



## Contractors Plant Insurance Policy Schedule

Policy Number:

Period of Insurance: From \_\_\_\_\_ To \_\_\_\_\_ at 4pm

Name and address of the Insured:

Interested Party:

### INSURED PROPERTY:

Description      Current Market Value:      \$

The Excess:      \$

The Situation:      Anywhere in New Zealand

Company Premium      As Agreed

Issued and signed by the Company's authorised representative

at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20

Signed:

## The Policy

In consideration of the Insured named in the Policy Schedule having paid or promised to pay the required premium, Vero Insurance New Zealand Limited (hereinafter referred to as “the Company”) agrees to indemnify the Insured to the extent set out in the Policy.

In issuing this Policy, the Company relies upon the information contained in the Proposal and any statements or representations made by the Insured or anyone acting on behalf of the Insured.

The Policy and the Policy Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Policy Schedule shall bear such meaning wherever it may appear.

The cover provided by this Policy only attaches to those items shown in the attached Policy Schedule against which a sum insured has been shown.

Where an item is not shown in the Policy Schedule or there is no sum insured, or the number “0”, or the word “Nil” is shown, there shall be no cover unless specifically endorsed on to the Policy Schedule or Policy.

### **DEFINITIONS APPLICABLE TO THIS POLICY**

Words or expressions defined in this Policy shall have the same meaning wherever they appear throughout this Policy. Wherever used, the singular shall include the plural and vice versa.

**“Insured Property”** means items of contractors plant, tools and equipment, site huts or other temporary buildings owned by the Insured or under their care, custody and control, to the extent to which such items are described in the Policy Schedule.

The **“Situation”** shown in the Policy Schedule means the contract site or sites where the Insured Property will be used within New Zealand for the purpose of carrying out any contract works.

**“Damage”** means physical loss or damage - unintended and unforeseen by the Insured which necessitates immediate repair or replacement of the Insured Property before it can resume normal working, provided always that such loss or damage is not otherwise excluded.

The **“Excess”** means the amount for which the Company will not be responsible in respect of any one claim occurrence.

## **THE COVER**

If, during the Period of Insurance, Damage occurs to the Insured Property described in the Policy Schedule, or costs are incurred for which this Policy expressly provides indemnity;

then, subject to the terms, conditions and exclusions of this Section, and the General Conditions and General Exclusions of this Policy, the Company will indemnify the Insured for the Damage, and costs to the extent that they are insured.

### **BASIS OF INDEMNITY**

The indemnity provided to the Insured will be by payment or, at the Company's option, by repair or by replacement of the damaged Property and by payment of any insured costs.

1. Where damage to an insured item can be repaired, the Company will pay all expenses necessarily incurred to restore the damaged item to its state of serviceability immediately before the occurrence of damage. If the repairs are executed by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs, plus a reasonable allowance to cover overhead charges.

If any parts are found to be unprocurable the Company's liability for these parts shall be limited to the manufacturer's or supplier's latest list price.

2. Where an insured item is totally destroyed the Company will at its own option either;
  - i) pay the actual value of the item immediately before the occurrence of damage, such actual value to be calculated by deducting reasonable depreciation from the new replacement value of the item, or;
  - ii) supply an equivalent replacement item similar in type, capacity and condition to the insured item immediately before the occurrence of damage and pay any costs for ordinary freight and installation.

An item will be deemed to be totally destroyed if the cost of repairs permitted by paragraph 1 exceeds the actual value of the insured item immediately before the occurrence of damage.

### **SUMS INSURED**

The Sums Insured for property insured by this Policy must not be less than the current market value of each of the items, which for each item shall mean the cost of replacement with an item of the same kind, capacity and condition, including freight, customs duties and dues, if any, and erection costs.

The Total Sum Insured shall be the aggregate of the current market values of each item.

### **AVERAGE**

If in respect of any item the Sum Insured declared is less than the correct amount, then the amount recoverable by the Insured under this Section of the Policy shall be reduced in such proportion as the sum insured bears to the replacement value.

**THE COMPANY'S LIABILITY**

Subject to the "Reinstatement of Amount of Insurance" provision of this Policy, the Company's liability will not exceed the Sum Insured; and where more than one item is insured, will not exceed in respect of each item the Sum Insured applicable to that item.

## Exclusions

1. The Company will not indemnify the Insured against any loss, destruction, or damage directly or indirectly caused by or arising from:
  - (a) war, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power;
  - (b) confiscation, requisition, or destruction of or damage to property by order of Government or Local Authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this Policy;
  - (c) nuclear weapons material, or ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
  
2. The Company will not indemnify the Insured against:
  - (a) loss or damage directly or indirectly caused by or arising from the deliberate or reckless acts of the Insured.
  - (b) consequential loss, loss of use, penalties, fines, liquidated or other damages, or liability of any nature whatsoever;
  - (c) loss or damage to any item of Property shown in the Policy Schedule directly caused by its own explosion, mechanical or electrical breakdown, derangement or other operating cause, but resultant damage arising from such causes is insured;
  - (d) loss of any property by disappearance or shortage revealed only by the making of an inventory or by periodic stock-taking, or discovered during any routine repair or maintenance, and where such loss is not traceable to any specific event;
  - (e) loss or damage to vehicles licensed or registered for general road use except when being used exclusively at the contract site as a tool of trade;
  - (f) damage to tyres, by application of brakes or by punctures, cuts or bursts;
  - (g) loss or damage resulting from the direct application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul;
  - (h) loss or damage to any property whilst hired out unless otherwise agreed by endorsement;
  - (i) loss or damage to items whilst working underground unless otherwise agreed by endorsement;
  - (j) loss or damage to other equipment which is not specifically contractors plant such as but not limited to office equipment and portable communication devices;
  - (k) damage resulting from testing experiments or overload or similar tests requiring the imposition of abnormal conditions;

- (l) damage caused by any faults or defects existing at the time of commencement of this insurance or any subsequent renewal thereof and known to the Insured or his representatives and not disclosed to the Company;
- (m) loss or damage to items due to immersion in any lake, river, sea or other permanent body of water but this exclusion shall only apply when the Insured Property
  - (i) is working from, or is in transit on a waterborne craft or vessel or aircraft, or
  - (ii) is being self propelled, towed or by other means of propulsion moving in, working in or in transit in or across any such lake, river, sea or permanent body of water;
- (n) the cost of any:
  - (i) alterations, additions, improvements, overhauls, or maintenance;
  - (ii) provisional repairs unless such repairs constitute part of the final repairs and do not increase the total repair cost;
  - (iii) extra charges incurred for overtime work or work performed on public holidays, express freight, or airfreight, unless otherwise agreed to by endorsement.

3. In respect of the Property or part immediately affected, this Policy does not provide indemnity against loss or damage caused by:

- (a) scratching or cracking of glass, perspex or similar materials;
- (b) wasting or wearing away or wearing out of any part caused by or naturally resulting from ordinary use or working;
- (c) gradual deterioration, erosion or corrosion;
- (d) direct consequences of progressive or continuous influences of atmospheric or chemical action;

but the Company shall be liable for other damage insured by this Policy and resulting from such causes.

4. In respect of cranes or other lifting or conveying devices, this Policy does not provide indemnity against loss or damage caused by breakage or abrasion of wires or strands of ropes.

However indemnity shall operate where the Damage results in a complete severance of wires or ropes.

5. The Company will not pay the Excess stated in the Policy Schedule. In the event of a loss arising from the same and original source giving rise to a claim against more than one item, the Excess will not be cumulative. Where applicable the aggregate adjusted loss will be subject to the highest Excess only being applied.

## Conditions

### 1. **Observance of Terms and Conditions**

The due observance and fulfilment of the terms and conditions of this Policy by the Insured insofar as they relate to anything to be done or complied with by the Insured, and the correctness of any statements made to the Company (whether made by the Insured or not), are conditions precedent to any liability of the Company to provide any indemnity under this Policy.

### 2. **Misdescription**

This Policy is voidable in the event of any misrepresentation, misdescription or non-disclosure of any material fact. However, the insurance will not be prejudiced by:

- (a) any innocent alteration or inadvertent misdescription of machinery;
- (b) any act whereby the risk of damage to machinery is increased without the authority or knowledge of the Insured;

provided that notice is given to the Company immediately the Insured's insurance manager (or equivalent) becomes aware of any of the above happenings. The Insured agrees to pay an appropriate additional premium if required.

### 3. **Cancellation**

#### (a) **By the Insured**

This Policy may be cancelled by the Insured at any time, and with immediate effect by written notice delivered to the Company. In the event of such cancellation, the Company will be entitled to a pro-rata proportion of the premium (subject to any adjustment required by the terms of this Policy) for the time during which the Policy has been in force.

#### (b) **By the Company**

This Policy may be cancelled by the Company at any time by sending a letter to the Insured at the Insured's last recorded postal address on the Company's records. The cancellation will take effect at 4pm on the 30th day after the letter has been sent. In the event of such cancellation, the Company will refund to the Insured a pro-rata proportion of the premium, subject to any adjustment required by the terms of this Policy.

### 4. **Alteration of Risk**

If any change occurs involving a material alteration in the risk accepted by the Company, the Insured shall as soon as possible give notice in writing to the Company. The Insured shall at their own expense take prudent precautions to minimise the risk of any claim arising under the Policy because of the alteration of risk and shall comply with any reasonable directions or requirements of the Company. The terms and premium required for this insurance may be increased by the Company due to the alteration in risk.

5. **Diligence**

The Insured shall make reasonable endeavours to ensure that:

- (a) the Property is in good working order;
- (b) statutory or other regulations relating to the business and the operation of the Property observed;
- (c) any monitoring devices installed are maintained in good order;
- (d) all things reasonably practicable are done to minimise or to avoid or diminish any circumstances which may result in a loss.

If the Company is prejudiced by the Insured not complying with this Condition the Company shall have the right to decline the claim.

6. **Claims**

Upon becoming aware of any event giving rise, or likely to give rise, to a claim under this Policy, the Insured must:

- (a) take prompt steps to minimise the damage;
- (b) take reasonable steps to protect the Property from further damage;
- (c) immediately notify the Company;
- (d) if a criminal act is suspected, inform the Police;
- (e) within thirty days or as soon as practicable thereafter, submit full particulars of the claim in writing to the Company;
- (f) at the Insured's expense, provide the Company with any reasonably required proof and information in respect of the claim.

7. **Reinstatement of Amount of Insurance**

In the event of damage for which a claim is payable under this Policy, and in the absence of written notice by the Company or the Insured to the contrary, the amount of insurance cancelled by such damage will be automatically reinstated from the date of the occurrence. The Insured undertakes to pay such pro-rata premium at the applicable rate as may be required following such reinstatement of any of the sums insured.

8. **Salvage**

Where Property insured by this Policy is damaged, the Company may:

- (a) enter any premises where the damage has occurred and take and keep possession of the damaged Property;
- (b) deal with the salvage in any reasonable manner;

provided that the Insured is not entitled to abandon any Property to the Company.

9. **Inspection**

The Insured shall allow authorised representatives of the Company to inspect the Insured Property at any reasonable time and shall provide such information as may reasonably be required. If at the time of inspection, any new facts of a nature likely to increase the risk of damage are observed, the Insured shall at the request of the Company restore the risk to normal in the least possible time, failing which the Company reserves the right to suspend the insurance in respect of the Property concerned, making a proportionate return of premium.



10. **Subrogation**

Where, upon accepting liability for a claim under this Policy, the Company is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation, the Insured must, at the Company's expense, do and concur in doing and permit to be done anything reasonably required by the Company for the purpose of enforcing that right. The Insured must comply with this condition when required, whether before or after having been indemnified by the Company.

11. **Other Insurance**

If, at the time of any claim arising under this Policy, there is any other valid and collectable insurance covering all or part of the same loss, this Policy will apply only to the amount of any loss in excess of that recoverable under the other insurance.

12. **Fraud**

If any claim is in any respect fraudulent or if any false declaration is made or used in support thereof or if any fraudulent means or devices are used by the Insured or anyone acting on behalf of the Insured to obtain any benefit under this Policy in respect of the claim, all benefit under this Policy in respect of that claim will be forfeited.

13. **Words Defined**

Where any words are given special meaning in the Schedule of this Policy, those words will, unless the context otherwise requires, have that same meaning wherever they may appear in the Policy.

14. **Goods and Services Tax**

Provided that Goods and Services Tax (GST) is recoverable by the Company, the Sum or Sums Insured are exclusive of GST to the intent that in the event of a claim the Company will indemnify the Insured to the maximum of the Sum Insured or Limit of Liability under each item plus additional GST to a maximum of the current rate of GST applied to such amount.

## Optional Clauses

Each of the following Optional Clauses shall only apply when shown as being included on the Policy Schedule.

### 483 TRANSIT INCLUDED

The Company will also indemnify the Insured in respect of loss or damage occurring to insured items during any transit between contract sites and return to the depot or premises used for storage when the Insured Property is not in use, provided always that adequate precautions are taken to prevent theft or malicious damage occurring during transit between these situations.

#### Special Provisions

- 1 This Clause does not provide cover for transit on any waterborne craft or vessel or aircraft.
- 2 The definition of “**Situation**” extends to include any contract site or sites where the Insured Property will be used including the site or premises where the Property is stored pending use at any future contract site provided that such situation is located within New Zealand.
- 3 Transit is deemed to include any operations involving loading onto or unloading from transport vehicles.

However this Special Provision shall be overridden by Exclusion 2(e) when that Exclusion is applicable.

- 4 Where tower cranes are insured transit shall include any lifting, lowering, dismantling or re-erection.

### 484 TRANSIT EXCLUDED

This Policy does not insure loss or damage occurring to insured items during any transit to or from the Situation specified in the Schedule.

#### Special Provisions

- 1 Loading onto or unloading from transport vehicles at or adjacent to the Situation is not excluded by this Clause.
- 2 In respect of tower cranes or builders hoists the policy will indemnify loss or damage arising from lifting, lowering, dismantling or re-erection at the Situation.
- 3 On completion of construction work at the Situation the insurance may extend for a further fourteen days or until removal of items from the Situation.

#### **485 BREAKDOWN EXTENSION**

Notwithstanding Exclusion 2 (c), the indemnity by this Policy is extended to include Damage to the Insured Property caused by its own explosion, mechanical and electrical breakdown, derangement or other operating cause.

This extension does not include damage to:

- (a) exchangeable and replaceable parts including but not limited to shear pins, bits, drills, knives, saw blades;
- (b) parts made of glass, rubber, textiles or synthetics;
- (c) parts which by their use or nature suffer a high rate of wear or depreciation including but not limited to crushing surfaces, balls, hammers, screens and sieves, wear plates, elevator and conveyor belts or bands, chains, flexible pipes, jointing and packing materials, filter cloths, grinding wheels, ropes, belts, straps, cables other than electrical conductors, fuses, brushes, batteries, tyres,;
- (e) operating media such as fuels, chemicals, filter substances, cleansing agents, lubricants.

#### **486 REMOVAL OF DEBRIS**

The indemnity by this Policy is extended to include the costs and expenses up to the Sum Insured shown in the Policy Schedule which have been necessarily incurred in consequence of Damage in:

- (a) removing debris of the portion(s) of the damaged Property which has sustained Damage;
- (b) demolishing undamaged portion(s) of the damaged Property to enable repair or replacement of the item to proceed;
- (c) shoring or propping up or supporting undamaged portion(s) of the Property to prevent further damage to the item and allow repair or replacement to proceed.

#### **487 EXPEDITING EXPENSES**

The indemnity provided by this Policy is extended to include express freight charges including delivery costs, overtime and holiday rates of wages, such extra costs being necessarily and reasonably incurred as a result of Insured damage.

##### **Supplementary Conditions**

1. Express freight charges shall be limited to carriage within New Zealand and includes air freight provided carriage is on a regular scheduled airline service.
2. The total liability of the Company in respect of this Extension is limited to 50% of the amount which the Insurers would otherwise be liable to pay.

#### **488 OVERSEAS AIRFREIGHT CHARGES**

The indemnity provided by this Policy is extended to include the costs incurred for delivery of any part or parts by overseas airfreight, provided that the airfreight carriage is by regular scheduled airline service. The total liability of the Company under this Extension shall not exceed the amount of \$5,000.

#### **489 EMPLOYEES TOOLS AND EQUIPMENT - LIMITATION**

In respect of employees tools and equipment this Policy only indemnifies loss or damage which occurs at contract sites.

#### **490 COMPANY EARTHQUAKE EXCESS**

Where referred to in the Policy Schedule the term Company Earthquake shall mean the perils of earthquake, hydrothermal activity, and volcanic eruption.

The Excess shall be 1% of the adjusted loss which will be net of salvage and other recoveries, but subject to this amount being no less than the Excess shown against Company Earthquake in the Policy Schedule which shall be the minimum excess.

For the purpose of applying the Excess a series of events arising from any one cause during any 72 consecutive hours will be treated as one event;.

#### **491 EXTRA EXPENSES - INTERRUPTION COVER**

The insurance by this Policy is extended to include the additional expenditure necessarily and reasonably incurred during the indemnity period in consequence of physical loss of or damage to the Property Insured by the payment of costs and expenses for:-

- (a) the recovery or withdrawal of the Property Insured upon it becoming immobilised;
- (b) the hire of alternative plant while the Property Insured is being repaired or replaced; and
- (c) avoiding or diminishing consequent damage to the Property Insured.

Provided that such additional expenditure shall not exceed the amount of \$200,000 during the indemnity period, and that repair or replacement is proceeded without undue delay.

#### **Definition**

*needs to be inserted - customise as necessary*

■ refer to definitions of Indemnity Period and Time Exclusion in the Machineplan Policy Section 2

■ remember that if you run with a monetary excess you will need to show the Damage Excess as well as the Consequential Loss Excess

eg Indemnity Period means the period specified in the Policy Schedule commencing immediately after application of the Time Exclusion following the occurrence of loss or damage to the Property Insured. Etc; etc,

**Additional Condition**

In the event that the Insured elects not to repair or replace Property Insured following loss of or damage indemnified by this Policy, then the provision of this memorandum would not apply.

**492 GOODS ON HOOK EXTENSION**

## CONTRACTORS PLANT INSURANCE

### ADDITIONAL CLAUSES :

NO.	DESCRIPTION
483	Transit Included
484	Transit Excluded
485	Breakdown Extension
486	Removal of Debris
487	Expediting Expenses
488	Overseas Airfreight Charges
489	Employees Tools and Equipment - Limitation
490	Company Earthquake Excess
491	Extra Expenses - Interruption Cover
492	Goods on Hook Extension