

BusinessPlan Endorsement

Effective date: 16 July 2017

Material Damage Section

28. Unlawful Substances Automatic Extension is deleted and replaced by the following:

Notwithstanding exclusions 7.3 and 7.4, we will cover *you* for *damage* being contamination to any *building* specified in the *schedule* and any other *insured property* within that *building*, caused by the manufacture, supply, storage, possession, distribution or use of any controlled drug as defined in the Misuse of Drugs Act 1975 including methamphetamine, or any pre-cursor chemicals or materials used in any of these activities, provided that:

- (a) *you* own the *building*; and
- (b) the *building* is:
 - a motel or hotel operated by *you* and the *damage* is caused by a paying guest; or
 - leased to a tenant, and *you* or the person who manages the tenancy on *your* behalf has met the "Landlord's Obligations".

Cover under this extension will only apply where, at the time of the claim being made, the level of chemical contamination exceeds applicable recommendations or guidelines for acceptable indoor surface residues in New Zealand made available by the Ministry of Health, or any New Zealand standard for indoor surface residues. We will only pay for decontamination to the extent required to achieve the acceptable level for indoor surfaces residues outlined in the applicable recommendations, guidelines or standard.

For the purpose of this extension, "Landlord's Obligations" are that *you* or the person who manages the *building* on *your* behalf must:

- (a) exercise reasonable care in the selection of tenant(s) by obtaining at least satisfactory verbal or written references; and
- (b) complete an external and internal inspection of the property at a minimum of six monthly intervals and upon every change of tenancy; and
- (c) keep a written record of the outcome of each inspection, and provide a copy to *us* if a copy is requested.

Our liability under this extension is limited to \$50,000 any one *occurrence*, up to a maximum of \$250,000 in any *period of insurance*.