

## Update to Vero Marine's Move New Zealand Policy

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We regularly review our cover to meet our customers' needs in a changing environment. A summary of the changes is below. For further details of all the changes please talk to your broker or adviser, or refer to the [Move New Zealand policy document on the Vero website](#) and your personalised schedule. If there is any conflict between the wording in this document and the policy wording, it is the policy wording which applies. Any such conflict is unintentional.

### Explanation of main cover changes

One of the changes introduced in the Earthquake Commission Act 2019 was the removal, in July 2019, of the government's automatic NZD 20,000 Earthquake Cover for household contents. Previously, this included when people moved between houses. Transit insurers provided cover for household contents over NZD 20,000. Now the government scheme is no longer involved with this aspect, commercial insurers who provide household removals insurance should now insure the first NZD 20,000 of household contents.

Vero Marine's "Move New Zealand" has been amended to provide our clients with this cover. We continue to offer two options: wider cover (available only when the household contents are professionally packed), and more limited cover for claims caused by specific risks. We have expanded the specified risks under the limited cover option to now cover the risks of loss or damage caused by earthquake, natural landslip, volcanic eruption, hydrothermal activity or tsunami.

### Changes to Extensions

We've also taken the opportunity to

- increase Disposal Costs from NZD 5,000 to NZD 10,000. Disposal Costs is an extension that provides additional cover for the costs of disposing unrepairable household contents following a claim;
- change the wording of the Accommodation cover extension to make the qualifying conditions clearer. We've changed "warranted that" to "subject to the following";
- and increased the Accommodation cover extension daily limit from NZD 500 to NZD 1,000.

### Property Insured

We've changed the scope of what we can insure in this policy. We no longer insure 'personal electronics', as these should be carried by the owner. We now also need to agree beforehand whether domestic animals and plants are to be covered.

### Period of Insurance

The time our cover starts has been expanded to include when the household contents first come into the custody of a third-party carrier. This is usually the removal company. We've also made it more precise when the cover ends. Previously cover ended "on delivery at the place named in the policy". Now cover ends "on completion of unloading from the carrying vehicle or other conveyance at the place named in the policy".

### Exclusions

In line with other Vero policies of insurance, we now use 'excess' instead of 'deductible'.

We've introduced a new exclusion for creasing of clothing or fabric items, unless damaged in a transport accident:

You are not insured for ... any ... creasing of clothing and any fabric item unless caused by an accident to the carrying conveyance.

## Conditions: Average Clause changed to Underinsurance Clause

To make the effect of under-insurance clearer, we've renamed and re-worded the Average Clause to the Underinsurance Clause and provided a simpler illustrative example.

Previous clause	New clause
<p><b>Average Clause</b></p> <p>If at the time of loss or damage The Property Insured is collectively of a greater value than the total sum insured, then you shall be considered as being your own insurer for the difference and bear a rateable share of the loss accordingly.</p> <p><b>Example</b></p> <p>Sum Insured       \$ 10,000            Claim               \$ 1,000            Value of Property \$ 20,000</p> <p>The Claim Adjustment is calculated as follows:  <math>\frac{\\$10,000}{\\$20,000} \times \frac{\\$1,000}{1} = \\$500</math> Amount claimable before deductible</p>	<p><b>Underinsurance Clause</b></p> <p>Your insurance policy contains a provision making it subject to average.</p> <p>This provision will have effect only if the property insured under the policy is underinsured at the time of loss.</p> <p>If the property insured under this policy is underinsured at the time of loss, the following rules apply:</p> <ul style="list-style-type: none"> <li>(a) if you suffer a total loss, the provision will have no effect:</li> <li>(b) if you suffer a partial loss, the maximum amount that you may recover will bear the same proportion to your actual loss as the amount for which the property is insured bears to the full value of the property:</li> <li>(c) whatever your loss, in no case will you be entitled to recover more than the amount for which the property is insured.</li> </ul> <p>Example: Your property is worth NZD20,000. You insure it for NZD10,000. You suffer a loss of NZD5,000. If your policy is subject to average, the maximum amount that you may recover will be NZD2,500.</p>

## New Replacement Clause Condition

We've added another condition, the Replacement Clause, to make the position clearer when claiming repairs on older items such as washing machines, dryers or household appliances.

### Replacement Clause

In the event of loss of or damage to any part(s) of an insured machine or other manufactured item consisting of more than one part caused by a peril covered by this insurance, the sum recoverable shall not exceed such proportion of the cost of replacement or repair of such part(s) as the amount insured bears to the new cost of the machine or manufactured item, plus labour for (re)fitting and carriage costs.

The total liability of the Company shall in no event exceed the amount insured of the machine or manufactured item.