that happens during the extended period.

This extension is not available if, at the expiry of this policy's **period of insurance**:

- (a) a **transaction** has occurred, or
- (b) the **company** has exercised the option to extend cover under Automatic extension 3.8 'Extended reporting period', or
- (c) the **company** is in liquidation, receivership, insolvency, bankruptcy or administration.

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3.9 Family and personal expenses

We will cover a **director** for the costs of housing, utilities, personal insurances and schooling expenses in the event of:

(a) an interim or interlocutory order confiscating, controlling, suspending or freezing rights or ownership of real property or personal assets of the **director**, or

(b) a charge over real property or personal assets of the **director**,

as a result of a **claim** or an **investigation** covered by this policy during the **period of insurance**.

We will only pay such costs:

(a) directly to the service provider, and

(b) commencing 30 days after the exhaustion of any personal allowance granted by a court for such costs, for a maximum period of 12 months.

The most **we** will pay under this extension during the **period of insurance** will be:

(a) \$200,000 per **director**,

(b) \$1,000,000 or the amount payable for **defence costs**, whichever is the lesser amount, for all **directors**.

3.10 Health and safety defence costs

We will cover a **director** for **defence costs** in respect of a **claim** against a **director**, or in relation to an **investigation**, alleging a breach by a **director** of the Health and Safety at Work Act 2015.

Cover under this extension only applies in excess of any other insurance in force in respect of such a breach.

Exclusion 4.2 'Bodily injury' does not apply to this extension.

3.11 Insured versus insured

We will cover a **director** for:

(a) **defence costs** in connection with a **claim** brought by any other **director** or the **company**,

(b) a **claim** brought by or on behalf of the **company** or **outside entity**:

(i) pursued as a shareholder derivative action that has not been solicited or instigated with the voluntary (rather than legally required) intervention, assistance or active participation of the **company** or any **director**, or an **outside entity** or any **outside entity** director, or

(ii) by an insolvency administrator, receiver, trustee or liquidator of the **company** or **outside entity** (either directly or derivatively),

(c) a **claim**:

(i) brought by any other **director** for contribution or indemnity, if the **claim** directly results from another **claim** otherwise covered by this policy,

(ii) brought by any past director or employee of the **company** or **outside entity**.

Exclusion 4.8 'Insured versus insured' does not apply to this extension.

3.12 Investigations and inquiries

We will cover a **director** for **defence costs** in relation to an **investigation** where such **investigation** may lead to a **claim**, which if made, would be covered by this policy, but only where:

(a) the notice of the **investigation** is first notified to a **director**, and to **us**, during the **period of insurance**, and

(b) the conduct which is the subject of the **investigation** occurred after the **retroactive date**, if any.

The **director** must refund **defence costs** advanced by **us** where it is established by the **investigation** that the conduct which is the subject of the **investigation** was:

(a) dishonest, fraudulent or criminal, or

(b) a reckless or knowing breach of any law.

This extension does not cover:

(a) any **investigation** under the Health and Safety at Work Act 2015,

(b) any **investigation**, hearing, examination or inquiry in connection with an employment relations matter,

(c) any **investigation** brought outside New Zealand.

3.13 New subsidiary

If the **company** creates an entity or acquires more than 50% of the voting rights of another entity during the **period of insurance**, **we** will automatically cover the new entity:

(a) from the date of acquisition but only in respect of a **wrongful act** occurring after the date of acquisition, or

(b) from the date it was created,

but only if the entity being acquired or created:

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- (a) has total gross assets not exceeding 25% of the total gross consolidated assets of the **company** prior to the acquisition, and
- (b) is domiciled in New Zealand, and
- (c) has business activities that are not materially different to the business activities conducted by the **company** at the commencement of this policy's **period of insurance**.

3.14 Outside position

We will cover a **director** for a **claim** in connection with a **director's** appointment undertaken with the knowledge and consent of, or at the request of, the **company**, as a **director**, officer, trustee or manager (or other equivalent position) of any:

- (a) corporation, association, trust, fund, institution, society, enterprise or foundation not included in the definition of **company** that is established for charitable, community, industry or social purposes,
- (b) entity in which the **company** owns, at the time of the **wrongful act**, (either directly or indirectly) between 20% and 50% of the issued or unissued shares,

provided that such appointment is undertaken with the knowledge and consent of, or at the request of, the **company**.

We will not cover any **claim** made against a **director**:

- (a) by, or on behalf of any entity noted in (a) or (b) above or any of its directors, or
- (b) brought by or on behalf of any past or present shareholder of any entity noted in (a) or (b) above who had or has direct or indirect control or ownership of more than 15% of the shares or rights of that entity.

Cover under this extension only applies in excess of any other insurance in force in respect of such appointment.

This extension does not apply to any appointment to:

- (a) a publicly listed company,
- (b) a company domiciled outside of New Zealand,
- (c) an entity that is a **financial institution or financial services** company.

3.15 Public relations expenses

We will cover the reasonable fees, costs, charges and expenses incurred with **our** prior consent or a public relations consultant retained to mitigate the adverse effect on the reputation of a **director** as a result of a **claim** covered by this policy.

We will only pay the cost of publicising findings made in a final judicial disposition of a **claim** in the **director's** favour.

The most **we** will pay under this extension during the **period of insurance** for all **directors** is \$25,000, or the amount payable for **defence costs**, whichever is the lesser amount.

3.16 Reinstatement of limit of indemnity upon recovery

Any amounts that **we** recover (net of **our** costs and expenses associated with such recovery) following payment of a **claim** under this policy, will reduce the erosion of the **limit of indemnity** or the amount payable for **defence costs** to the same extent.

3.17 Run off cover for past subsidiaries

If any **subsidiary** is sold or dissolved prior to or during this policy's **period of insurance**, **we** will cover any **claim** against a **director** relating to that **subsidiary** but only in respect of a **wrongful act** occurring prior to the sale or dissolution of the **subsidiary**.

3.18 Superannuation trustees

We will cover a **director** for **loss** arising from a **claim** against a **director** in their individual or collective capacity as trustee of the **company's** own superannuation or pension funds.

We will cover a **director** for a **claim** by a member of the superannuation or pension fund even if the member is also a **director**.

Exclusion 4.8 'Insured vs Insured' does not apply to this extension.

4. Exclusions

- 4.1 Asbestos** This policy does not cover any **claim** arising out of, relating to or in any way connected with asbestos.
- 4.2 Bodily injury** This policy does not cover any **claim** arising from or in connection with bodily injury, sickness, disease, disability, shock, fright, mental anguish, mental injury or death.
- 4.3 Consensual claim** This policy does not cover any **claim** which is brought by or maintained with the intervention, active assistance or active participation (unless required by law) of any **director** against whom the **claim** is brought.
- 4.4 Existing litigation** This policy does not cover any **claim** in connection with any pending or prior litigation or any civil, criminal, administrative or regulatory proceeding or investigation or inquiry in existence at the commencement of the **period of insurance**.
- 4.5 Fines and penalties** This policy does not cover any:
(a) fine or penalty imposed, whether under contract or statute,
(b) punitive, aggravated, liquidated or exemplary damages.
- 4.6 Foreign courts** This policy does not cover any **claim** arising from or in connection with any legal action or proceedings:
(a) first brought in a court outside of the jurisdiction stated in the **schedule**,
(b) brought in a court within the jurisdiction stated in the **schedule** for the purposes of enforcing a judgment made by a court outside the jurisdiction stated in the **schedule**,
(c) where the proper law to be applied to the issue/s is that of a country outside the jurisdiction stated in the **schedule**.
- 4.7 Fraud or dishonesty** This policy does not cover any **claim** arising from or in connection with any:
(a) dishonest, fraudulent or criminal act,
(b) reckless or knowing breach of any law.
This exclusion will only apply where there is a written admission, settlement, judgment or other final adjudication that establishes that such conduct did in fact occur.
- 4.8 Insured versus insured** This policy does not cover any **claim** which is brought by or on behalf of a **director** or by the **company**.
- 4.9 Known claims and circumstances** This policy does not cover any **claim**:
(a) made or intimated against a **director** prior to the commencement of the **period of insurance**,
(b) notified under a previous policy,
(c) arising from or in connection with circumstances:
(i) that a **director** was aware of prior to the **period of insurance**, and
(ii) that a reasonable person in the position of a **director** would have considered might give rise to a **claim**.
- 4.10 Major shareholder exclusion** This policy does not cover any **claim** that is brought by or on behalf of any shareholder who either directly or indirectly, holds or controls 15% or more of the voting shares or rights or issued capital of the **company**.
- 4.11 Nuclear** This policy does not cover any **claim** arising from or in connection with any atomic energy risks, being operations employing the process of nuclear fission or fusion or handling of radioactive material, which operations include but are not limited to:
(a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices,
(b) the use, handling or transportation of radioactive materials,
(c) the use, handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

Section 4 – Directors and Officers Liability / Policy wording

4.12 Obligations to employees	This policy does not cover any claim arising from or in connection with any breach of any obligation to an employee of the company .
4.13 Personal profit	This policy does not cover any claim arising from or in connection with: (a) a director gaining any personal profit, remuneration or financial advantage to which they were not legally entitled, or (b) the improper use of position or information to gain personal profit or advantage or cause detriment to the company. This exclusion will only apply if there is a written admission, settlement, judgment or other final adjudication which establishes that such conduct did in fact occur.
4.14 Pollution	This policy does not cover any claim arising from or in connection with pollution or contamination: (a) in the United States of America, its territories or possessions, or (b) outside of the territorial limit or jurisdiction specified in the schedule.
4.15 Professional services	This policy does not cover any claim arising from or in connection with any duties owed in relation to the giving of professional services or advice.
4.16 Property damage	This policy does not cover any claim for damage to or destruction of any tangible property, including loss of use.
4.17 Prospectus liability	This policy does not cover any claim arising from or in connection with: (a) any issue of shares, preference shares (redeemable or otherwise), debentures of whatever kind, promissory notes or any other form of negotiable or non-negotiable security for the raising of capital by equity, debt or any other means, or (b) the issue of any prospectus, memorandum of information or similar document or the making of any written or oral representation, in connection with (a) above.
4.18 Sanctions	This policy does not cover any claim or provide any cover to the extent such cover would expose us to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.
4.19 Territorial limits	This policy does not cover any claim arising from or in connection with any wrongful act that occurred outside of the territorial limits specified in the schedule .
4.20 Terrorism	This policy does not cover any claim for death, injury, illness, loss or damage directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any act of terrorism , regardless of any other cause or event contributing concurrently or in any other sequence to the loss including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism .
4.21 War	This policy does not cover any claim for loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

5. Basis of settlement

5.1 Maximum amount payable	The most we will pay in total for any one claim and all claims covered by this policy during the period of insurance is the limit of indemnity .
5.2 Excess payable	We will only pay that part of either loss or defence costs that exceeds the amount of the excess, but in respect of any one claim, only one excess is payable. We will only deduct one excess for a series of claims arising out of the same wrongful act. No excess applies to loss or associated defence costs, covered under clause 2.1 'Directors liability'.

6. Claims conditions

The Directors' obligations

- 6.1 Advise us of a claim or circumstance** If the **directors** become aware of any **claim**, or circumstance that may give rise to a **claim** under this policy, regardless of the anticipated amount, they must notify **us** as soon as possible.
- Once a circumstance is notified to **us** in writing, any subsequent **claim** is deemed to be a **claim** in the **period of insurance** in which the circumstance was notified.
- 6.2 Co-operation** The **directors** must, at their own cost, provide all information and reasonable assistance to **us** to determine cover under this policy and to enable **us** to investigate, defend or settle a **claim**. The **directors** must fully co-operate with any recovery process.
- 6.3 Dishonest or fraudulent statements** If a **director** makes any dishonest or fraudulent statement in connection with a **claim** or any application for indemnity under this policy, **we** may:
- (a) decline the **claim** either in whole or in part, and/or
 - (b) declare either this policy or all insurance the **director** has with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.
- 6.4 Do not admit liability** The **directors** must not:
- (a) admit liability,
 - (b) do or say anything that may prejudice **our** ability to defend a **claim** against a **director** or take recovery action in the **director's** name.
- 6.5 Minimise the claim** The **directors** must, at their own cost, take all reasonable steps to minimise a **claim** and avoid any further loss or liability arising.
- 6.6 Obtain our agreement** The **directors** must obtain **our** agreement before:
- (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 them.
- 6.7 Other insurance** The **directors** must notify **us** as soon as they know of any other insurance policy that covers them for any of the risks covered under this policy.
- If the **directors** hold other insurance cover with any other insurer in respect of any **claim** covered by this policy, then **we** will only pay under this policy once cover under the other policy has been exhausted.
- 6.8 Waiver of legal privilege** The lawyers **we** instruct to act on behalf of the **directors** in relation to any **claim** against the **directors**, are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from a **director**.
- The **directors** authorise the lawyers to disclose this information to **us**.

How we manage a claim

- 6.9 Allocation of defence costs** If a **claim** is only partly covered by this policy, or is made against other parties, one or more of whom is covered and others who are not covered under this policy, **we** will attempt to ensure fair and proper allocation of the **defence costs** for covered and uninsured portions or parties.
- If **we** and the **directors** are unable to agree upon the allocation of the **defence costs**, then that allocation will be decided by a lawyer that **we** and the **directors** agree to instruct, whose determination will be binding. The cost of the lawyer's determination is to be taken as part of the **defence costs** covered under this policy.
- If **we** and the **directors** cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.
- 6.10 Defence costs** **Our** consent to allow the **directors** to incur **defence costs** covered by this policy will not be unreasonably delayed or withheld.
- 6.11 Defence of a claim** **We** are entitled, but not obliged to:
- (a) act in the **director's** name and on the **director's** behalf to defend, negotiate or settle any **claim** as **we** see fit,
 - (b) appoint **our** own lawyers to defend or legally represent a **director** and the lawyers will report directly to **us**.

Section 4 – Directors and Officers Liability / Policy wording

6.12 Directors right to contest settlement of a claim

If the **directors** do not agree with a decision by **us** to settle a **claim**, the **directors** can elect to contest the **claim** at their own expense but **our** liability will not exceed the amount for which the **claim** could have been settled in the opinion of the lawyer appointed under Condition 6.14 'Requirement to defend a claim'.

We will pay **defence costs** incurred up to the date the **directors** notify **us** in writing of their election under this clause, and will pay the **directors** (subject to the **excess**, if applicable) the amount for which the **claim** could have been settled. The **directors** expressly agree that **our** liability in respect of such **claim** will then be at an end.

6.13 Preservation of indemnity

If the **company** is legally permitted to indemnify a **director** in respect of a **claim** which would be covered under clause 2.2 'Company reimbursement' but for whatever reason the **company** fails or refuses to provide indemnity, then **we** will cover the **director** under clause 2.1 'Directors liability'.

6.14 Requirement to defend a claim

We will not require a **director** to defend any legal proceedings in respect of a **claim**, nor will the **director** require **us** to defend on his or her behalf, any legal proceedings in respect of a **claim**, unless a lawyer mutually agreed by **us** and the **director** to defend the **director** advises such proceedings should be defended. In formulating his or her advice, the lawyer will be instructed to consider the:

- (a) damages and costs likely to be recovered,
- (b) likely costs of defence of the **claim**,
- (c) prospects of successfully defending the **claim**.

The cost of the lawyer's opinion is to be taken as part of the **defence costs** covered under this policy.

If the lawyer advises that the **claim** should be settled and if the terms on which settlement can be achieved are within limits that are reasonable (in the lawyer's opinion, and in consideration of the matters), then the **directors**:

- (a) will cooperate with **us** to effect such settlement, and
- (b) if applicable, must pay the **excess** specified in the **schedule**.

6.15 Severability

If a **director** fails to comply with their duty of disclosure, makes a misrepresentation or breaches any condition of this policy, **we** will not deny cover to any other **director** on these grounds if that **director** was unaware of the matter not disclosed or the fact of the misrepresentation or did not breach the policy condition.

The conduct of a **director** will not be imputed to any other **director** for the purposes of determining cover under this policy.

6.16 Subrogation

We may assume the **director's** legal right of recovery.

We will not exercise any rights of recovery against a **director** unless it is established by written admission, settlement, judgment or other final adjudication that the **director** has committed a:

- (a) dishonest, fraudulent or criminal act, or
- (b) reckless or knowing breach of any law.

7. General conditions

How we administer this policy

- 7.1 Assignment** The **directors** may not assign this policy or any interest under this policy without **our** prior written consent.
- 7.2 Authorisation** By acceptance of this policy, the **company** agrees to act on behalf of the **directors** in respect of:
- (a) negotiating and binding the terms of cover,
 - (b) giving and receiving of any notice of a **claim**, cancellation or any other notice required in this policy,
 - (c) payment of premiums and the receiving of any return premiums,
 - (d) agreement to and acceptance of endorsements.
- 7.3 Cancellation** By the insured
The **insured** may cancel this policy at any time by giving **us**, or their broker, notice in writing or by electronic means. If they do, **we** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**. The **insured** must pay any outstanding premium due for the expired portion of the **period of insurance**.
- By us
We may cancel this policy by giving the **insured**, or their broker, notice in writing or by electronic means, at the **insured's**, or their broker's, last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**.
- 7.4 Currency** Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.
- 7.5 Disputes about this policy** The law of New Zealand applies to disputes about this policy and New Zealand Courts have exclusive jurisdiction.
- 7.6 Goods and Services Tax** Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- (a) the limits of indemnity exclude GST, and
 - (b) all sub limits exclude GST, and
 - (c) any **excess** includes GST, and
 - (d) GST will be added, where applicable, to any payments.
- 7.7 Inadvertent non-disclosure** **We** will waive **our** right to avoid this policy or decline a **claim** under Condition 7.10 'Change in circumstances' for non-disclosure or misrepresentation of any material increase or alteration to the risk insured but only if the **director** can establish to **our** satisfaction that such non-disclosure or misrepresentation was innocent and free from any dishonesty or intent to deceive.
Provided that:
- (a) **we** must have continued without interruption as the **company's** directors and officers insurer from the time the **director** should have disclosed or correctly represented material facts to **us** up until such time as the non-disclosure or misrepresentation is notified to **us**, and
 - (b) **we** will be entitled to adjust the premium and terms of this policy to reflect those which would have been applied by **us** had the proper disclosure or representation been made at the correct time, and
 - (c) **our** liability under this policy is limited to the amount for which **we** would have been liable for had the proper disclosure or representation been made at the correct time.
- 7.8 Legislation changes** Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.
- 7.9 Takeover/merger** If a **transaction** occurs during the **period of insurance**, then cover under this policy is amended to only apply in respect of **wrongful acts** committed prior to the effective date of the **transaction**. The **company** must give **us** written notice of the **transaction** as soon as possible but no later than 30 days after the effective date of the **transaction**.

Section 4 – Directors and Officers Liability / Policy wording

The insured's obligations

7.10 Change in circumstances

The **insured** must tell **us** immediately if there is a material:

- (a) increase in the risk insured, or
- (b) alteration of the risk insured.

Once the **insured** has told **us** of the change, **we** may then alter the premium and/or the terms of this policy or cancel this policy.

If the **insured** fails to notify **us** about an increase or alteration to the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent **claim** either in whole or in part.

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

7.11 Comply with this policy

The **insured** must comply with the terms of this policy. If a **director** breaches any of the terms of this policy, **we** may decline the **claim** either in whole or in part for that **director**.

8. Definitions

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

act of terrorism

Any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- (a) involves violence against one or more persons,
- (b) involves damage to property,
- (c) endangers life other than that of the person committing the action,
- (d) creates a risk to health or safety of the public or a section of the public,
- (e) is designed to interfere with or to disrupt an electronic system.

application

The information provided to **us** by the **insured**, or on the **insured's** behalf, when the **insured** purchased this insurance or requested a quotation for this insurance from **us**.

claim

- (a) a demand for compensation, damages or other relief,
 - (b) a formal, administrative, disciplinary or regulatory proceeding in which a complaint, charge or other allegation is made,
 - (c) a criminal proceeding,
 - (d) any civil proceeding or alternative dispute resolution process including but not limited to any arbitration or mediation,
- made against a **director** as a result of a **wrongful act**.

company

The entity specified as the 'Insured' in the **schedule** and any **subsidiary**.

crisis

Unforeseen and unexpected:

- (a) loss of the **company's** intellectual property rights previously acquired under law by the **company** for a patent, trademark or copyright, or
- (b) loss of a major customer or major contract of the **company**, or
- (c) act or omission committed or omitted on the premises that results in any **employee** or customer suffering:
 - (i) physical injury or death, and/or
 - (ii) emotional trauma from witnessing the physical injury or death of any other person, or
- (d) damage to the premises or other tangible property belonging to the **company** caused by oil spills, crashes, fires, building collapse (other than by earthquake, windstorm or other natural events) and other similar events, or

Section 4 – Directors and Officers Liability / Policy wording

- (e) recall of any product due to its potential to cause property damage or bodily injury which has been produced, prepared, manufactured or packaged by the **company**.

It does not include an event that affects the industry in which the **company** operates as opposed to an event that is isolated to the **company**.

defence costs

Legal costs, expenses and disbursements, witnesses' costs, assessors or experts fees.

It does not include any remuneration or reimbursement of time spent by **directors** of the **company**.

director

Any natural person who is, or at the time of the **wrongful act** was, a director of the **company** including anyone who is:

- (a) deemed to be a director of the **company**,
- (b) an **employee** of the **company** while acting in a managerial or supervisory capacity for the **company**, or
- (c) a contractor who acts as a member of a committee elected or appointed by resolution of the board of directors of the **company** to perform specific directorial acts on behalf of the **company**.

It does not include any externally appointed officers, including but not limited to, auditors, receivers, statutory managers, trustees, liquidators or mortgagees in possession.

employee

Any natural person who:

- (a) is employed by the **company** in the course of the business, and
- (b) the **company** compensates by way of remuneration, and
- (c) the **company** has the right to govern and direct the performance of that person's duties.

It does not include consultants, contractors, agents or any **director** of the **company**.

excess

The amount specified as the 'Excess' in the **schedule**.

financial institution or financial services

Any registered bank, merchant or investment bank, finance company, building society, credit union, insurance or reinsurance company, hedge fund, fund manager, property trust, investment trust or unit trust, stockbroker, or futures, commodities or foreign exchange trading.

financial loss

A significant or substantial decrease of the total consolidated annual revenue of the **company** as at the end of the **company's** last financial year.

insured

The **company** and any **director**.

investigation

- (a) an official investigation, hearing, examination or inquiry in relation to the affairs of the **company**,
- (b) a request for information to a **director** by any regulator, government body or authority, governmental or administrative agency or self-regulatory body.

limit of indemnity

The amount specified as the 'Limit of indemnity' in the **schedule**.

loss

Any amount which a **director** becomes legally liable to pay on account of any **claim**, for:

- (a) compensatory damages and interest ordered by a civil court or arbitrator in civil proceedings, and
- (b) legal costs and expenses awarded against the **company** or **director** in connection with a covered award or judgment, and
- (c) settlements negotiated with **our** prior written consent.

It does not include:

- (a) liability for taxes, except as covered under Condition 7.6 'Goods and Services Tax', or
- (b) any amount which is uninsurable under the laws of any jurisdiction covered by this policy.

outside entity

Any entity for which a **director** has cover under Automatic extension 3.14 'Outside position'.

period of insurance

The 'Period of insurance' shown in the **schedule** that states the start and end dates of this insurance policy.

Section 4 – Directors and Officers Liability / Policy wording

retroactive date	The 'Retroactive date' shown in the schedule .
schedule	The latest version of the schedule we have issued to the insured for this policy.
subsidiary	Any New Zealand domiciled entity in which the company, at the commencement of the period of insurance, either directly or indirectly through one or more other entities: (a) controls the composition of the board of directors, or (b) controls more than half of the shareholder voting rights, or (c) holds more than 50% of the issued share capital, or (d) exercises effective management control.
transaction	(a) the company merges into or consolidates with another entity, or (b) another entity, or person or group of entities or persons acting in concert acquires securities or voting rights that result in ownership or voting control by the other entity, person or group of more than 50% of the voting rights of the company.
we/us/our	NZI, a business division of IAG New Zealand Limited.
wrongful act	Any actual or alleged misstatement, misleading statement, act, error or omission, negligence, breach of duty, breach of trust, breach of authority or other act committed or attempted by a director in their capacity as a director in the course of performing his or her duties as a director of the company or as a director of any outside entity.

Section 5 – Crime

Policy wording

1. Insurance agreement

1.1 Our agreement

The **insured** agrees to pay **us** the premium and comply with this policy. In exchange, and in reliance on the information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What this policy covers

2.1 Employee dishonesty

We will cover the **insured** for **loss** first **discovered** and notified to **us** during the **period of insurance** or within 30 days of its expiry, arising from a **dishonest act**.

2.2 Third party crime

We will cover the **insured** for **loss** first **discovered** and notified to **us** during the **period of insurance** or within 30 days of its expiry, arising from a **criminal act** committed by a **third party**.

3. Automatic extensions

Subject to the terms of Section 2. 'What this policy covers', and all the other terms of this policy, the following extensions are included automatically.

Some automatic extensions have a specified sub-limit and **excess** and these will apply unless specifically stated otherwise in the **schedule**.

Unless specifically stated otherwise, all sub-limits are included in and are not in addition to the **limit of indemnity**.

3.1 Care, custody and control

We will cover the **insured** for theft of **money**, **securities** or **property** owned by any other person or entity which at the time of the theft is in the **insured's** care, custody and control and for which the **insured** is legally liable.

3.2 Contractual penalties

We will cover the **insured** for any contractual penalty the **insured** is liable to pay as a direct result of **loss** covered by this policy.

The most **we** will pay under this extension during the **period of insurance** is 10% of the **limit of indemnity**.

Exclusion 4.6 (a) 'Fines and penalties' does not apply to this extension.

3.3 Court attendance costs

We will pay to the **insured** \$500 per day, for any **employee** who is required to attend a court as a witness in connection with **loss** covered by this policy.

The most **we** will pay under this extension during the **period of insurance** is \$5,000.

3.4 Damage or destruction of money or securities

We will cover the **insured** for **loss** arising from damage or destruction of **money** or **securities** caused by a **dishonest act** or **criminal act**, provided that such damage or destruction occurs:

- (a) within the **insured's** premises, or
- (b) within the interior of any banking premises or similar recognised place of safe deposit, or
- (c) whilst in transit and in the care, custody and control of the **insured** or any security company or armoured motor vehicle company which is duly authorised by the **insured** to have the care, custody and control of such **money** or **securities**.

Cover under this extension only applies in excess of any other insurance covering such damage or destruction.

Exclusion 4.7 'Fire' does not apply to this extension.

3.5 Employee benefits

We will cover **loss** of **money** or **securities** sustained by any pension plan, foundation, charity or organisation, established and maintained by the **insured** to provide pensions, welfare or employee benefits for the benefit of any person who is or was an **employee** of the **insured**, on the same terms as **we** cover the **insured**.

Any amount payable by **us** under this extension will only be paid to the plan, foundation, charity or organisation that has sustained the **loss**.

This extension does not apply to any sports or social club.

For the purposes of this extension, the definition of **loss** is extended to include direct financial loss sustained by the entity covered under this extension.

Section 5 – Crime / Policy wording

- 3.6 Extended discovery period**
- If **we** do not offer to renew this policy, then the **insured** may notify **loss discovered** during a period of 90 days following the expiry date of this policy.
- This extended period will only cover a **dishonest act** or **criminal act** that happened before the expiry of the **period of insurance** and not a **dishonest act** or **criminal act** happening during the extended period.
- This extension does not apply if **we** cancel this policy or declare this policy unenforceable because the **insured** did not:
- (a) pay the premium, or
 - (b) disclose information material to the risk, or
 - (c) comply with terms of this policy.
- This extension is not available if a **transaction** has occurred at the expiry of the **period of insurance**.
- 3.7 Fraud investigator costs**
- We** will cover the reasonable and necessary fees and expenses incurred by the **insured** with **our** prior written consent for an independent fraud investigator to investigate a **loss** covered by this policy. **We** will only pay such fees and expenses for:
- (a) the investigation of the facts surrounding a **loss**, and
 - (b) determining the amount of the **loss**, and
 - (c) advising when and how such **loss** occurred, and
 - (d) summarising recommendations on future prevention of similar **loss** and providing a report to **us** and the **insured**.
- Exclusion 4.5 'Fees, costs or expenses' does not apply to this extension.
- 3.8 Interest cover**
- We** will cover the **insured** for any interest that the **insured** would have received, or that has to be paid, as a result of **loss** covered by this policy.
- Any payment under this extension will be calculated by applying the average of the Reserve Bank of New Zealand base rate in force between the time that the **loss** is sustained and the date such **loss** is **discovered**.
- The most **we** will pay under this extension during the **period of insurance** is 10% of the **limit of indemnity**.
- 3.9 Inventory loss**
- We** will cover the **insured** for **loss** that would be covered by this policy but for exclusion 4.9 'Inventory loss' but only where the **insured** has:
- (a) established to **our** satisfaction that an identifiable **employee** has caused the **loss**, and
 - (b) inventory or profit and loss records are submitted in support of the claim for **loss**, and
 - (c) any additional information **we** require to prove the **loss** is provided.
- 3.10 Legal costs**
- If a civil claim is brought against the **insured** which results directly from a **dishonest act** or **criminal act** covered under this policy, **we** will cover reasonable and necessary legal expenses which the **insured** establishes were incurred and paid to defend such claim against the **insured**.
- Exclusion 4.5 (c) 'Fees, costs or expenses' does not apply to this extension.
- 3.11 New subsidiary**
- If the **insured** creates an entity or acquires more than 50% of the voting rights of another entity during the **period of insurance**, **we** will automatically cover the new entity:
- (a) from the date of acquisition, but only in respect of a **dishonest act** or **criminal act** that happens after the date of acquisition, or
 - (b) from the date it was created,
- but only if the entity being acquired or created:
- (i) has business activities that are not materially different to the business activities conducted by the **insured** at the commencement of the **period of insurance**, and
 - (ii) is not incorporated, domiciled or conducting business outside New Zealand, and
 - (iii) does not have revenue or estimated revenue of more than 10% of the combined gross annual consolidated revenue of the **insured** at the commencement of the **period of insurance**.
- 3.12 Outsourcing**
- We** will cover the **insured** under 2.1 'Employee dishonesty' for any **dishonest act** committed by any person employed by any company or firm authorised or retained by the **insured** to perform administrative services which the **insured** outsources to such company or firm provided that such services are provided under a written contract.

Section 5 – Crime / Policy wording

3.13 Run off cover for past subsidiaries

If any **subsidiary** is sold or dissolved during the **period of insurance**, we will cover **loss discovered** after the sale or liquidation provided that:

- (a) the **dishonest act** or **criminal act** was committed before the date of the sale or liquidation of the entity, and
- (b) such **loss** is first **discovered** and notified to **us** during the same **period of insurance** that the entity was sold or liquidated.

4. Exclusions

4.1 Asbestos

This policy does not cover **loss** arising out of, relating to or in any way connected with asbestos.

4.2 Confidential information

This policy does not cover **loss** arising from or in connection with theft of any confidential information.

4.3 Credit risks

This policy does not cover **loss** arising from or in connection with any:

- (a) default under, or
 - (b) **fraudulent alteration** or **forgery** of documents,
- in connection with any hire purchase agreement, loan or transaction in the nature of a loan, lease or rental agreement, invoice, account or otherwise evidence of debt, payments made or withdrawals from any customer's account involving items which are not finally paid for any reason.

4.4 Extortion

This policy does not cover **loss** arising from or in connection with extortion.

4.5 Fees, costs or expenses

This policy does not cover any:

- (a) fees, costs or expenses incurred by the **insured** in establishing the existence of or amount of **loss**, or
- (b) costs associated with a prosecution, or
- (c) defending any legal proceeding.

4.6 Fines and penalties

This policy does not cover any:

- (a) fine or penalty imposed, whether under contract or statute, or
- (b) punitive, aggravated, liquidated, or exemplary damages.

4.7 Fire

This policy does not cover **loss** arising from or in connection with fire.

4.8 Intellectual property

This policy does not cover **loss** arising from or in connection with theft of any copyright, trademark, registered design or patent, or breach of any intellectual property right.

4.9 Inventory loss

This policy does not cover **loss** arising from or in connection with discrepancies in inventory or profit and loss computations.

4.10 Loss sustained after discovery

This policy does not cover **loss** arising from any **dishonest act** or **criminal act** occurring after such **loss** is **discovered**.

4.11 Loss of property

This policy does not cover theft of **property** at the **insured's** premises by a **third party** unless it results from theft following entry to or exit from the **insured's** premises by violent or forcible means.

4.12 Nuclear

This policy does not cover any claim arising from or in connection with any atomic energy risks, being operations employing the process of nuclear fission or fusion or handling of radioactive material, which operations include but are not limited to:

- (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices,
- (b) the use, handling or transportation of radioactive materials,
- (c) the use, handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

4.13 Premises damage

This policy does not cover damage or destruction to the interior portion of the **insured's** premises.

Section 5 – Crime / Policy wording

4.14 Prior discovery of loss	This policy does not cover loss discovered before the commencement of this policy.
4.15 Reckless conduct	This policy does not cover loss arising from or in connection with recklessness of the insured .
4.16 Sanctions	This policy does not cover loss or provide any cover to the extent such cover would expose us to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.
4.17 Securities	This policy does not cover loss arising from or in connection with any dealing or trading of securities , futures or foreign currencies or funds.
4.18 Territorial limits	This policy does not cover loss that occurred outside of the territorial limits specified in the schedule .
4.19 Terrorism	This policy does not cover any claim for death, injury, illness, loss or damage directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any act of terrorism , regardless of any other cause or event contributing concurrently or in any other sequence to the loss including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism .
4.20 Voluntary payment, transfer or surrender	This policy does not cover any claim for loss arising from or in connection with the voluntary payment, transfer or surrender of money, property or securities whether or not such payment or surrender is induced by deception.
4.21 War	This policy does not cover any claim for loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

5. Basis of settlement

5.1 Maximum amount payable	The most we will pay in total during the period of insurance for all loss covered by this policy is the limit of indemnity .
5.2 Calculation for settlement	(a) Foreign currency If loss covered under this policy is in a currency other than New Zealand dollars, payment under this policy will be made in New Zealand dollars at the cash rate of exchange for the purchase of New Zealand dollars issued by the Reserve Bank of New Zealand on the date that the loss was first discovered. (b) Property For claims relating to property, we will at our election pay the market value of such property or pay for the repair or replacement of the property.
5.3 Excess	We will only pay that part of loss that exceeds the amount of the excess. Loss resulting from any dishonest act or criminal act or series of related or continuous dishonest acts or criminal acts shall be considered a single loss for the purposes of applying the excess.

6. Claims conditions

The insured's obligations

- 6.1 Notify us** The **insured** must as soon as practicable:
- (a) notify **us** in writing of any **loss discovered**, regardless of the anticipated amount, and
 - (b) inform **us** of any further **loss** as it is **discovered**.
- 6.2 Co-operation** The **insured** must, at their own cost:
- (a) submit in writing full particulars of **loss** to **us**, and
 - (b) take immediate steps to ascertain the full extent of **loss**, and
 - (c) provide all information and assistance **we** require to determine cover under this policy and to enable **us** to investigate **loss** covered by this policy, and
 - (d) provide **us** with any proof and information **we** may reasonably require in respect of the **loss**, and
 - (e) allow **us** or **our** nominee to inspect the **insured's** accounting records and any accountant's report on those records providing the inspection is reasonably connected with the **loss**.
- 6.3 Dishonest or fraudulent statements** If the **insured** makes any dishonest or fraudulent statement in connection with a claim or any application for cover under this policy, **we** may:
- (a) decline the claim, either in whole or in part, and/or
 - (b) declare either this policy or all insurance the **insured** has with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent statement.
- 6.4 Minimise the loss** The **insured** must, at their own cost, take all reasonable steps to avoid any further **loss** arising.
- 6.5 Obtain our agreement** The **insured** must obtain **our** agreement before:
- (a) incurring any expenses in connection with **loss** covered under this policy,
 - (b) doing anything that may prejudice **our** rights of recovery.
- 6.6 Other insurance** The **insured** must notify **us** as soon as they know of any other insurance policy that may cover them for any of the risks covered under this policy.
- If the **insured** holds other insurance cover with any other insurer in respect of any **loss** covered under this policy, then **we** will only pay under this policy once cover under the other policy has been exhausted.
- 6.7 Prosecution for criminal acts** The **insured** must fully co-operate with any criminal prosecution for any **dishonest act** or **criminal act**.

How we manage a claim

- 6.8 Insured's right to contest settlement of loss** If the **insured** does not agree with a decision by **us** to settle a **loss**, at the **insured's** request, **we** will submit such dispute to arbitration, such arbitrator to be mutually agreed by **us** and the **insured**. If no agreement can be reached on the arbitrator, then one will be selected by the President of the New Zealand Law Society.
- 6.9 Recoveries** **We** may assume the **insured's** legal right of recovery. The **insured** must fully co-operate with any recovery process.
- The proceeds of any recovery:
- (a) will first be applied to the costs of effecting the recovery, and
 - (b) then to **us** for amounts paid for a **loss**.
- Any remaining balance will be paid to the **insured** for uncovered **loss** and then the **insured's excess**.
- We** assume all rights to **property** where **we** have paid the cash value for replacement of that **property**.
- 6.10 Severability** If a natural person covered under this policy makes any dishonest or fraudulent statement in connection with a claim for **loss** covered under this policy, **we** will not deny cover to any other natural person covered under this policy on these grounds if that other person was unaware of the matter not disclosed or the fact of the misrepresentation or did not breach a policy condition.

7. General conditions

How we administer this policy

- 7.1 Assignment** The **insured** may not assign this policy or any interest under this policy without **our** prior written consent.
- 7.2 Authorisation** By acceptance of this policy, the person or persons who sign the **application** agree to act on behalf of all persons or entities covered under this policy in respect of:
- (a) negotiating and binding the terms of cover, and
 - (b) giving and receiving of any notice of **loss**, cancellation or any other notice required in this policy, and
 - (c) payment of premiums and the receiving of any return premiums, and
 - (d) agreement to and acceptance of endorsements.
- 7.3 Cancellation** By the insured
The **insured** may cancel this policy at any time by giving **us**, or their broker, notice in writing or by electronic means.
If they do, **we** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**. The **insured** must pay any outstanding premium due for the expired portion of the **period of insurance**.

By us
We may cancel this policy by giving the **insured**, or their broker, notice in writing or by electronic means, at the **insured's**, or their broker's last known address.
The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**.
- 7.4 Currency** Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.
- 7.5 Disputes about this policy** The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.
- 7.6 Goods and Services Tax** Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- (a) the limits of indemnity exclude GST, and
 - (b) all sub limits exclude GST, and
 - (c) any **excess** includes GST.
- GST will be added, where applicable, to any payments.
- 7.7 Legislation changes** Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.
- 7.8 Takeover or merger** If a **transaction** occurs during the **period of insurance**, then cover under this policy is amended to only apply in respect of a **dishonest act** or **criminal act** occurring prior to the date of the **transaction** or which was **discovered** within 30 days of the date of the **transaction**.
The **insured** must give **us** written notice of the **transaction** as soon as possible, but no later than 30 days after the date of the **transaction**.

Section 5 – Crime / Policy wording

The insured's obligations

7.9 Change in circumstances

The **insured** must tell **us** as soon as possible if there is a material:

- (a) increase in the risk insured, or
- (b) alteration of the risk insured.

Once the **insured** has told **us** of the increase or alteration to the risk insured, **we** may then alter the premium and/or the terms of this policy or cancel this policy.

If the **insured** fails to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

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

7.10 Comply with this policy

The **insured** (and any other person or entity covered by the policy) must comply with the terms of this policy.

If:

- (a) the **insured**, or
- (b) any other person or entity covered under this policy, or
- (c) anyone acting on the **insured's** behalf,

breaches any of the terms and/or conditions of this policy, **we** may decline any claim either in whole or in part.

8. Definitions

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

act of terrorism

Any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- (a) involves violence against one or more persons, or
- (b) involves damage to property, or
- (c) endangers life other than that of the person committing the action, or
- (d) creates a risk to health or safety of the public or a section of the public, or
- (e) is designed to interfere with or to disrupt an electronic system.

application

The information provided by the **insured** or on the **insured's** behalf to **us** when the **insured** purchased this insurance or requested a quotation for this insurance from **us**.

criminal act

- (a) theft of **money**, **securities** or **property** belonging to the **insured**,
- (b) theft of:
 - (i) **property** caused by manipulation of computer hardware or software programs or systems,
 - (ii) **money** taken from an account maintained by the **insured** at a financial institution by fraudulent electronic means,
- (c) criminal damage.

discovered

The time at which any director or any management personnel or anyone else who reports directly to such persons (other than a person whose **dishonest acts** have resulted in **loss**), first become aware of facts which would cause a reasonable person to believe that a **loss** has or was likely to have been sustained as a result of a **dishonest act** or **criminal act**, whether or not the amount of such **loss** or the means by which the **loss** was, or may have been caused, are known.

Loss discovered by one person covered under this policy constitutes **loss** discovered by the **insured**.

Section 5 – Crime / Policy wording

dishonest act	Any fraudulent or dishonest act including any continuous or repeated acts, committed by an employee acting alone or in collusion with others which causes a loss to the insured .
employee	Any natural person who is employed by the insured under a contract of service and who is remunerated by salary, wages or commissions and whom the insured has the right to govern and direct in the performance of such service including any: (a) director of the insured but only in respect of a dishonest act performed while acting within the scope of the usual duties as an employee of the insured, and (b) retired employee appointed by the insured under a written contract whom the insured governs and directs in the performance of their service as an employee, and (c) student, seconded person or volunteer pursuing studies, gaining work experience or performing the normal duties of an employee under the insured's supervision, and (d) past employee of the insured, but only for a period not exceeding 90 days following the formal termination of their employment with the insured (other than where such termination is as a result of a dishonest act), and (e) person provided to the insured by an employment agency (or similar source) to perform the duties of an employee where under the insured's supervision. It does not include any person who is, or acts on behalf of, any external auditor, external accountant, broker, investment adviser or investment manager, factor, commission merchant, consignee, contractor or other similar agent or representative.
excess	The amount specified as the 'Excess' in the schedule or as specified in any extension.
forgery	The signing or endorsing of the name of a genuine person or a copy of the said person's signature, including mechanically or electronically produced or reproduced signatures, by any person without authority and with intention to deceive.
fraudulent alteration	A material alteration to any negotiable instrument for fraudulent purposes, other than by the person who was authorised to sign the negotiable instrument.
insured	The entity or organisation specified as the 'Insured' in the schedule including any subsidiary .
limit of indemnity	The amount specified as the 'Limit of Indemnity' in the schedule .
loss	Direct financial loss sustained by the insured. It does not include: (a) loss of profits, (b) loss of income, (c) loss of bargain, (d) consequential loss, (e) loss of wages, salaries, commissions or fees, (f) bonuses, promotions, awards, profit sharing, pensions or other employee benefits paid by the insured in the normal course of business.
money	Any physical or electronic legal currency. It does not include crypto or virtual currencies.
period of insurance	The 'Period of Insurance' shown in the schedule that states the start and end dates of this policy.
property	Tangible property of any kind other than money and securities. It does not include any building or its permanent fixtures and fittings.
schedule	The latest version of the schedule we have issued to the insured for this policy.
securities	Any negotiable and/or non-negotiable instruments including any notes, stocks, shares, preference shares, debentures, warrants, options, bonds, promissory notes or other equity or debt security.

Section 5 – Crime / Policy wording

subsidiary	Any entity that was, or at the beginning of period of insurance is, controlled by the insured holding more than 50% of the voting rights of that organisation or one in which the insured has the ability to control decisions made by the board of directors (whether directly or indirectly).
third party	Any natural person who: (a) is not a director, partner, officer, trustee or employee of any insured , and (b) does not provide services under any contract of service, written or unwritten, with any insured .
transaction	The insured : (a) merges into or consolidates with another entity, or (b) another entity or person acquires 50% or more of the assets, shares or voting rights of the insured , or (c) enters into administration or any other insolvency procedure or if a liquidator or receiver is appointed. This includes any pension plan, foundation, charity or organisation covered under extension 3.5 'Employee benefits'.
we/us/our	NZI, a business division of IAG New Zealand Limited.

Section 6 – Consequential Loss

Policy wording

1. Insurance agreement

1.1 Our agreement

The **insured** agrees to pay **us** the premium and comply with this policy. In exchange, and in reliance on the information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What this policy covers

2.1 Financial loss

We will cover the **insured** for **financial loss** sustained during the **indemnity period** as the sole and direct result of interruption to or interference with the **insured's business** caused by an **occurrence**.

3. Exclusions

3.1 Asbestos

This policy does not cover any claim arising out of, relating to or in any way connected with asbestos.

3.2 Compliance costs

This policy does not cover any costs incurred in complying with any Act of Parliament, Regulation, Order in Council, By-law, New Zealand or International Standard, or any other industry or professional code of practice or compliance standard.

3.3 Fines and penalties

This policy does not cover any:

- (a) fine or penalty imposed, whether under contract or statute, or
- (b) punitive, aggravated, liquidated, or exemplary damages.

3.4 Intentional or reckless acts

This policy does not cover any claim arising from or in connection with any:

- (a) wilful or intentional breach of any duty, statute or contract, or
- (b) act, error, omission or conduct committed or omitted with a reckless disregard for the consequences.

3.5 Nuclear

This policy does not cover any claim arising from or in connection with any atomic energy risks, being operations employing the process of nuclear fission or fusion or handling of radioactive material, which operations include but are not limited to:

- (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, or
- (b) the use, handling or transportation of radioactive materials, or
- (c) the use, handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

3.6 Sanctions

This policy does not cover any claim to the extent such cover would expose **us** to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.

3.7 Terrorism

This policy does not cover any claim for death, injury, illness, loss, damage or **financial loss** directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any **act of terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

3.8 War

This policy does not cover any claim for loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Section 6 – Consequential Loss / Policy wording

4. Basis of settlement

- 4.1 **Maximum amount payable** The most **we** will pay in total for all **financial loss** covered by this policy is the **limit of indemnity**.
- 4.2 **Excess payable** An excess of 10% of the **insured's financial loss** or \$10,000, whichever is the lesser amount, will be deducted from the amount **we** pay for a claim covered by this policy.

5. Claims conditions

The insured's obligations

- 5.1 **Notify us** The **insured** must as soon as practicable notify **us** in writing of any **occurrence** that may cause **financial loss**, regardless of the anticipated amount.
- 5.2 **Co-operation** The **insured** must, at their own cost:
- (a) submit in writing full particulars of **financial loss** to **us**, and
 - (b) provide all information and assistance **we** require to determine cover under this policy, and
 - (c) provide **us** with any proof and information **we** may reasonably require in respect of the **financial loss**, and
 - (d) allow **us** or **our** nominee to inspect the **insured's** accounting records and any accountant's report on those records providing the inspection is reasonably connected with the **financial loss**.
- 5.3 **Dishonest or fraudulent statements** If the **insured** makes any dishonest or fraudulent statement in connection with a claim or any application for cover under this policy, **we** may:
- (a) decline the claim, either in whole or in part, and/or
 - (b) declare either this policy or all insurance the **insured** has with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent statement.
- 5.4 **Minimise the claim** The **insured** must, at their own cost, take all reasonable steps to minimise a claim and avoid any further loss arising.
- 5.5 **Other insurance** The **insured** must notify **us** as soon as they know of any other insurance policy that may cover them for any of the risks covered under this policy. This policy does not cover the **insured's financial loss** at all if the **financial loss** is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

How we manage a claim

- 5.6 **Assessment of a claim** In assessing the amount of any claim for **financial loss**, **we** will make any adjustments which fairly reflect any trends, variations or other circumstances affecting the **insured's business** operations that:
- (a) occur before or after the start of the **indemnity period**, or
 - (b) would have affected the **insured's business** operations had the **occurrence** not happened, so that the final adjusted figures should represent, as close as is reasonably practicable, to the financial performance of the **business** which would have been obtained during the **indemnity period** but for the **occurrence**.
- 5.7 **Progress payments** **We** will make progress payments to the **insured** during the **indemnity period**, provided that payment is supported by the accountant approved by **us**.

Section 6 – Consequential Loss / Policy wording

6. General Conditions

How we administer this policy

- 6.1 Assignment** The **insured** may not assign this policy or any interest under this policy without **our** prior written consent.
- 6.2 Cancellation**
- By the insured
- The **insured** may cancel this policy at any time by giving **us**, or the **insured's** broker, notice in writing or by electronic means. If the **insured** does, **we** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**. The **insured** must pay any outstanding premium due for the expired portion of the **period of insurance**.
- By us
- We** may cancel this policy by giving the **insured**, or the **insured's** broker, notice in writing or by electronic means, at the **insured** or their broker's, last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**.
- 6.3 Currency** Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.
- 6.4 Disputes about this policy** The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.
- 6.5 Goods and Services Tax** Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- (a) the **limit of indemnity** excludes GST, and
 - (b) all sub limits exclude GST, and
 - (c) any excess includes GST.
- GST will be added, where applicable, to any payments.
- 6.6 Takeover, merger or liquidation** If a **transaction** occurs during the **period of insurance** or during the **indemnity period**, then cover under this policy is amended to only apply in respect of **financial loss** sustained by the **insured** prior to the effective date of the **transaction**.
- The **insured** must give **us** written notice of the **transaction** as soon as possible but no later than 30 days after the effective date of the **transaction**.
- 6.7 New subsidiary companies** This policy is extended to insure a subsidiary company created or acquired by the **insured** during the **period of insurance** provided that:
- (a) the operations and activities of the merged new subsidiary company are the same as those undertaken by the **insured** as described in the **schedule**, and
 - (b) the **insured** gives us notice that they wish to extend cover within 30 days of the acquisition or creation of the new subsidiary company, and
 - (c) **we** shall be entitled to vary the policy terms, conditions and exclusions and charge an additional premium.
- We** will only cover **occurrences** that happen after the acquisition.
- 6.8 Separate insurance** Where the 'Insured' 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 available under this policy.

Section 6 – Consequential Loss / Policy wording

The insured's obligations

6.9 Change in circumstances

The **insured** must tell **us** as soon as possible if there is a material:

- (a) increase in the risk insured, or
- (b) alteration of the risk insured.

Once the **insured** has told **us** of the change, **we** may then alter the premium and/or the terms of this policy or cancel this policy.

If the **insured** fails to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

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

6.10 Comply with this policy

The **insured** (and any other person or entity covered by the policy) must comply with the terms and conditions of this policy.

If:

- (a) the **insured**, or
- (b) any other person or entity covered under this policy, or
- (c) anyone acting on the **insured's** behalf,

breaches any of the terms and/or conditions of this policy, **we** may decline any claim either in whole or in part.

7. Definitions

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

act of terrorism

Any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- (a) involves violence against one or more persons, or
- (b) involves damage to property, or
- (c) endangers life other than that of the person committing the action, or
- (d) creates a risk to health or safety of the public or a section of the public, or
- (e) is designed to interfere with or to disrupt an electronic system.

application

The information provided to **us** by the **insured**, or on the **insured's** behalf, when the **insured** purchased this insurance or requested a quotation for this insurance from **us**.

business

The business activities undertaken by the **insured** as described in the **schedule**.

financial loss

- (a) reduction in **income** that would normally have been earned during the **indemnity period** if there had been no **occurrence**,
- (b) necessary and reasonable expenses incurred during the **indemnity period** solely to avoid or diminish a reduction in **income** that is the direct result of the **occurrence**,
- (c) the fees reasonably incurred to pay an accountant, auditor, or another professional financial consultant to quantify (but not negotiate) the claim under this policy.

income

Revenue received or receivable in the ordinary course of the **business**.

It includes revenue for goods sold, services rendered and rent and expenses from tenants, less the cost of goods sold and any other expenses of the **business** that vary with production and/or revenue.

Section 6 – Consequential Loss / Policy wording

indemnity period	The period commencing at 4pm on the day which the insured was first required to notify us of an occurrence under this policy, and expiring at the earliest of: (a) payment of the limit of indemnity so that our liability to the insured under this policy has been met, or (b) a period not exceeding 12 months following the date of the occurrence, or (c) when the business returns to the level that the business would have attained but for the occurrence.
insured	(a) the person, persons, partnership, company, corporation or other entity specified as the 'Insured' in the schedule, (b) any subsidiary.
limit of indemnity	The amount specified as the 'Limit of indemnity' in the schedule .
occurrence	An event that happens during the period of insurance which gives rise to a claim that is covered under Section 1 – Broadform Liability, Section 2 – Statutory Liability, or Section 3 – Employers Liability.
period of insurance	The 'Period of insurance' shown in the schedule , that states the start and end dates of this policy.
schedule	The latest version of the 'schedule' we have issued to the insured for this policy.
subsidiary	Any entity that is, or at the beginning of period of insurance was, controlled by the insured holding more than 50% of the voting rights of that organisation or one in which the insured has the ability to control decisions made by the board of directors (whether directly or indirectly). However, we will not indemnify any previous subsidiary for any claim arising out of an occurrence after it ceased to be the insured's subsidiary.
transaction	(a) the insured merges into or consolidates with another entity, or (b) another entity, or person or group of entities or persons acting in concert acquires securities or voting rights that result in ownership or voting control by the other entity, person or group of more than 50% of the insured's voting rights, or (c) the insured is put into bankruptcy, receivership or liquidation.
we/us/our	NZI, a business division of IAG New Zealand Limited.

Section 7 – Prosecution Legal Expenses

Policy wording

1. Insurance agreement

1.1 Our agreement

The **insured** agrees to pay **us** the premium and comply with this policy. In exchange, and in reliance on the information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What this policy covers

2.1 Legal expenses

We will cover an **employee** for **legal expenses** necessarily and reasonably incurred to defend a **prosecution** arising out of the accidental injury or death of any person that occurred in New Zealand in the normal course of the **employee's** duties as an **employee** of the **insured**, provided that:

- (a) the **prosecution** is first brought against an **employee** during the **period of insurance**, and
- (b) the **insured** has advised us of the **prosecution** as soon as possible, but no later than 30 days after the **period of insurance** ends.

3. Exclusions

3.1 Asbestos

This policy does not cover **legal expenses** for defending any **prosecution** arising out of, relating to or in connection with asbestos.

3.2 Damages, fines or penalties

This policy does not cover any:

- (a) damages, compensation, interest, profit, reparations or restitution, or
- (b) fine, penalty or infringement fee.

3.3 Dishonesty or fraud

This policy does not cover **legal expenses** for defending any **prosecution** arising from or in connection with any:

- (a) theft of money, securities or property belonging to the **insured**,
- (b) act or omission committed with criminal intent.

3.4 Health and safety

This policy does not cover **legal expenses** for defending any charges relating to or in connection with the Health and Safety at Work Act 2015.

3.5 Intentional or reckless breach

This policy does not cover **legal expenses** for defending any **prosecution** arising from or in connection with any:

- (a) reckless or intentional breach of any **Act**, or
- (b) act, error, omission or conduct committed or omitted with a reckless disregard for the consequences.

3.6 Known claims and circumstances

This policy does not cover any **prosecution**, or circumstances that may give rise to a **prosecution**, that the **insured** first knew of or ought to have known of prior to the inception of this policy.

3.7 Private prosecutions

This policy does not cover **legal expenses** for defending any **prosecution** taken by a person or entity other than the statutory authority or enforcement agency given responsibility for administering enforcement of an **Act**.

3.8 Traffic offences

This policy does not cover **legal expenses** for any infringement offence or defending any **prosecution** under the Land Transport Act 1998 including delegated legislation in connection with:

- (a) the use of intoxicants, drugs or alcohol,
- (b) speeding including dangerous or excessive speed,
- (c) road user charges,
- (d) logbooks or overloading.

Section 7 – Prosecution Legal Expenses / Policy wording

4. Basis of settlement

- 4.1 Maximum amount payable** The most **we** will pay in total during the **period of insurance** for all **legal expenses** in connection with any **prosecution** covered by this policy is the **limit of indemnity**.
- 4.2 Excess payable** **We** will only pay that part of **legal expenses** that exceeds the amount of the **excess**. **We** will only deduct one **excess** where an **employee** is charged with one or more offences under an **Act** arising from the same general circumstances.

5. Claims conditions

The insured's obligations

- 5.1 Advise us of a prosecution** If the **insured** becomes aware of any **prosecution**, or circumstances that may give rise to a **prosecution** covered under this policy, they must notify **us** in writing as soon as possible.
- 5.2 Co-operation** The **employee** must:
(a) provide all information and documents **we** request;
(b) keep **us** fully and continually informed of all significant developments.
- 5.3 Dishonest or fraudulent statements** If an **employee** makes any dishonest or fraudulent statement in connection with any **prosecution** or any application for cover under this policy, **we** may decline cover under this policy either in whole or in part.
- 5.4 Obtain our agreement** **Our** agreement must be obtained in writing before:
(a) appointing a solicitor to defend any **prosecution**, or
(b) incurring any **legal expenses** in connection with a **prosecution**.
- 5.5 Other insurance** The **insured** must notify **us** as soon as they know of any other insurance policy that may cover them for any of the risks covered under this policy.
If the **insured** holds 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 the other policy has been exhausted.
- 5.6 Waiver of legal privilege** The lawyers **we** approve to act on the **employee's** behalf in relation to any **prosecution** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from the **employee** and the **employee** authorises the lawyers to disclose this information to **us**.

How we manage a claim

- 5.7 Reimbursement following conviction** If a **prosecution** involves a charge of one or more offences arising out of the same general circumstances and the **employee** is convicted of at least one such offence, all **legal expenses we** have paid in respect of that **prosecution** must be repaid to **us**.
- 5.8 Requirement to defend legal proceeding** **We** will have no obligation to pay any **legal expenses** to defend any **prosecution** on the **employee's** behalf where the **employee** intends to plead not guilty but where a lawyer appointed by **us** advises that such **prosecution** should not be defended because a plea of not guilty is not reasonable and not based on the evidence and the law.
The **employee** may elect to defend such **prosecution** at their own expense and **we** will only pay **legal expenses** incurred up to the date the **employee** notifies **us** in writing of their election under this clause at which point **our** liability in respect of such **prosecution** will then be at an end.
If the **employee** is subsequently acquitted of all charges **we** will pay any such **legal expenses** up to the **limit of indemnity**.

6. General conditions

How we administer this policy

- 6.1 Assignment** The **insured** may not assign this policy or any interest under this policy without **our** prior written consent.
- 6.2 Cancellation** By the insured
The **insured** may cancel this policy at any time by giving **us**, or their broker, notice in writing or by email. If they do, **we** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**. The **insured** must pay any outstanding premium due for the expired portion of the **period of insurance**.
By us
We may cancel this policy by giving the **insured**, or their broker, notice in writing or by email, at the **insured's**, or their broker's, last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**.
- 6.3 Currency** Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.
- 6.4 Disputes about this policy** The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.
- 6.5 Legislation changes** Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.

The insured's obligations

- 6.6 Change in circumstances** The **insured** must tell **us** as soon as possible if there is a material:
(a) increase in the risk insured, or
(b) alteration of the risk insured.
Once the **insured** has told **us** of the change, **we** may then alter the premium and/or the terms of this policy or cancel this policy.
If the **insured** fails to notify **us** about a change in the risk insured, **we** may:
(a) declare this policy unenforceable, and/or
(b) decline any subsequent claim either in whole or in part.
These actions will be taken from the date the **insured** knew, or ought to have known, of the increase or alteration in the risk insured.
- 6.7 Comply with this policy** The **insured** (and any other person or entity covered by the policy) must comply with the terms of this policy.
If:
(a) the **insured**, or
(b) any other person or entity covered under this policy, or
(c) anyone acting on the **insured's** behalf,
breaches any of the terms and/or conditions of this policy, **we** may decline any claim either in whole or in part.

Section 7 – Prosecution Legal Expenses / Policy wording

7. Definitions

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

Act	Any charge under: (a) sections 145 and 171 Crimes Act 1961; (b) the Land Transport Act 1998 which is likely to result in disqualification from driving for more than 3 months or involves a custodial sentence.
application	The information provided to us by the insured , or on the insured's behalf, when the insured purchased this insurance or requested a quotation for this insurance from us .
employee	Any person engaged by the insured under an employment agreement. It also includes any contractor or volunteer the insured has agreed to provide cover to under this policy.
excess	The amount specified as the 'Excess' in the schedule or as specified in any extension.
insured	The entity specified in the schedule as the 'Insured'.
legal expenses	Legal fees, expenses and disbursements, witnesses' costs, assessors' or experts' fees that relate directly to the defence, compromise or handling of any prosecution . It does not include any remuneration or reimbursement of the insured's or employee's time.
limit of indemnity	The amount specified as the 'Limit of Indemnity' in the schedule .
period of insurance	The 'Period of insurance' shown in the schedule , that specifies the start and end dates of this policy.
prosecution	Any prosecution for any actual or alleged commission of an offence under an Act taken by or on behalf of the Crown or by or on behalf of a regulatory/governmental authority.
schedule	The latest version of the 'Schedule' we have issued to the insured for this policy.
we/us/our	NZI, a business division of IAG New Zealand Limited.

Section 8 – Employment Disputes (Optional)

Policy wording

1. Insurance agreement

1.1 Our agreement

The **insured** agrees to pay **us** the premium and comply with this policy. In exchange, and in reliance on the information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. What this policy covers

2.1 Liability

We will cover the **insured** for **liability** arising out of a **claim** brought by an **employee**:

- (a) that is first made against the **insured** and notified to **us** during the **period of insurance** or within 30 days of its expiry, and
- (b) for any actual or alleged **wrongful act** that happened after the **retroactive date**, provided that the **insured** has sought legal advice before undertaking any disciplinary investigation or terminating an **employee's** employment, from:
 - (i) a lawyer who practices employment law, or
 - (ii) an employment relations or industrial organisation approved by **us**.

2.2 Defence costs

In addition to the **limit of indemnity**, **we** will also cover all reasonable and necessary **defence costs** incurred with **our** prior written consent, for the investigation, defence, settlement or appeal of a **claim** for **liability** covered by this policy.

3. Exclusions

3.1 Asbestos

This policy does not cover any **claim** arising out of, relating to or in any way connected with asbestos.

3.2 Bodily injury

This policy does not cover any **claim** arising from or in connection with death or bodily injury.

3.3 Employee entitlements

This policy does not cover payment of any:

- (a) remuneration or benefit owed to any **employee** reinstated to their former position, or
- (b) amount the **insured** is obligated to pay under statute or an employment agreement, or
- (c) redundancy or other benefit to any **employee** dismissed by reason of redundancy that the **employee** was entitled to receive.

3.4 Fines and penalties

This policy does not cover any:

- (a) fine or penalty imposed, whether under contract or statute, or
- (b) punitive, aggravated, liquidated, or exemplary damages.

3.5 Foreign courts

This policy does not cover any **claim** arising from or in connection with any legal proceedings:

- (a) first brought in a court outside of New Zealand, or
- (b) brought in a court within New Zealand for the purposes of enforcing a judgment made by a court outside New Zealand, or
- (c) where the proper law to be applied to the issue/s is that of a country other than that of New Zealand.

3.6 Industrial action

This policy does not cover any **claim** arising from or in connection with any **wrongful act** committed during any lockout, strike, picket, stand-down or suspension, or other industrial dispute.

3.7 Intentional or reckless acts

This policy does not cover any **claim** arising from or in connection with any:

- (a) willful or intentional breach of any duty, statute or contract, or
- (b) any actual or alleged act, error, omission or conduct committed or omitted with a reckless disregard for the consequences.

Section 8 – Employment Disputes / Policy wording

3.8 Known claims or circumstances	This policy does not cover any claim: (a) made or intimated against an insured prior to the commencement of the period of insurance, or (b) notified under a previous policy, or (c) arising from or in connection with circumstances: (i) that the insured was aware of prior to the period of insurance, and (ii) that a reasonable person in the position of the insured would have considered might give rise to a claim.
3.9 Modifications to workplace	This policy does not cover the cost of any physical modifications to the insured's workplace, or the cost of changes to workplace procedures.
3.10 Non-compliance	This policy does not cover any claim arising from or in connection with non-compliance with any judgment, award, determination or demand against the insured issued or published by: (a) Employment Relations Authority, or (b) Employment Court or Court of Appeal, or (c) Human Rights Review Tribunal, or (d) Privacy Commission, or (e) Labour Inspector employed by Employment New Zealand, or (f) any other Statutory body.
3.11 Nuclear	This policy does not cover any claim arising from or in connection with any atomic energy risks, being operations employing the process of nuclear fission or fusion or handling of radioactive material, which operations include but are not limited to: (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, (b) the use, handling or transportation of radioactive materials, (c) the use, handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.
3.12 Sanctions	This policy does not cover any claim or provide any cover to the extent such cover would expose us to any sanction, prohibition or restriction under any United Nations resolution, or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.
3.13 Statutory liability	This policy does not cover any claim arising from or in connection with any statute relating to workers compensation, accident compensation or occupational health and safety.
3.14 Territorial limits	This policy does not cover any claim arising from or in connection with any act, error, omission or conduct that occurred outside of New Zealand.
3.15 Terrorism	This policy does not cover any claim for death, injury, illness, loss or damage directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss including in connection with controlling, preventing, suppressing, retaliating against, or responding to an act of terrorism.
3.16 War	This policy does not cover any claim for loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

4. Basis of settlement

- 4.1 Maximum amount payable**
- (a) **Liability**
The most **we** will pay in total during the **period of insurance** for any one **claim** and all **claims** covered by this policy is the **limit of indemnity**.
 - (b) **Defence costs**
The most **we** will pay in total during the **period of insurance** for all **defence costs** in connection with a **claim** covered by this policy is an amount equal to the **limit of indemnity**.
- 4.2 Excess payable**
- The **excess** is payable by the **insured** for any **claim** covered under this policy. **We** will only pay that part of either **liability** or **defence costs** that exceeds the amount of the **excess**, but in respect of any one **claim**, only one **excess** is payable.
- Where more than one **employee** brings a **claim** against the **insured** that arises out of related events, circumstances or cause, a separate **excess** will apply to each **claim**.

5. Claims conditions

The insured's obligations

- 5.1 Advise us of a claim or circumstance**
- If the **insured** becomes aware of any **claim**, or circumstance that may give rise to a **claim** under this policy, regardless of the anticipated amount, they must notify **us** in writing as soon as possible. Once a circumstance is notified to **us** in writing, any subsequent **claim** arising from that circumstance is deemed to be a **claim** in the **period of insurance** in which the circumstance was first notified.
- 5.2 Co-operation**
- The **insured** must, at their own cost, provide all information and reasonable assistance to **us** to determine cover under this policy and to enable **us** to investigate, defend or settle a **claim**. The **insured** must fully co-operate with any recovery process.
- 5.3 Dishonest or fraudulent statements**
- If the **insured** makes any dishonest or fraudulent statement in connection with a **claim** or any application for cover under this policy, **we** may:
- (a) decline the **claim**, either in whole or in part, and/or
 - (b) declare either this policy or all insurance the **insured** has with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent statement.
- 5.4 Do not admit liability**
- The **insured** must not:
- (a) admit liability,
 - (b) do or say anything that may prejudice **our** ability to defend the **claim** against the **insured** or take recovery action in the **insured's** name.
- 5.5 Minimise the claim**
- The **insured** must, at their own cost, take all reasonable steps to minimise a **claim** and avoid any further loss or liability arising.
- 5.6 Obtain our agreement**
- The **insured** must obtain **our** agreement before:
- (a) incurring any **defence costs** or other expenses in connection with any **claim** under this policy, or
 - (b) negotiating, paying, settling, admitting or denying any **claim** against them.
- 5.7 Other insurance**
- The **insured** must notify **us** as soon as they know of any other insurance policy that may cover them for any of the risks covered under this policy.
- If the **insured** holds 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 the other policy has been exhausted.
- 5.8 Waiver of legal privilege**
- The lawyers **we** instruct to act on behalf of the **insured** in relation to any **claim** against the **insured**, are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from the **insured**. The **insured** authorises the lawyers to disclose this information to **us**.

Section 8 – Employment Disputes / Policy wording

How we manage a claim

- 5.9 Claim below the excess**
- If **we** believe that a **claim** will not exceed the **excess**, **we** may instruct the **insured** to conduct the investigation, defence and settlement at the **insured's** expense. Should the **claim** subsequently exceed the **excess**, **we** agree to reimburse the reasonable **defence costs** incurred by the **insured** or pay on behalf of the **insured** any additional **defence costs**.
- 5.10 Claim in excess of the limit of indemnity**
- 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**.
The **insured** must refund to **us** all amounts **we** pay for **defence costs** in excess of **our** proportion.
- 5.11 Defence of a claim**
- We** have the sole right (which will be a condition precedent to the **insured's** right to be covered) to:
- (a) act in the **insured's** name and on the **insured's** behalf to defend, negotiate or settle a **claim** as **we** see fit,
 - (b) appoint **our** own lawyers to defend or legally represent the **insured** and the lawyers will report directly to **us**.
- 5.12 Discharge of a claim**
- We** may elect at any time to pay the **insured**:
- (a) the maximum amount payable under this policy in relation to a **claim**, or
 - (b) any lesser sum that the claim against the **insured** can be settled for.
- Once **we** have paid this (including any **defence costs** already incurred up to the date of the election), **our** responsibility to the **insured** under this policy for that **claim** is met in full.
- 5.13 Insured's right to contest settlement of a claim**
- If the **insured** does not agree with a decision by **us** to settle a **claim**, the **insured** can elect to contest the **claim** at their own expense but **our** liability will not exceed the amount for which the **claim** could have been settled in the opinion of the lawyer appointed under 5.14 'Requirement to defend a claim'.
- We** will pay **defence costs** incurred up to the date the **insured** notifies **us** in writing of their election under this clause, and will pay the **insured** (subject to the **excess**) the amount for which the **claim** could have been settled. The **insured** expressly agrees that **our** liability in respect of such **claim** will then be at an end.
- 5.14 Requirement to defend a claim**
- We** will not require the **insured** to defend any legal proceedings in respect of a **claim**, nor will the **insured** require **us** to defend on its behalf, any legal proceedings in respect of a **claim**, unless a lawyer mutually agreed by the parties advises such proceedings should be defended. In formulating his or her advice, the lawyer will be instructed to consider the:
- (a) damages and costs likely to be recovered, and
 - (b) likely costs of defence of the **claim**, and
 - (c) the prospects of successfully defending the **claim**.
- The cost of the lawyer's opinion is to be taken as part of the **defence costs** covered under this policy. If the lawyer advises that the **claim** should be settled and if the terms on which settlement can be achieved are within limits that are reasonable (in the lawyer's opinion, and in consideration of the matters), then the **insured**:
- (a) will cooperate with **us** to effect such settlement in accordance with this policy, and
 - (b) if applicable, must pay the **excess** shown in the **schedule**.

6. General conditions

How we administer this policy

- 6.1 Assignment** The **insured** may not assign this policy or any interest under this policy without **our** prior written consent.
- 6.2 Cancellation**
- By the insured
- The **insured** may cancel this policy at any time by giving **us**, or their broker, notice in writing or by electronic means. If they do, **we** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**. The **insured** must pay any outstanding premium due for the expired portion of the **period of insurance**.
- By us
- We** may cancel this policy by giving the **insured**, or their broker, notice in writing or by electronic means, at the **insured's**, or their broker's, last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**.
- 6.3 Currency** Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.
- 6.4 Disputes about this policy** The law of New Zealand applies to disputes about this policy and the New Zealand Courts have exclusive jurisdiction.
- 6.5 Goods and Services Tax** Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- (a) the limits of indemnity exclude GST, and
 - (b) all sub limits exclude GST, and
 - (c) any **excess** includes GST.
- GST will be added, where applicable, to any payments.
- 6.6 Legislation changes** Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law.

The insured's obligations

- 6.7 Change in circumstances**
- The **insured** must tell **us** as soon as possible if there is a material:
- (a) increase in the risk insured, or
 - (b) alteration of the risk insured.
- Once the **insured** has told **us** of an increase or alteration to the risk insured, **we** may then alter the premium and/or the terms of this policy or cancel this policy.
- If the **insured** fails to notify **us** about a change in the risk insured, **we** may:
- (a) declare this policy unenforceable, and/or
 - (b) decline any subsequent **claim** either in whole or in part.
- These actions will be taken from the date the **insured** knew, or ought to have known, of the increase or alteration in the risk insured.
- 6.8 Comply with this policy**
- The **insured** (and any other person or entity covered by the policy) must comply with the terms of this policy.
- If:
- (a) the **insured**, or
 - (b) any other person or entity covered under this policy, or
 - (c) anyone acting on the **insured's** behalf,
- breaches any of the terms and/or conditions of this policy, **we** may decline the **claim** either in whole or in part.

7. Definitions

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

act of terrorism	Any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which: (a) involves violence against one or more persons, or (b) involves damage to property, or (c) endangers life other than that of the person committing the action, or (d) creates a risk to health or safety of the public or a section of the public, or (e) is designed to interfere with or to disrupt an electronic system.
application	The information provided to us by the insured, or on the insured's behalf, when the insured purchased this insurance or requested a quotation for this insurance from us.
claim	(a) legal or arbitral proceedings instituted and served upon the insured seeking compensatory damages, or (b) any threat or intimation that legal or arbitral proceedings will be issued against the insured seeking compensatory damages, or (c) an injunction seeking an interim or permanent order from the Employment Relations Authority, Employment Court, Human Rights Review Tribunal or other Court or Tribunal authorised to make orders under the Human Rights Act 1993, Privacy Act 1993 or Employment Relations Act 2000.
defence costs	Legal costs, expenses and disbursements, witnesses' costs, assessors' or experts' fees.
employee	Any person who is or was or alleges to be or who alleges that but for the wrongful act would have been an employee (as defined in the Employment Relations Act 2000) of the insured. It does not include any person who is or was a director, principal or partner of the insured or any person providing services for labour only under a contract for services to the insured.
excess	The amount specified as the 'Excess' in the schedule or as specified in any extension.
insured	The person, persons, partnership, or entity named on the schedule, including: (a) any predecessor in business, or (b) any subsidiary, or (c) any person who is a principal, partner, director or employee, or (d) any former principal, partner, director or employee, or (e) the estate, heirs, legal representatives or assigns of any principal, partner or director in the event of their death or incapacity but only if such persons observe and are subject to the terms and conditions of this policy.
liability	Liability for: (a) compensatory damages and interest the insured is ordered to pay pursuant to the Employment Relations Act 2000, Privacy Act 1993, or Human Rights Act 1993, and (b) the legal costs of a party making the claim. It includes settlements negotiated by us, in relation to a claim. It does not include: (a) any amount for which the insured is absolved from payment, or (b) any private mediator's or arbitrator's costs that may arise out of a contractual alternative dispute resolution provision, or

Section 8 – Employment Disputes / Policy wording

- (c) the costs of complying with any injunction or permanent order from the Employment Relations Authority, Employment Court, Human Rights Review Tribunal or other Court or Tribunal authorised to make orders under the Human Rights Act 1993, Privacy Act 1993 or Employment Relations Act 2000.

limit of indemnity	The amount specified as the 'Limit of indemnity' in the schedule .
period of insurance	The 'Period of insurance' shown in the schedule that states the start and end dates of this policy.
retroactive date	The 'Retroactive date' shown in the schedule .
schedule	The latest version of the schedule we have issued to the insured for this policy.
subsidiary	Any entity that was, or at the beginning of period of insurance is, controlled by the insured holding more than 50% of the voting rights of that organisation or one in which the insured has the ability to control decisions made by the board of directors (whether directly or indirectly).
we/us/our	NZL, a business division of IAG New Zealand Limited.
wrongful act	(a) unjustifiable dismissal, (b) unjustifiable disadvantage, (c) discrimination, (d) wrongful demotion or unjustifiable failure or refusal to promote, (e) actual or constructive termination of an employment agreement, in breach of the law, (f) misrepresentation or misleading advertising as to the terms and conditions of employment, (g) defamation in relation to employment matters, (h) emotional distress, (i) sexual or racial harassment, (j) wrongful refusal to hire a potential employee, (k) invasion or breach of the right of privacy as provided in the Privacy Act 1993.

Section 9 – Cyber Base (Optional)

Policy wording

1. Insurance agreement

1.1 Our agreement

The **insured** agrees to pay **us** the premium and comply with this policy. In exchange, and in reliance on the information provided in the **application**, **we** agree to provide cover as set out in this policy.

2. The cover we provide

The provisions of Section 2 apply to all Sections of this policy unless stated to the contrary.

2.1 Privacy

We will pay, on behalf of the **insured**, all sums which the **insured** becomes legally obliged to pay (including liability for claimants' costs and expenses) and **defence costs** resulting from any **claim** first made against the **insured** and notified to **us** in writing as soon as reasonably possible during the **period of insurance** as a direct result of:

(a) **Personal information**

The breach, by or on behalf of the **policyholder**, in respect of any natural person, of any **privacy obligations**.

(b) **Commercially confidential information**

Any actual or alleged unauthorised disclosure, loss or theft of **commercially confidential information**, by or on behalf of the **policyholder**.

(c) **Employee information**

The breach, by or on behalf of the **policyholder**, of any **privacy obligations** relating to any **employee** as a direct result of the **insured's** failure to maintain the confidentiality and/or security of any:

(i) **computer records** pertaining to such **employee**; and/or

(ii) data or information pertaining to such **employee** stored on the **policyholder's** **computer systems**.

(d) **Breach of personal and/or commercially confidential information outsourced by the policyholder**

any actual or alleged unauthorised disclosure, loss or theft of:

(i) **personal information**; or

(ii) **commercially confidential information**,

in the care, custody or control of any **service provider** where such information is authorised to be in the care, custody or control of the **service provider** by the **policyholder** pursuant to a written contract.

2.2 System damage

(a) **We** will pay **rectification costs** incurred:

(i) in retrieving, repairing, restoring or replacing any of the **policyholder's computer records** (or any other **computer records** for which the **policyholder** is responsible) that have been destroyed, damaged, lost, altered, distorted, erased or mislaid (and which after diligent search cannot be found);

(ii) in repairing, restoring or replacing any of the **policyholder's computer systems** that have been destroyed, damaged, altered, distorted, erased or mislaid (and which after diligent search cannot be found),

as a direct result of any **cyber event** first discovered by an **insured** and notified to **us** in writing as soon as reasonably possible during the **period of insurance**.

(b) The **sub-limit** with respect to the cover provided in (a) above is specified in the **schedule**.

2.3 Computer virus transmission and hacking

We will pay, on behalf of the **insured**, all sums which the **insured** becomes legally obliged to pay (including liability for claimants' costs and expenses) and **defence costs** resulting from any **claim** first made against the **insured** and notified to **us** in writing as soon as reasonably possible during the **period of insurance** as a direct result of any **third party's** financial losses arising directly from:

(a) a **hacking attack** or **virus** that has emanated from or passed through the **policyholder's** **computer systems**; or

Section 9 – Cyber Base / Policy wording

- (b) a **hacking attack** or **virus** that restricts or prevents access to the **policyholder's computer systems** by **third parties** authorised by the **insured** to gain such access; or
- (c) the loss or theft of the **policyholder's** data or data for which the **policyholder** is responsible or alleged to be responsible for, arising directly from a **hacking attack** or **virus**.

2.4 Multimedia liability

We will pay, on behalf of the **insured**, all sums which the **insured** becomes legally obliged to pay (including liability for claimants' costs and expenses) and **defence costs** resulting from any **claim** first made against the **insured** and notified to **us** in writing as soon as reasonably possible during the **period of insurance** as a direct result of:

- (a) libel, slander or defamation;
- (b) invasion of or interference with the right to privacy, including those of **employees**, or commercial appropriation of names or likeness;
- (c) plagiarism, piracy or misappropriation of ideas;
- (d) infringement of copyright, domain name, commercial title or slogan, the dilution or infringement of trademark, service mark, service name or trade name;

arising directly from:

- (i) the **policyholder's internet and email content**; or
- (ii) the **policyholder's promotional material**; or
- (iii) **third party** digital content downloaded, shared or distributed from the **policyholder's computer systems**.

2.5 Cyber extortion cover

- (a) **We** agree to pay **cyber extortion costs** arising solely from a **security threat** first made against the **insured** and notified to **us** in writing as soon as reasonably possible during the **period of insurance**.

- (b) The **sub-limit** with respect to the cover provided in (a) above is specified in the **schedule**.

Any **cyber extortion costs** paid under this Section 2.5 shall be subject to local legal requirements and in cooperation with and under the direction of any appropriate criminal enforcement or other **authority** where required.

Exclusion 5.17 (d) and 5.17 (e) do not apply to this Section 2.5.

3. Automatic policy extensions

The following Automatic policy extensions are included automatically and are subject to the policy terms, unless otherwise stated.

3.1 Privacy fines and investigations

- (a) **We** will also pay, to the extent **we** are permitted to by law any:
 - (i) **fine or penalty** payable by the **policyholder** as a direct result of a breach by the **insured** of its **privacy obligations**; and/or
 - (ii) **regulatory investigation costs** into such breach.Exclusion 5.14 'Fines and penalties' does not apply to this extension.
- (b) Notice of the **regulatory investigation** into the breach specified in (a) above is first received by the **insured** and is notified to **us** in writing as soon as reasonably possible during the **period of insurance**.
- (c) The **sub-limit** with respect to the cover provided in (a) above is specified in the **schedule**.

3.2 Privacy breach notification and loss mitigation

- (a) **We** agree to pay or reimburse **privacy breach costs** incurred as a direct result of a **cyber event**, provided that the **insured** incurred such costs in order to:
 - (i) fulfil a legal obligation; or
 - (ii) mitigate the effects of a **cyber event** for which the **insured** would be entitled to cover under Section 2.1.
- (b) The limit with respect to the cover provided in (a) above is \$25,000 per **claim** unless **our** prior written consent has been obtained in which case the **sub-limit** specified in the **schedule** will apply.

Section 9 – Cyber Base / Policy wording

3.3 Advancement of defence costs

- (a) If **we** elect not to take over and conduct the defence or settlement of any **claim**, then **we** will pay all **defence costs** provided that:
 - (i) **we** have not denied cover under the policy and where cover is denied, only up to the point of any denial of cover; and
 - (ii) **our** written consent is obtained prior to the **policyholder** incurring such **defence costs** (such consent shall not be unreasonably delayed or withheld).
- (b) The **insured** on whose behalf or for whose benefit **defence costs** were paid, shall repay to **us**, and **we** reserve the right to recover all such **defence costs**, in the event and to the extent that:
 - (i) an express admission is made by the **insured** or any person authorised to make such an admission on behalf of the **insured**, of any of the conduct as set out in Section 5.11; or
 - (ii) it is subsequently established, directly or indirectly, by judgment or other final adjudication, that conduct of the type as set out in Section 5.11 occurred.

3.4 Continuous cover

- (a) **We** cover the **insured** for any **claim** otherwise covered by this extension, arising from a **known circumstance** (notwithstanding Section 5.1 of this policy) if:
 - (i) there has been no fraudulent non-disclosure or fraudulent misrepresentation in respect of such **known circumstance**;
 - (ii) **we** were the cyber liability insurer of the **insured** when the **insured** first knew of such **known circumstance**;
 - (iii) **we** continued without interruption to be the **insured's** cyber liability insurer up until this policy came into effect;
 - (iv) had **we** been notified of the **known circumstance** when the **insured** first knew of it, the **insured** would have been covered under the policy in force at that time but is not now entitled to be covered by that policy, and the **insured** would (but for Section 5.1 of this policy) otherwise be covered under this policy; and
 - (v) the **known circumstance** has not previously been notified to **us** or to any other insurer.
- (b) If the **insured** was entitled to have given notice of the **known circumstance** under any other policy of insurance with any other insurer, then this extension does not apply to provide cover under this policy.
- (c) **Our** liability under this extension is reduced to the extent of any prejudice **we** suffer as a result of any delayed notification of the **known circumstance** to **us**.
- (d) The **limit of indemnity** or **sub-limit** as applicable of the cover **we** provide under this extension is the lesser available under the terms of the policy in force at the earlier time referred to in paragraph (a) (ii) above, or under this policy. The terms of this policy otherwise apply.

3.5 Extended reporting period

- (a) In the event that this policy is not renewed or is cancelled for any reason other than non payment of premium then the **policyholder** has until such time that the **policyholder** effects another insurance policy which covers substantially the same risk as this policy, either with **us** or any other insurer(s), or a period of thirty (30) days commencing on the day immediately following expiry/cancellation of this policy, whichever is sooner, to notify **us** in writing of any **claims** made against or **losses** discovered by, the **insured** during the **period of insurance**.
- (b) Cover under this extension:
 - (i) does not reinstate or increase the **limit of indemnity** or extend the **period of insurance**; and
 - (ii) will only apply to acts, errors or omissions committed or alleged to have been committed before the end of the **period of insurance** or the cancellation date of this policy where this policy has been cancelled; and
 - (iii) is limited to **claims** and **losses** arising from an act, error or omission which occurred on or after the 'Retroactive date' specified in the **schedule**.

3.6 Former subsidiaries run-off cover

- We** cover any former **subsidiary** of the **policyholder** for **claims**, liabilities, losses or costs of the type and on the basis specified in Sections 2 and 3 of this policy, provided that such cover shall only apply in respect of:
- (a) The conduct of the **insured business**; and
 - (b) Acts, errors or omissions which occurred after the 'Retroactive date' specified in the **schedule** and prior to the date on which such **subsidiary** ceased to be a **subsidiary** of the **policyholder**.

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3.7 Merged and/or newly acquired subsidiaries

We cover entities which are merged with or acquired by the **policyholder** while this policy is in force for **claims**, liabilities losses or costs of the type and on the basis specified in Sections 2 and 3 of this policy, provided that:

- (a) such cover shall only apply in respect of the conduct of substantially the same type of **insured business** as covered by this policy.
- (b) this cover is only for a maximum of thirty days from the date of the merger or acquisition (or until the policy expires if that is sooner).
- (c) **we** may agree to extend this period (subject to additional premium) after receipt of a satisfactory underwriting submission in respect of the merged or acquired entity.
- (d) the retroactive date as specified in the **schedule** for such cover is deemed to be the date of the merger with or acquisition by the **policyholder** unless **we** otherwise agree in writing.

3.8 Reward expenses

- (a) **We** agree to pay **reward expenses** incurred as a direct result of a **cyber event** first discovered and notified to **us** in writing as soon as reasonably possible during the **period of insurance**.
- (b) The **sub-limit** with respect to the cover provided in (a) above is specified in the **schedule**.

4. Basis of settlement

4.1 Limit of indemnity

(a) Limit of indemnity

The **limit of indemnity** applies to any one **claim** or matter the subject of cover under the policy and, subject to this Section 4, applies in the aggregate to the total of all **claims** or matters, covered by this policy.

(b) Defence costs

Defence costs covered by the policy are payable in addition to the **limit of indemnity**. The most **we** will pay for **defence costs** is the corresponding 'Limit for defence costs' shown in the **schedule**.

4.2 Limit if multiple persons and/or entities are covered

The **limit of indemnity** and **sub-limits** do not increase if there is more than one **insured** covered under this policy, or if more than one **insured** causes or contributes to any matter the subject of cover under the policy.

4.3 Sub-limits

If the policy indicates any **sub-limits** for specific types of cover under this policy, then the applicable **sub-limits** and not the **limit of indemnity** applies. The **sub-limits** are included within, and not in addition to, the **limit of indemnity**.

4.4 The excess

- (a) **We** only provide cover (up to the **limit of indemnity** or **sub-limit** as applicable) for that part of the **claim, loss**, liability or cost which exceeds the **excess**.
- (b) There are different **excesses** that may be applicable, depending on the matter the subject of cover under the policy which the **insured** must pay. The **insured** must also pay this **excess** when **we** provide cover for any costs and expenses incurred with respect to such matter if the **schedule** states 'Costs Inclusive'.

4.5 Related claims or losses

Individual **claims, losses**, liabilities or costs arising out of and occasioned by or attributable to:

- (a) one original source or cause; and/or
- (b) one act, error or omission; and/or
- (c) a series of related acts, errors or omissions,

shall be deemed to arise out of one event and only one **limit of indemnity** or **sub-limit** as applicable and one **excess** will apply.

5. Exclusions

There is no cover under this policy for any **claim, loss, cyber event**, liability, cost or matter otherwise the subject of cover under this policy:

- 5.1 Known claims and circumstances**
- (a) known by the **insured** at the inception of this policy; or
 - (b) based upon, directly or indirectly arising from, or attributable to any **known circumstance**; or
 - (c) disclosed in the **application** or arising from facts or circumstances which may give rise to a **claim, loss**, liability, loss or cost disclosed in the **application**; or
 - (d) if this policy is endorsed or amended midterm, for any **claim, loss**, liability, loss or cost that arose from a **known circumstance** (as at the effective date of the amendment/endorsement) to the extent that the **claim, loss**, liability, loss or cost would not have been covered by the policy before such amendment/endorsement.
- 5.2 Foreign jurisdictions**
- Subject to the 'Jurisdictional limits' specified in the **schedule**:
- (a) first brought in or determined pursuant to the laws of, the United States of America or Canada, or their territories or protectorates; or
 - (b) arising out of the enforcement of judgments, orders or awards obtained in or determined pursuant to the laws of the United States of America or Canada, or their territories or protectorates; or
 - (c) where the proper law of the United States of America or Canada, or their territories or protectorates is applied to any of the issues in any matter the subject of cover under this policy.
- 5.3 Assumed duty or obligation**
- Based upon, directly or indirectly arising from, or attributable to:
- (a) a liability under a contractual warranty, guarantee or undertaking (unless such liability would have existed regardless of the contractual warranty, guarantee or undertaking); or
 - (b) circumstances where a right of contribution or indemnity has been given up by an **insured**, but only to the extent of the prejudice suffered by **us** in those circumstances; or
 - (c) circumstances where someone has done work or provided services under an arrangement or agreement with an **insured** which limits any potential right for an **insured** to receive contribution or indemnity, but only to the extent that **we** are prejudiced in those circumstances; or
 - (d) any liability which an **insured** agrees to accept in connection with the **insured business** conducted for or on behalf of the **policyholder** firm or incorporated body which is more onerous than that which the **insured** would otherwise have at common law, but only to the extent of the prejudice **we** suffer because of that agreement; or
 - (e) any business not conducted for or on behalf of the **policyholder** firm or incorporated body.
- 5.4 Intellectual property rights infringement**
- Based upon, directly or indirectly arising from the actual or alleged infringement of any **intellectual property right** except as specifically covered under Sections 2.1(b), 2.1(d) and 2.4 of this policy.
- 5.5 Breach of professional duty**
- Based upon, directly or indirectly arising from, or attributable to:
- (a) the rendering or failure to render professional services and/or professional advice to a **third party** by an **insured**; or
 - (b) a breach or alleged breach of any contract for the provision of professional services and/or professional advice to a **third party** by an **insured**.
- This Exclusion shall not apply to loss from any **claim** arising under Section 2.1 – 'Privacy' or 2.4 – 'Multimedia liability' alleging emotional distress, mental injury, mental tension or mental anguish.
- 5.6 Charge backs**
- As a result of any request from the **insured's** acquiring bank for funds or fines as a result of fraudulent credit or debit card transactions, although this exclusion shall not apply to any **claims** covered by Section 2.1 of this policy.
- 5.7 Enforcement order**
- Based upon, directly or indirectly arising from, or attributable to any failure to respond to or comply with an **enforcement order**.
- 5.8 Failure or fitness of goods or services**
- Arising out of the failure to supply goods or services or the supply of goods or services of inferior quality in breach of any contractual obligation, whether express or implied by law.

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- 5.9 Internet infrastructure failure** In respect of Section 2.2 only, based upon, directly or indirectly arising from, or attributable to any failure of external networks, cables, or core internet infrastructure servers not in the **policyholder's** control.
- 5.10 Satellite failures or electrical or mechanical failures** Based upon, directly or indirectly arising from, or attributable to any satellite failures, electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout or blackout, outages to gas, water, telephone, cable, telecommunications, or other infrastructure, unless such infrastructure is under the **policyholder's** operational control and unless such **claim** is as a direct result of any **cyber event**.
- 5.11 Wilful or dishonest acts of principals**
- (a) based upon, directly or indirectly arising from, or attributable to any dishonest, fraudulent, criminal, malicious or reckless act or omission committed by any:
 - (i) **principal**; or
 - (ii) **employees** or any **third party** with the solicitation, enticement, intervention, participation, assistance, cooperation or knowledge or approval of any **principal**, unless such **principal** is a **former principal** at the time of the wilful, malicious, reckless or dishonest act or omission.
 - (b) for any person committing the wilful, malicious, reckless or dishonest act or omission specified in part (a) above.
- 5.12 Related parties** Against an **insured** brought by or on behalf of:
- (a) any other **insured**; or
 - (b) any company in respect of which any **insured** holds (beneficially or otherwise) more than 10% of the voting shares or rights and/or an executive role; or
 - (c) any trust in respect of which any **insured** is a trustee and/or beneficiary and/or has a direct or indirect financial interest; or
 - (d) any other person, firm or incorporated body having control of over 10% or more of the voting shares or rights or an executive role in the operation of the **policyholder**.
- This Exclusion does not apply to Section 2.1(c) 'Employee Information'.
- 5.13 Retroactive limitation** Arising out of any act, error or omission occurring before the 'Retroactive date' specified in the **schedule**.
- 5.14 Fines and penalties** Based upon, directly or indirectly arising from, or attributable to: any fines and penalties, income tax, customs duties, excise duty, stamp duty, sales tax assessed, levied or imposed by law.
- This Exclusion does not apply to Section 3.1 'Privacy fines and investigations' and Section 3.2 'Privacy breach notification and loss mitigation'.
- 5.15 Punitive and exemplary damages** Based upon, directly or indirectly arising from, or attributable to punitive, aggravated or exemplary damages.
- 5.16 Insolvency** Arising directly or indirectly arising out of or in any way connected with an **insured's** insolvency, bankruptcy or liquidation.
- 5.17 Pollution, nuclear risks, war and terrorism** Based upon, directly or indirectly arising from, or attributable to:
- (a) the **insured** or anyone on behalf of or at the direction of the **insured** discharging, dispersing, releasing or permitting **pollutants** to escape into or upon land, the atmosphere, or any water course or body of water; or
 - (b) ionising radiations or contamination by radioactivity from any nuclear material; or the hazardous properties of any nuclear explosive, assembly or component; or
 - (c) war, invasion, acts of foreign enemies, civil or military uprisings, hostilities (even if war is not declared), or government power being taken unlawfully; or property being taken, damaged or destroyed by a government or public or local authority; or
 - (d) any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, illness, injury, death, cost or expense; or
 - (e) any action in controlling, preventing, suppressing, retaliating against, or responding to any **act of terrorism**.

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This Exclusion shall not apply to an **act of terrorism** perpetuated electronically, including as a result of spoofing, sniffing, viruses or malware, mapping, hijacking, trojans, DoS (Denial of Service), DDoS (Distributed Denial of Service) or other denial of service attack or social engineering.

5.18 Trade debt	Based upon, directly or indirectly arising from, or attributable to a liability to pay trading debts or the repayment of any loan.
5.19 Profit	Based upon, directly or indirectly arising from, or attributable to a liability to any loss of the insured's profit arising from the loss of any client, account or business, except as specifically covered by Section 2.2 of this policy.
5.20 Asbestos	Based upon, directly or indirectly arising from, or attributable to asbestos.
5.21 Bodily injury and/or property damage	Based upon, directly or indirectly arising from, or attributable to: (a) bodily injury (except emotional distress, mental anguish or humiliation), sickness, disease or death of any person; or (b) destruction of or damage to tangible property (including the loss of use thereof).
5.22 Government confiscation	Based upon, directly or indirectly arising from, or attributable to the confiscation, commandeering, requisition, destruction of or damage to, computer systems by order of a government de jure or de facto, or by any public authority for whatever reason.
5.23 UN sanctions	Based upon, directly or indirectly arising from, or attributable to the provision of cover or a benefit under this Policy to the extent that the provision of such cover or benefit would contravene any sanction, prohibition or restriction under any United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom or United States of America.
5.24 Unfair trade practices	Based upon, directly or indirectly arising from, or attributable to any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws, or false, deceptive or misleading advertising.
5.25 Discrimination	Based upon, directly or indirectly arising from, or attributable to any actual or alleged discrimination of any kind including, but not limited to, discrimination on the basis of race, colour, religion, age, sex, disability, pregnancy, marital status, political affiliations or ideology, sexual orientation or preference.
5.26 Payment card industry	Based upon, directly or indirectly arising from, attributable to fines or penalties attributable to the insured's failure to comply with the Payment Card Industry Data Security Standard.

6. General conditions

6.1 How we administer this policy

A. Assignment

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

B. Cancellation

By the insured

The **insured** may cancel this policy at any time by notifying **us**. If they do, **we** will refund any premium that is due to the **insured** based on the unused portion of the **period of insurance**. The **insured** must pay any outstanding premium due for the expired portion of the **period of insurance**.

By us

We may cancel this policy by giving the **insured**, or their broker, notice in writing or by electronic means, at the **insured's**, or their broker's, last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund the **insured** any premium that is due to them based on the unused portion of the **period of insurance**.

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C. Change of terms

We may change the terms of this policy (including the **excess**) by giving the **insured**, or their broker, notice in writing or by electronic means, at the **insured's**, or their broker's, last known address. Unless otherwise specified in the notice the change in terms will take effect from 4pm on the 30th day after the date of the notice.

D. Currency

Any amounts shown in this policy or in the **schedule** are in New Zealand dollars, unless otherwise specified in the **schedule**.

E. GST

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

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

F. Other insurance

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

If the insured holds 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 the other policy has been exhausted.

6.2 Laws and acts that govern this policy

A. Disputes about this policy

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

B. Legislation changes

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

C. Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to the **insured's** rights under the Insurance Law Reform Act 1977 and Insurance Law Reform Act 1985.

6.3 Your obligations

A. Comply with the policy

The **insured** (and any other person or entity **we** cover) must comply with the conditions of this policy at all times.

B. Breach of any condition

If:

- (a) the **insured**, or
 - (b) any other person or entity **we** cover under this policy, or
 - (c) anyone acting on the **insured's** behalf,
- breaches any of the terms and/or conditions of this policy, **we** may:

- (i) decline the claim either in whole or in part, and/or
- (ii) declare either this policy or all insurance the **insured** has with **us** to be of no effect and to no longer exist.

C. True Statements and answers

True statements and answers must be given, whether by the **insured** or any other person, when:

- (a) applying for this insurance, and/or
- (b) notifying **us** regarding any change in circumstances, and/or
- (c) making any claim under this policy, and communicating with **us** or providing any further information regarding the claim.

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D. Reasonable care

The **insured** must take reasonable care at all times to avoid circumstances that could result in a claim. The **insured's** claim will not be covered if the **insured** is reckless or grossly irresponsible.

E. Change in circumstances

The **insured** must tell **us** immediately if there is a material:

- (a) increase in the risk insured, or
- (b) alteration of the risk insured.

Once the **insured** has told **us** of the change, **we** may then cancel or alter the premium and/or the terms of this policy.

If the **insured** fails to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, and/or
- (b) decline any subsequent claim either in whole or in part.

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

For avoidance of any doubt, information is 'material' where we would have made different decisions about either:

- (i) accepting your insurance, or*
- (ii) setting the terms of your insurance,*

if we had known that information. If in any doubt, notify us anyway.

6.4 Severability and non-imputation

For the sake of determining indemnity under this policy:

- (a) the **application** shall be construed to be a separate application for cover by the **policyholder** and by each natural person covered by the policy, and no statement or representation in or with respect to the **application** by such person shall be imputed to any other natural person covered by the policy; and
- (b) knowledge possessed by and/or conduct of one natural person covered by the policy shall not be imputed to any other natural person who is an **insured**; and
- (c) any knowledge possessed by and/or conduct of any past or present director, company secretary, chief executive officer, chief operating officer, chief financial officer, chief risk officer, in-house general counsel, or any person who signed the declaration or proposal form in connection with this policy or any policy of which this policy is a renewal or replacement, shall be imputed to the **policyholder**.

6.5 Authority to accept notices and to give instructions

The **policyholders** listed in the **schedule** are appointed individually and jointly as agent of each **insured** in all matters relating to this policy, and to cover provided by the policy.

In particular (but without limitation) the **policyholders** are agents for the following purposes to:

- (a) give and receive notice of policy cancellation, to pay premiums and to receive any return premiums that may become due under this policy; and
- (b) accept endorsements or other notices provided for in this policy; and
- (c) give instructions to solicitors or counsel that **we** appoint or agree to, and to receive advice from them and to act on that advice; and
- (d) consent to any settlement **we** recommend; and
- (e) do anything **we** or **our** legal advisers think might help with the procedures set out in this policy for investigating, settling and defending **claims**, liabilities, losses or costs paid for under the policy; and
- (f) give **us** information relevant to this policy, which **we** can rely on when **we** decide whether to accept the risk, and set the policy terms or the premium.

6.6 Territory covered by this policy

The cover provided by this policy extends to acts, errors or omissions occurring anywhere in the world.

6.7 The insured's duty to comply with additional conditions

If we attach any additional conditions to the **insured's** policy regarding any risk survey or risk management timetable or any other conditions then it is a condition of this policy that these conditions are complied with by the deadlines shown.

7. Investigation, defence and settlement of claims

7.1 Insured's obligations

A. Do not admit liability

The **insured** must not:

- (a) Admit liability, or
- (b) Do or say anything that may prejudice **our** ability to defend the **claim** against the **insured** or take recovery action in the **insured's** name.

B. Advise us

If the **insured** becomes aware of any event that is likely to give rise to a claim under this policy regardless of the anticipated quantum, they must contact **us** immediately.

C. Minimise the loss

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

D. Provide full information

When making a claim, the **insured** consents to their personal information in connection with the claim being:

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

The **insured** must:

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

E. Dishonesty

If the **insured's** claim is dishonest or fraudulent in any way, **we** may:

- (a) decline the claim either in whole or in part, and/or
- (b) declare either this policy or all insurance the **insured** has with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

F. Do not dispose of property

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

G. What the insured must obtain our agreement to do

The **insured** must obtain **our** agreement before:

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

7.2 Managing your claim

A. Allocation of defence costs

If a **claim** is covered only partly by this policy, then **we** will attempt to ensure fair and proper allocation of the **defence costs** for insured and uninsured portions.

If all parties are unable to agree upon the allocation of the **defence costs** then that allocation shall be decided by a lawyer that **we** and the **insured** agree to instruct, whose determination shall 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.

If the parties cannot agree on a lawyer, then a lawyer will be appointed by the President of the New Zealand Law Society.

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B. Apportionment

If **we** pay costs and/or expenses in excess of the maximum amount payable under the policy, then:

- (a) the **insured** must refund to **us** all amounts in excess of the maximum amount payable, or
- (b) **we** can offset that payment against what **we** must pay the **insured** under this policy.

C. Your defence

If the lawyer appointed to defend the **insured** advises that the **claim** should not be defended, then **we** are not required to defend a **claim** against the **insured** unless a second lawyer that **we** and the **insured** agree to instruct, advises that the **claim** should be defended.

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 his or her advice, the lawyer must be instructed to consider the:

- (a) economics of the matter, and
- (b) damages and costs likely to be recovered, and
- (c) likely costs of defence, and
- (d) prospects of successfully defending the **claim**.

The cost of the second lawyer's opinion is to be taken as part of the **defence costs** covered under this policy.

If the second lawyer advises that the **claim** should be settled and if the terms of settlement that **we** recommend are within limits that are reasonable (in the second lawyer's opinion, and in the light of the matters he/she is required to consider), then:

- (i) the **insured** cannot object to the settlement, and
- (ii) the **insured** must immediately pay the **excess** shown in the **schedule**.

D. Subrogation

Once **we** have accepted any part of the **insured's** claim under this policy, **we** may assume the **insured's** legal right of recovery. If **we** initiate a recovery **we** will include the **excess**, and any other uninsured **losses** suffered by the **insured**. Where **we** do this, the **insured** agrees to pay their 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 the **insured's excess** first.

The **insured** must fully co-operate with any recovery process. If the **insured** does not, **we** may recover from them the amount paid in relation to the claim.

E. Defence of liability claims

After the **insured** has made a claim under this policy, subject to Section 7.2 C – 'Your defence', **we** have the sole right (which shall be a precedent to the **insured's** right to be covered) to:

- (a) act in the **insured's** name and on the **insured's** behalf to defend, negotiate or settle the **claim** as **we** see fit (this will be done at **our** expense), and
- (b) defend or legally represent the **insured**, and
- (c) publish a retraction or apology (in the case of defamation proceedings).

We may appoint **our** own lawyers to represent the **insured**. They will report directly to **us**.

F. Discharge of liability claims

We may elect at any time to pay the **insured**:

- (a) the maximum amount payable under the policy, or
- (b) any lesser sum that the claim against the **insured** can be settled for.

Once **we** have paid this (including any **defence costs** already incurred up to **our** date of election), **our** responsibility to the **insured** under the policy is met in full.

G. Waiver of professional privilege

The solicitors **we** instruct to act on behalf of the **insured** are at liberty to disclose to **us** any information they receive in that capacity, including information they receive from the **insured**.

The **insured** authorises the solicitors to disclose this information to **us**.

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7.3 Costs and expenses

- (a) any fees, costs or expenses incurred by **us** (other than to determine **our** liability under this policy) in investigating, defending and settling any matter notified under the policy (in respect of which **we** ultimately confirm cover) will form part of the fees, costs and expenses as otherwise covered by this policy.
- (b) any amount paid by **us** in settlement of a dispute the subject of a matter notified under the policy, shall be deemed for all purposes of the policy to be a payment made under the policy.

8. Definitions

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

act of terrorism

Any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- (a) involves violence against one or more persons; or
- (b) involves damage to property; or
- (c) endangers life other than that of the person committing the action; or
- (d) creates a risk to health or safety of the public or a section of the public; or
- (e) is designed to interfere with or to disrupt an electronic system.

application

The information provided by the **insured** or on the **insured's** behalf to **us** when the **insured** purchased this insurance or requested a quotation for this insurance from **us**.

authority

Any official regulator, government body or government agency.

claim

Subject to Exclusion 5.1 – 'Known claims and circumstances':

- (a) the receipt by an **insured** of any written demand for money or damages, or non-pecuniary relief; or
- (b) any writ, summons, application or other originating legal (criminal, civil or otherwise) or arbitral proceedings, cross claim or counter-claim which is served upon an **insured**.

commercially confidential information

Any information other than **personal information**:

- (a) which is not in the public domain or publicly available; and
- (b) where disclosure may undermine the economic interest or competitive position of the owner of the information.

computer records

Electronically stored data including magnetic tape, software or computer programs for or in respect of a **computer system** used in the course of the conduct of the **insured business**.

computer system

All electronic computers including operating systems, software, hardware, componentry, firmware and all communication and open system networks, websites wherever hosted, off-line media libraries and data backups used in the course of the conduct of the **insured business**.

cyber event

Any:

- (a) **hacking attack** or **virus**;
- (b) malicious damage to the **policyholder's computer systems** by an **employee**;
- (c) accidental damage to or destruction of the **policyholder's computer records** because of an operational error, an error while establishing the parameters, or an involuntary error by an **employee** or a **service provider**;
- (d) failure of a **service provider** hosting the **policyholder's computer systems** as a direct result of (a) to (c) above;

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	(e) failure of a direct or back-up power supply or under/over voltage but only if such power supply is owned, managed or controlled by the policyholder or by a service provider; (f) electrostatic build-ups or electromagnetic disturbances.
cyber extortion costs	(a) any monies (including crypto or virtual currencies) paid by the policyholder in accordance with local legal requirements and with our prior written consent (which shall not be unreasonably delayed or withheld); (b) reasonable and necessary fees, costs and expenses that we incur or the policyholder incurs with our prior written consent (which shall not be unreasonably delayed or withheld): (i) in negotiating, mediating and crisis managing to terminate or end a security threat that might otherwise result in harm to the insured; or (ii) the cost to conduct an investigation to determine the cause of a security threat.
defence costs	All reasonable and necessary legal fees, costs and expenses (including any expert costs where the choice of expert has been approved by us) that we incur or the policyholder incurs with our prior written consent (which shall not be unreasonably delayed or withheld) in the investigation, defence or settlement of any claim made against the insured .
employee	A natural person who is not a principal, but who is or was, at the time the relevant act, error or omission occurred, a person who: (a) had entered into a contract of service with the policyholder firm or incorporated body and is or was remunerated by the policyholder for that service; or (b) is neither a party to a contract of service with the policyholder, nor an independent contractor, but a party to a contract for service with the policyholder for the provision of services to or on behalf of the policyholder for reward; or (c) a volunteer worker or student, and in respect of (a), (b) and (c) above is under the policyholder's direction, control and supervision in the conduct of the insured business.
enforcement order	Notice or order from any data protection authority, government authority, regulator, court, tribunal or other public body authorised to investigate, prosecute or otherwise enforce applicable laws or regulations relating to the collection, storage or processing of computer records, requiring the insured to: (a) confirm compliance with any data protection and/or privacy law or regulation; (b) take specific measures to comply with any data protection and/or privacy law or regulation; or (c) refrain from processing any specified computer records or using any specified computer system.
excess	The ' Policy excess ' as applicable as stated in the schedule .
fine or penalty	(a) a monetary fine or penalty payable by an insured to an authority; (b) fine or penalty does not include any amounts payable or calculated by reference to: (i) compensation; (ii) compliance, remedial, reparation or restitution costs; (iii) exemplary or punitive damages; (iv) any consequential economic loss; (v) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue charge or impost; and (vi) any fine or penalty the insurance of which is prohibited at law.
former principal	Person who has been, but is no longer: (a) principal of a policyholder; or (b) the principal of any corporate entities through which the policyholder previously traded, in the course of the conduct of the insured business.

Section 9 – Cyber Base / Policy wording

hacking attack	Any malicious or unauthorised electronic attack including, but not limited to, any brute force attack, phishing , denial of service attack, initiated by any third party or by any employee and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of the policyholder's computer systems or policyholder's computer records .
insured	(a) the policyholder ; and (b) any subsidiary of the policyholder ; (c) any person who is or becomes, during the period of insurance , a principal or employee of the policyholder ; and (d) any principal , former principal or employee of the policyholder ; and (e) the estate, spouse, heirs, legal representatives, successors or assigns of any insured .
insured business	The 'insured business' specified in the schedule conducted by or on behalf of the policyholder .
intellectual property right	Any intellectual property right including but not limited to trademarks, trade secrets, broadcasting rights, domain names, commercial title or slogan, commercial extortion, metatags and copyrights. 'intellectual property right' does not include any patent, trade secret or confidential information that came into the possession of any person prior to the date such person became an employee or principal of the policyholder .
internet and email content	Any text, images, video, interactive content or advertising material published on the policyholder's website or contained within an email sent by an insured or any advertising material produced by or on behalf of the policyholder and published on a third party's website.
known circumstance	Any fact, situation or circumstance which: (a) an insured was aware of at any time before the period of insurance or any relevant amendment or endorsement of the policy; or (b) a reasonable person in the insured's position would have thought, at any time before the period of insurance or before any relevant amendment or endorsement of the policy, might result in so making an allegation against an insured in respect of a liability, loss or costs, that might be covered by this policy or by any amendment or endorsement to this policy.
limit of indemnity	The 'Limit of Indemnity' specified in the schedule which shall be our maximum liability, in the aggregate, payable under this policy, subject to the terms, conditions and exclusions of this policy.
loss	Direct loss of money sustained by the policyholder . 'Loss' does not include loss of profits, loss of income, loss of bargain, or other types of consequential loss.
money	Any physical or electronic legally acceptable currency (excluding crypto or virtual currencies), coins or bank notes of a generally accepted value.
period of insurance	The period shown in the schedule , that specifies the start and end dates of this insurance contract.
personal information	Information or an opinion about an identified individual, or an individual who is reasonably identifiable whether the information or opinion is: (a) true or not; and (b) in a material form or not.
phishing	The fraudulent use of electronic communications or websites to impersonate the insured or its products or services for the purpose of soliciting personal, confidential or commercial information about the insured's clients.

Section 9 – Cyber Base / Policy wording

policyholder	Each of the following, individually and jointly: (a) each person, firm or incorporated body identified in the schedule as the 'Policyholder', each principal or former principal of any such firm or incorporated body; and (b) any entity which is engaged in the conduct of insured business and which is created and controlled, during the period of insurance, by anyone identified in the schedule as the 'Policyholder'; and (c) anyone who becomes a principal of the 'Policyholder' identified in the schedule, during the period of insurance (but only in respect of the conduct of the insured business for or on behalf of the 'Policyholder' identified in the schedule).
pollutant	Any solid, liquid, gases or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkali, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
principal	A sole practitioner, a partner of a firm, or a director of a company, which practitioner, firm or company is covered by this policy.
privacy breach costs	Reasonable and necessary fees, costs and expenses that we incur or the policyholder incurs with our prior written consent (which shall not be unreasonably delayed or withheld) required to be incurred in respect of any privacy obligations to: (a) fulfil any legal or regulatory obligation the policyholder has to notify third parties of an actual or suspected breach of privacy in relation to any personal information; or (b) establish a credit monitoring service or identity theft helpline; or (c) provide call centre support services; or (d) conduct an independent audit of the policyholder's computer systems to identify the source of such privacy breach.
privacy obligations	The insured's legal obligations arising directly from: (a) any privacy statement governing the handling of information on the policyholder's computer systems; (b) any written contract between the policyholder and a third party governing the processing and storage of credit card information on the policyholder's computer systems; (c) any implied contractual duty to use reasonable care and skill in the handling of personal information or credit card information (including breaches of the payment card industry data security standard); (d) any legal obligation to notify individuals of an actual or potential breach of their personal information; (e) statutory data protection regulations in the country or countries where the policyholder operates, including industry specific data protection and security regulations as they currently exist and as amended.
promotional material	Any marketing materials or tangible goods produced by or on behalf of the policyholder for the purpose of marketing the insured business.
rectification costs	Reasonable and necessary fees, costs and expenses that we incur or the policyholder incurs with our, or Cunningham Lindsey's prior written consent (which shall not be unreasonably delayed or withheld) as a result of the use of external consultants, contractors or advisers including but not limited to forensic or security consultants or any additional costs that the policyholder incurs to pay its employees. For the avoidance of doubt, rectification costs does not include the basic salaries of employees or the policyholder's office expenses or any payments that the policyholder has paid or agreed to pay as part of any service or maintenance contract.

Section 9 – Cyber Base / Policy wording

regulatory investigation	Subject to Section 3.2 – ‘Privacy breach notification and loss mitigation’: (a) any formal or official civil examination, investigation, inquiry, hearing or other civil proceedings ordered or commissioned by any authority into the privacy obligations of the policyholder during the period of insurance: (i) requiring attendance before or the production of documents by the policyholder to the authority; (ii) requiring questions to be answered by the policyholder to the authority; (iii) identifying the policyholder in writing as a target of an examination, investigation, inquiry, hearing or other proceeding by an authority. (b) notice of the regulatory investigation specified in (a) above is first received by the insured and notified to us in writing as soon as reasonably possible during the period of insurance; (c) a regulatory investigation shall be deemed to be first made when the policyholder is first required to respond and/or attend or is so identified as a target of the regulatory investigation. (d) regulatory investigation does not include any routine inspection, supervision, compliance or similar reviews or general industry wide violation reviews of the policyholder.
regulatory investigation costs	Reasonable and necessary fees, costs and expenses that we incur or the policyholder incurs with our or Cunningham Lindsey’s prior written consent (which shall not be unreasonably delayed or withheld) with respect to a fine or penalty or regulatory investigation.
revenue	The amount of net profit or loss before income taxes which would have been earned or incurred had no cyber event occurred.
reward expenses	Reasonable and necessary property or other consideration paid by us or by the policyholder with our, or Cunningham Lindsey’s prior written consent (which shall not be unreasonably delayed or withheld) to a third party (other than a law enforcement professional or authority) for the information leading to a conviction of an indictable offence arising out of a hacking attack covered by this policy.
schedule	The latest version of the schedule we issue to the insured for this policy.
security threat	Any expressed and documented threat or connected series of threats to commit a local, cross border or multi-country attack against the policyholder’s computer system for the purpose of demanding money, securities or other tangible or intangible property of value from the insured.
service provider	Any person, partnership, company, corporation, incorporated society or other body corporate or entity ‘third party’ independent contractor that is not an insured, who provides business process (including call centre, fulfilment and logistical support) and/or information technology services (including hosting, security management, co-location, and collects, stores or processes the policyholder’s computer records) for the policyholder in accordance with a written contract.
sub-limit	The limit of our insurance cover for each of the matters listed in the schedule under ‘Sub-limits’ or in Section 2 or 3 of this policy.
subsidiary	Any company or other incorporated entity which at the commencement of the period of insurance by virtue of New Zealand law was, or is, either directly or indirectly a subsidiary of any incorporated body identified in the schedule as the ‘Policyholder’.
third party	Any person, partnership, company, corporation, incorporated society or other body corporate or entity who is not an insured, at the time of their acts, errors or omissions.

Section 9 – Cyber Base / Policy wording

virus

Any software code including but not limited to any logic bomb, trojan horse or worm that has been introduced by any **third parties** or by any **employees** and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of the **policyholders computer systems** or **policyholders computer records**.

we

NZI, a business division of IAG New Zealand Limited.
We may also use the words 'us', 'our' or 'company' to describe NZI.

