

Effective 15 December 2023

vero

FARM & LIFESTYLE BLOCK
INSURANCE

Farm Recovery Policy





You know farming. We know rural insurance. Let's work together.

We've partnered with New Zealand's rural communities for over 150 years. Along the way, we've learnt a thing or two about making our policies work smarter to cover your farm, business and personal assets.

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Welcome to your Farm Recovery Policy – insurance for your farm operations



In this policy wording, we set out what's covered and what's not covered under your policy, your responsibilities, and how we work together with you at claim time.

Who we mean by 'you'

When we say 'you' or 'your', we mean the *entity, insured, insured person, person, people, or people insured* named on your *schedule*.

Who we mean by 'we'

When we say 'we', 'us', or 'our', we mean Vero Insurance New Zealand Limited.

The documents that make up your insurance policy

Your insurance policy is made up of three parts.

1. This policy wording. It explains what we do and don't cover, the responsibilities you have under the policy, and how to make a claim.
2. Your policy *schedule*. It gives details specific to you, including who and what is insured, when cover starts and ends, and the *premium* you've agreed to pay. The policy *schedule* also includes any special terms that might apply, which might also detail things that we do and don't cover.
3. The information in your proposal, application, or declaration.

Read your policy wording, so you know what we do and don't cover

We agree to give you insurance cover as outlined in this policy wording and your policy *schedule*, as long as your *premium* payment is up to date.

Read your insurance policy documents carefully, so you know what you are, and are not, covered for. Keep them together in a safe place.

Once you've read this policy wording, contact your insurance adviser if you would like more information.

Headings in this policy wording are descriptive

The headings used in this policy wording are descriptive – they're to help you find information. They're not part of the terms and conditions, so you can't rely on them to interpret the policy's meaning.

Words in italics have specific meanings

When words are in *italics*, they have specific meanings that we've defined in the 'Definitions' section on page 22. When we use these words, we mean the definitions we give in the 'Definitions' section.

What this Farm Recovery Policy covers

Under this policy, we'll cover financial loss if your *farm assets* are *damaged* during the *period of insurance* and this directly interrupts or interferes with your *farming operations*.

If you run your business in departments, and can get independent trading results for each department, this Farm Recovery policy applies to each department separately.

Your cover, including the benefits and optional benefits, is subject to the terms, limitations, exclusions, conditions, and cover limits that apply to this policy.

We only cover an interruption or interference if we accept a claim for the damage

We'll only pay a claim under this policy if the following conditions apply:

- we're insuring the *damaged* property under a Farm Asset policy
- we have accepted a claim for the *damage*, or would have if the cost to repair or replace the *damaged* item exceeded the *excess*.

We will not pay any gross profit loss or costs incurred as a result of *damage* to the following property:

- Farm forestry
- Plants, hedges, and shelterbelts
- Fences and yards
- Farm buildings that are not specified on your *schedule*

If you're a sharemilker or contract farmer, we'll only pay a claim under this policy if the following conditions apply:

- the *damage* relates to *farm assets* at the *insured location* that you don't own, but that you need to perform your *farming operations*
- the loss would have been covered by a Farm Assets policy we offer
- the property owner's insurer has accepted a claim for the *damage*, or would have if it wasn't for the amount of any *excess*.

We'll cover these types of financial loss (items)

To be covered by this policy, items must be listed on your *schedule*, financial loss must relate to your *farming operations*, and *damage* must occur during the *period of insurance*.

We may cover individual items for different types of financial loss. We've noted variations in cover under the headings below.

Gross profit

We'll cover you for lost profit if either:

- you lose *gross profit*
- the cost of work increases.

Additional increased costs

We'll cover extra costs you reasonably incur during the *indemnity period* as a direct result of *damage* to your farm *building* and/or *other assets* insured under a Farm Asset policy.

You must incur these costs to either:

- avoid or minimise decreasing your *turnover*
- resume or maintain the day-to-day running of your *farming operations*.

This cover excludes:

- any part of the costs that you would have recovered under 'Lost revenue' if the *sum insured* was large enough (this exclusion does not apply if you have chosen not to purchase 'Lost revenue' cover and it is not on your *schedule*)
- repairing or replacing *damaged* property.

Lost rent

We'll cover you if *damage* directly results in you:

- suffering loss of *rent*
- incurring extra costs to stop or minimise your loss of *rent*.

Replacing damaged records

We'll cover your clerical, legal, and other costs you reasonably incur to replace or restore accounting and business records as a direct result of *damage*.

Claims preparation costs

We'll cover the reasonable costs of quantifying claims we accept under this Farm Recovery policy.

We'll cover:

- the cost of paying a chartered accountant, solicitor, or other professional consultant to quantify claims
- costs your staff incur while quantifying claims.

We won't cover the cost of negotiating claims.

Redundancy payments

If you have to make an *employee* redundant as a direct result of *damage*, we'll cover you for redundancy pay that you owe that *employee* under their employment contract.

This cover won't apply if you planned the redundancy before the *damage* occurred.

We won't cover:

- annual leave
- salaries or wages
- employment notice period
- any other entitlements.

Wages in lieu of notice

If you have *employees* whose services can't be used as a direct result of *damage*, we'll cover the payment of their *wages* for the number of weeks shown on your *schedule*, beginning when the *damage* occurred.

Benefits we include in your cover

This section explains in detail the benefits we provide, and what we'll pay for each.

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Contractual commitments – we'll cover contractual and legal commitments

If the 'Gross Profit' item is shown on your *schedule*, we'll cover you for any amounts you become contractually or legally liable to pay as a direct result of *damage*, including legal costs.

The most we'll pay is \$5,000 per *event* or any higher amount your *schedule* shows.

Deferral of indemnity period – you can postpone the start of the period we're covering

If the 'Gross Profit' item is shown on your *schedule*, you can postpone the date the *indemnity period* starts on.

Tell us you're going to postpone within 3 months of the damage happening

You must tell us in writing that you're going to postpone the start of the *indemnity period* within 3 months of *damage* happening.

You must tell us the exact date the postponed *indemnity period* starts as soon as possible, and no later than 1 month after the postponed *indemnity period* starts.

You can't postpone the indemnity period if we've already paid a claim for the damage.

You can't postpone the start of the *indemnity period* if we've already paid or agreed to pay a claim under this Farm Recovery policy, unless the claim was for any of the following:

- the cost of replacing *damaged* records
- the cost of preparing claims
- the cost of quantifying your claim under your Farm Assets policy.

The postponed indemnity period can start no later than 12 months after the damage happened.

The postponed *indemnity period* must start within whichever period is earlier:

- the *indemnity period* on your *schedule*, starting from the day the *damage* happened
- 12 months, starting from the day the *damage* happened.

We'll use the postponed period of insurance to work out how much we'll pay

We'll work out how much we'll pay for the *damage* under this Farm Recovery policy using the start of the postponed *indemnity period* instead of the day the *damage* happened.

We'll apply the *standard adjustments* so the final adjusted figures represent the result your business would have seen during the postponed *indemnity period* if there hadn't been any *damage*.

Goods you sell in the postponed indemnity period count towards your turnover

If your *farming operations* include selling goods or services during the postponed *indemnity period*, we'll take the *money* you earn from those sales into account when we work out your *turnover*.

If *damage* directly results in your *turnover* increasing before the start of the postponed *indemnity period*, we'll take the increase away from the *turnover* you lose during the postponed *indemnity period*.

Once a postponed indemnity period starts

Once the postponed *indemnity period* starts, you can't postpone the *indemnity period* of a claim as a direct result of the same *damage* again.

Dependency cover — we'll cover interruption when something happens to another business or service you depend on

If the 'Gross Profit' item is shown on your *schedule*, we'll cover you for financial loss if something happens to a business related to yours which directly interrupts or interferes with your *farming operations*.

If the direct cause of the interruption to the other business is a *natural disaster*, then you must also have the optional 'Natural disaster' benefit for us to cover you under this benefit.

Interruptions we'll cover

This benefit applies if any of the following directly results in an interruption or interference to your *farming operations*.

Damage that prevents access to your location or closes transport routes

We'll cover you if *damage* to property within 10 kilometres of the *insured location* prevents or hinders people:

- accessing that location
- using that location.

This cover applies even if there's no *damage* to your *insured location* or property.

We'll cover you if there is *damage* to any of the following within New Zealand.

- Transport routes, ports, or airports
- Port buildings, wharf warehouses, railway warehouses, or airport buildings
- Contents of any port buildings, wharf warehouses, railway warehouses, or airport buildings.

We'll also cover you if a public authority closes any of the above as a result of *damage*.

Damage to the locations of your suppliers and customers

We'll cover you if there is *damage* to any of the following locations within New Zealand:

- locations that directly supply you with goods or services
- locations of any of your direct customers
- locations where you have property stored, deposited, processed, repaired, changed, or renovated

We'll only pay a claim for this interruption if we would have paid a claim under this Farm Recovery policy for the same *damage* to your property.

We won't cover *damage* to locations where you send any of the following to, or get any of the following from:

- electricity
- gas
- natural gas
- water
- sewage
- telecommunications.

If we can cover a loss under both 'Damage to the locations of your suppliers and customers' and 'Damage to utilities and services' (below), only 'Damage to utilities and services' will apply.

Public authorities closing your location

We'll cover you if a suitably qualified public authority closes all or part of the *insured location* on your *schedule* for any of the following reasons:

- *bodily injury* to any person on or near the location
- *damage* to any property
- defects in drains or other sanitary arrangements (but not defective, contaminated, imperfect, or inferior water or sewage)
- vermin or pests
- fumes or any dangerous materials escaping.

A closure for any of the above reasons will be considered to meet the definition of *damage*.

Damage to utilities and services

We'll cover you if there is *damage* to buildings, contents, equipment, or supply lines in New Zealand belonging to public utilities from which you get or send any of the following:

- electricity
- gas
- natural gas
- water
- sewage
- telecommunications.

If we can cover a loss under both 'Damage to the locations of your suppliers and customers' and 'Damage to utilities and services', only 'Damage to utilities and services' will apply.

What we'll pay for dependency cover

Your *schedule* will show a limit per *event* for each of the sections of this benefit.

If the limit is shown as a percentage, this is the percentage of the '*Gross profit*' item *sum insured* that we will pay up to for each interruption caused by a single *event*.

If the limit is shown as a dollar amount, this is the most that we will pay for each interruption caused by a single *event*.

If no limit is shown, we'll pay up to 10% of the '*Gross profit*' item *sum insured* for each interruption caused by a single *event*.

When we'll start paying dependency cover

We do not pay for the first period after the start of the interruption. This is called the stand down period and we start paying as soon as the stand down period is completed.

If multiple sections of this benefit 'Dependency cover' are triggered by interruption (whether jointly or independently), each cover is subject to its own stand down period.

The length of the stand down period depends on the cause of the interruption:

- If a transport route closure causes an interruption, the stand down period is 7 days.
- If a *natural disaster* causes an interruption, the stand down period is 21 days.
- For all other interruptions under this benefit, the stand down period is 24 hours.

The *indemnity period* for this benefit starts when the number of days above expire, not when the *damage* happens.

Optional benefits – the additional cover you can choose

If you have chosen the following optional benefits, they will appear on your *schedule*.

Natural disaster – we'll cover financial loss caused by natural disaster damage

We'll cover interruption to your *farming operations* directly caused by *natural disaster damage*.

This benefit only applies to an *insured location*, item, or category of insured property if it has a *sum insured for natural disaster* on your *schedule*.

The most we'll pay for any *event* and any *insured location*, item, or category of property is its *sum insured for natural disaster* shown on your *schedule*.

We'll treat losses separately if a *natural disaster damages* property in multiple locations.

For each location of insured property, we'll separately treat each loss or series of losses caused by either:

- one *event*
- one cause starting a series of *events* within 72 hours in a row.

We'll treat the losses of salvage and other recoveries collectively.

Machinery breakdown – we'll cover financial loss caused by machinery breaking down

We'll cover interruption to your *farming operations* directly caused by *mechanical, electrical, or electronic breakdown* of *machinery* insured under a Farm Machinery Breakdown policy, as long as:

- the *machinery* is individually specified on your Farm Machinery Breakdown *schedule*
- we have accepted a claim for the breakdown under a Farm Machinery Breakdown policy, or would have if the cost to repair or replace the *damaged* item exceeded the *excess*
- the breakdown stops the *machinery* from functioning for more than 24 hours.

What we'll pay for machinery breakdown

The most we'll pay under this benefit for any one *event* is the *sum insured* shown on your *schedule*.

Exclusions – things we don't cover

We won't cover interruptions and interferences that are a direct consequence of any of the following, unless a benefit above says otherwise.

Communicable disease

We won't cover any loss, *damage*, interruption, liability, claim, cost, expense or any other sum of any kind that arises directly or indirectly out of, is contributed to by, or is in connection with any of the following.

1. Communicable disease.
2. The actual, or perceived, fear or threat of communicable disease.
3. Actions by any person, *entity* or public authority to respond to, control, prevent or suppress communicable disease.

Any other sum of any kind also includes any increased or additional costs or expenses of a claim that this exclusion does not otherwise apply to.

This exclusion:

- takes priority over any other term in this policy or any endorsement (including any that might contradict it)
- applies regardless of any other cause or *event* contributing at the same time or in any other order to 1–3 above.

When we say communicable disease, we mean any of these things.

- Any human, animal, plant or other disease that can be transmitted directly or indirectly from any organism to another organism by means of any substance or agent, including without limitation, any:
 - virus
 - bacterium
 - parasite
 - other organism
 - any variation of any of the above, whether living or not.
- Any Infectious Disease or Quarantinable Disease as defined in or declared under the Health Act 1956.

Confiscation

We won't cover loss, *damage*, or liability in any way connected with confiscation, acquisition, designation, destruction or decision by government or local authorities.

Consequential loss

We won't cover any intangible or consequential loss of any kind, including:

- loss of use
- loss of enjoyment
- loss of value.

Cost to mitigate loss or damage

We won't pay for these types of work to prevent or mitigate loss to insured property:

- stabilising or improving land
- erecting or upgrading improvements to land.

We also won't cover the cost of repairing or replacing any damaged property whether insured or not.

Criminal acts and disappearances

We won't cover you for any of the following:

- unexplained disappearances
- shortages you find out about by taking an inventory
- shortages because of clerical or accounting errors.

We also won't cover *damage* directly resulting from either:

- *theft*
- someone defrauding or lying to anyone who's caring for the insured property.

Cyber acts and incidents

We won't cover any loss, *damage*, liability, cost, or expense in any way connected to a *cyber act* or *cyber incident*. This exclusion does not apply if a loss covered by this policy causes a *cyber incident*.

However, if there's resulting loss to other parts of your property caused by a *cyber act* or *cyber incident*, we'll cover it (unless it's excluded under another part of this policy).

Data

We won't cover any loss, *damage*, liability, cost, or expense of any kind in any way connected to:

- *data* being totally or partially destroyed, distorted, erased, corrupted, altered, misinterpreted, or misappropriated
- errors in creating, amending, entering, deleting, or using *data*
- total or partial inability or failure to receive, send, access, or use *data* for any time
- any loss of use of *data*, or *data* being reduced in functionality, repaired, replaced, restored, or reproduced
- the value of any *data*.

This exclusion applies whether any other causes or *events* contribute at the same time, or in any order, to any of the above.

Excesses

We won't cover any *excesses*.

Natural disaster

We won't cover financial loss or interruption in any way connected with any of these:

- earthquakes or *natural landslips*
- volcanic eruptions or hydrothermal activity
- tsunami
- fire resulting from any of the above

unless the 'Natural disaster' optional benefit has been purchased and is shown on your *schedule*.

Nuclear activity

We won't cover loss, *damage*, or liability in any way connected with nuclear weapons, ionising radiation, or contamination by radioactivity from nuclear fuel, or the combustion of waste from nuclear fuel.

Plants in the open

You are not insured for financial loss caused by, or in any way connected with, loss or *damage* to any plants growing in the open.

Sanctions

We won't provide any cover, service, or benefit, or pay anything in connection with your policy, including any *premium* refund, if doing so may breach or risk exposure to any of the following.

1. Penalties, sanctions, prohibitions, proscriptions, preventions, or restrictions under United Nations resolutions.
2. Sanctions, proscriptions, preventions, laws or *regulations* of New Zealand, Australia, the United Kingdom, the United States of America, or the European Union.

Terrorism

We won't cover loss, *damage*, or liability in any way connected with any act of terrorism. This includes any act of terrorism in any way connected to pollution, contamination, or explosion that is:

- biological
- chemical
- radioactive
- nuclear.

An act of terrorism means any act which:

- may include the use of force or violence, or the threat of its use; and
- is carried out or arranged by any person or group(s) of people, whether acting alone or on behalf of or in connection with any organisation(s) or government(s).

From its nature or context, the act:

- is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes; and
- may include the intention to influence any government or to put fear in the public or any section of the public.

Unspecified buildings and assets

This Farm Recovery policy only covers interruptions that result from *damage* to buildings or assets that are listed on your *schedule*.

If you claim for interruptions caused by *damage* to buildings and assets that aren't specified on your *schedule*, we won't accept your claim.

This exclusion does not limit cover under the 'Additional premises', 'Contractual commitments', or 'Dependency cover' benefits

War

We won't cover loss, *damage*, or liability in any way connected with:

- war
- invasion
- acts of foreign enemies
- hostilities or warlike operations (whether war is declared or not)
- civil war
- civil commotion assuming proportions of or amounting to an uprising
- military uprising
- popular uprising
- mutiny
- rebellion
- revolution
- insurrection
- military or usurped power.

Making a claim

If something happens, and you think you may need to make a claim, first make sure everyone is safe.

Then, contact your insurance adviser or us as soon as possible.

Once we have all the information we need, we'll decide the best way to advance your claim.

What you must do if something happens that might lead to a claim

If anything happens that might lead to a claim under this policy, you must do all the following.

- Tell the Police if there's been *theft*, burglary, or vandalism.
- Tell your insurance adviser or us about what's happened.
- Take all reasonable steps to minimise the loss.
- Send us any communications you get about an *event* that might lead to a claim.
- Obtain our permission before you start repairs (unless you're replacing or repairing window glass).
- Let us inspect any *damaged* property.
- Provide us any information or help we may need, including proof that you own the property you're claiming for.
- Help us take any recovery action we choose against anyone we consider responsible for the loss.
- At your cost, cooperate with our assessors, investigators, lawyers, and anyone else we appoint to help us. This includes attending meetings with them when we need you to.

! If you don't fulfil these responsibilities

If you don't fulfil the responsibilities outlined above, we may:

- reduce the amount we pay you
- refuse to pay, or decline, your claim
- require you to pay back to us anything we've paid for the claim.

What you must do to help us settle your claim

Obtain our permission before you incur expenses or negotiate claims

You must obtain our written permission before you incur any expense or negotiate, pay, settle, admit, reject, or make any agreement about any claim.

We will act in your name

In your name, we can:

- take any proceedings necessary to use your legal right of recovery from anyone else
- take over, defend, and settle any claim against you for *damages*.

If we act in your name, we'll do so at our expense. You must provide all reasonable help and cooperation, at your cost.

We will share and collect information about your claim

You allow us to share information with third parties about any claim you make under this policy. You also allow us to get information from third parties that's relevant to any claim you make under this policy.

You must complete documents agreeing settlement

Before we settle your claim, you must complete documents describing our settlement for your claim.

Excess – you will have to pay an excess

The *excess* is the amount you must pay towards the cost of any claim.

The *excess* forms the first part of any loss you're claiming for.

We'll take the *excess* away from the amount of your claim, not from any policy limit.

If loss arises from multiple incidents, occasions, or *events*, the *excess* (or each relevant *excess*) applies to each incident, occasion, or *event* that causes loss.

One event, one excess

Usually, you'll pay an *excess* for every claim. However, if you need to claim under more than one policy with us for loss caused by a single *event* at the same location, you'll only pay one *excess*. This will be the largest applicable *excess* of all your policies.

Different types of excess can apply

More than one type of *excess* could apply – the specific circumstances of your claim will determine the total value of the *excess* you need to pay.

How we settle your claim

If we accept your claim, we'll pay you as soon as possible and deduct the excess from the amount we pay. For each item we have accepted a claim for, we will pay you as set out below.

Gross Profit

What we'll pay if you lose profit

We'll pay you the amount that results from the following calculation:

Lost turnover x gross profit ratio during the indemnity period as a direct result of damage.

What we'll pay if the cost of work increases

We'll pay you for the extra costs that you reasonably incur to avoid or minimise losing *gross profit*.

We'll take away any business costs you save during the indemnity period

If we make a payment to you, we'll deduct any amount you save during the *indemnity period* if, as a direct result of *damage*, you avoid having to pay any business costs that you'd normally pay from the *turnover*.

The most we will pay for gross profit and cost of work increases

The most we'll pay under this item for any one *event* is the *sum insured* shown on your *schedule*. We will not pay for financial losses incurred beyond the *indemnity period* shown on your *schedule*.

Additional increased costs

We'll pay the extra costs you reasonably incur during the *indemnity period* as a direct result of the *damage*.

We'll pay up to \$25,000 or any higher amount shown on your *schedule* for any one *event*.

Lost rent

How we calculate rent

If this is the first year you are renting out the farm building, we calculate standard *rent* from when you began renting the building, up to the day the *damage* happened, as a proportion of the *indemnity period*.

If you have been renting out the farm building for more than a year, standard *rent* is the *rent* you received during the 12 months immediately before the *damage*, and corresponding with the *indemnity period*, subject to any *standard adjustments*.

What we'll pay for lost rent

We'll pay the amount by which your *rent* is less than standard *rent* during the *indemnity period*, as a direct result of *damage*.

What we'll pay for extra costs to stop you losing rent

We'll pay the extra costs that you reasonably incur to avoid or minimise your loss of *rent*, if that loss is a direct result of *damage*.

The most we'll pay is the *rent* you avoided losing by paying the extra costs.

We'll take away any business costs you save during the indemnity period

We'll reduce the amount we pay you by the amount you save during the *indemnity period*, if, as a direct result of *damage*, you avoid having to pay any business costs you'd normally pay from the *rent*.

Replacing damaged records

We'll reimburse you for clerical, legal, and other costs you reasonably incur to replace or restore accounting and business records as a direct result of *damage*.

The most we'll pay under this item for any one *event* is the *sum insured* shown on your *schedule*.

Claims preparation costs

We'll pay the reasonable costs of quantifying claims we accept under this Farm Recovery policy.

The most we'll pay under this item for any one *event* is the *sum insured* shown on your *schedule*.

Redundancy payments

We'll reimburse you for redundancy pay that you owe that *employee* under their employment contract.

We'll pay up to \$5,000 or any higher amount shown on your *schedule* for any one *event*.

Wages in lieu of notice

We'll pay the following added together:

- the actual amount that you pay as *wages* to *employees* whose services cannot be utilised by you at all during the period of interruption to your *farming operations*
- an equitable allowance (based upon shortage of *turnover* or other index agreed by us) of the *wages* paid to *employees* whose services cannot be used fully during the period of interruption to your *farming operations*.

The most we'll pay under this item for any one *event* is the *sum insured* shown on your *schedule*.

We'll pay up to the sum insured

The most we'll pay for any *event* is the total of all the *sum insured* values shown on your *schedule* for this policy.

If your *schedule* specifies a *sum insured* for an item, benefit, or *insured location*, this is the most we'll pay for that item or *situation* for any *event*.

We can allow for stock you hold

We'll make an allowance in the amount we will pay for your claim for shortage of *stock* if the following apply:

- the *indemnity period* is 12 months or more
- you maintain *turnover* temporarily during the *indemnity period* because of *stock* you hold in storage
- you have a *stock* shortage after the *indemnity period* expires.

Paying claims won't affect the sum insured, unless it's a natural disaster claim

When we pay a claim under this policy, we won't change your *sum insured*. You may need to pay a proportional *premium* at the rate that applies to the item you claimed.

However, we'll deduct the amount we pay for a claim from the *sum insured* if your claim is under the optional 'Natural disaster' benefit.

What your responsibilities are

This section outlines the responsibilities you, and anyone else insured under this policy, must meet.

Information given to us must be correct

Your proposal, application, or declaration form is the basis of this contract.

All statements and information you give us, or anyone gives us on your behalf, must be complete and correct. This includes statements and information:

- in any proposal, application, or declaration – whether we get the statements and information verbally, electronically, or in printed form
- that support this policy or any claim.

If you give incorrect or false information in relation to your claim, or if your claim is fraudulent in any way, we won't pay the claim. If your claim is fraudulent, your policy automatically ends – we will cancel your policy from the date you made the claim or gave us the false information.

If you give us incorrect or incomplete information, or if information is withheld, and your claim is declined or we *avoid* your policy, this may affect your ability to obtain insurance in the future.

You have a duty of disclosure

You have a duty of disclosure, which means you must tell us everything we'd consider material to decide:

- whether to issue, renew, or change this policy
- the terms on which we'd issue, renew, or change this policy, including the *premium* we charge.

Your duty of disclosure applies each time you renew or change this policy. If you don't meet your duty of disclosure, we can refuse a claim, reduce any claim payment, or *avoid* the policy. This may affect your ability to obtain insurance in the future.

Tell us if anything changes

Tell us straight away if there's a change that could affect your cover, our decision to insure you, or the *premium* we charge. Some examples of when you might need to do this are:

- the activities undertaken as part of your *farming operations* change
- you merge with, acquire, or become a *subsidiary* of another company
- the amount of revenue or *turnover* generated by your *farming activities* changes.

If you're not sure whether something is important, tell us anyway. If you don't keep us up to date, we can refuse a claim, or reduce any claim payment, or *avoid* the policy.

If we avoid your policy

If we *avoid* your policy, we treat it as though it never existed. You will have to pay back any claim payments we have made to you, and we will refund you any *premium* you have paid to us.

This might mean you find it difficult to get other insurance in the future.

You must take all reasonable steps to prevent loss

You must, at your cost or expense, take all reasonable steps to prevent loss and keep the property covered by this policy in good condition. We always have the right to examine property this policy covers.

You must also try to avoid any loss that you could be held legally liable for.

We won't cover loss or legal liability if you are reckless or grossly negligent.

Reckless or grossly negligent means you've failed to act in the way a reasonable person would, given the circumstances you faced when the loss happened.

You're responsible for setting your sum insured

You're responsible for setting your *sum insured*. You must ensure at all times it is enough to cover financial loss and interruption to your *farming activities*.

You can't pass on your rights or interests under this policy

Without our prior written agreement, you can't assign, or attempt to assign, either of the following to any other party:

- this policy or your interest in it
- your rights to any claims proceeds under this policy.

Policy conditions and other important information

Your premium

Your *premium* is the payment you make in exchange for your insurance cover. Your *premium* is detailed on your policy *schedule*.

Paying your premium

Your insurance policy is an annual contract. You can choose to pay annually in full, or in instalments.

Your *premium* will be higher if you pay by anything other than annual instalments, as we charge you instalment fees.

Making changes to your policy details may affect the *premium* you need to pay or have paid for the remainder of your *period of insurance*.

If you pay annually and don't pay the full amount, we may reduce the *period of insurance* to align with the amount you paid.

Your premium must be paid up to date before we'll pay a claim

If you need to make a claim and you have *premium* that is less than 28 days overdue, we may do one of these things:

- withhold the claim payment until you've paid the overdue *premium*
- deduct the overdue *premium* from the claim payment.

Your policy ends if your premium is more than 28 days overdue

If your *premium* is overdue by more than 28 days, your insurance cover under this policy ends. Cover stops from the date you have paid up to.

How your policy can be cancelled

You can cancel your policy

You have a cooling-off period if you change your mind

When you first purchase this policy, you can cancel it within 30 days if you change your mind. We'll refund all the *premium* you've paid if you haven't made a claim.

You can cancel after the cooling-off period

You can cancel your policy at any time after the 30-day cooling-off period. If you haven't made a claim, we'll refund any *premium* you have already paid for insurance cover after the cancellation date.

We can cancel your policy

We can write to you to cancel your policy

We can cancel this policy at any time by writing to either:

- you at the address or email address on our records
- your insurance adviser.

Your policy will be cancelled from 4.00pm on the 14th day after we send the letter. We will refund any *premium* you've already paid us for cover after the effective date of the cancellation.

We'll cancel your policy if you make a fraudulent or false claim

If you make a fraudulent or false claim, this policy automatically ends. We don't need to cancel it in writing, but we may confirm to you in writing that it was automatically cancelled at a particular time. We refund any *premium* you have already paid for cover after the cancellation date.

We don't cover you if you breach these terms

To be covered under your policy, you must comply with the terms and conditions outlined in this policy wording.

If we find that anyone insured by your policy has breached any of these terms or conditions, we can decline a claim, or reduce the payment.

However, nothing in this policy wording affects our rights or yours under common law, including our right to *avoid* your policy for not making full disclosure in accordance with your duty of disclosure.

This policy can cover multiple parties as joint insureds

This policy is a joint policy if your *schedule* shows joint names, or includes the name of a Trust, as being *insured*.

We view each *insured person* as acting with the explicit permission of any other. You each have the right to change this policy, make or settle a claim under this policy, or cancel this policy.

Any breach of the policy terms or conditions by one person will prevent all *insured people* from claiming under this policy.

How GST applies when we pay a claim

The *sum insured*, dollar figures for benefits, and limits to items in this policy exclude GST. Where we are able to recover GST under the Goods and Services Tax Act 1985, GST will be added, where applicable, to claim payments. All *excesses* include GST.

We may appoint an adjuster

If we want to appoint a loss adjuster, assessor, surveyor, valuer, or investigator for a claim under this policy, you will be required to cooperate with whomever we appoint.

We only pay once if more than one benefit could apply

Some benefits under this policy can only be used once per *event*, even if you have more than one policy or section of a policy with us that has the same benefit.

We don't cover you if you have other insurance

We won't cover you for loss or liability where insurance cover is provided by another insurer for the same loss or liability. We won't contribute towards any claim under any other policy.

New Zealand law applies to this policy

This policy is governed by New Zealand law and New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

When this policy mentions an Act of New Zealand Parliament, this includes any substitution, amendment, or replacement of the Act. If the Act has been repealed and there is no substitution or replacement, we mean any part of an Act with substantially the same purpose and function. It includes the *regulations* under the Act.

We'll tell you beforehand if we stop renewing this policy or change our terms

If we won't renew your policy, or will renew it on terms that are less favourable to you than your current terms, we'll tell you beforehand.

We must tell you or your insurance broker at least 30 days before your current *period of insurance* expires.

We'll put details of your claims on the Insurance Claims Register

In buying this policy, you allow us to put details of any claims you make on the Insurance Claims Register (ICR) so other insurers can see them. You also allow us to obtain personal information and details of claims you've made from the ICR.

The ICR is a database of insurance claims. It helps prevent insurance fraud by enabling insurance companies to share details of claims. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington 6140.

Definitions

This section defines some words and phrases that have specific meanings in this policy wording. When we use the words or phrases below, we use *italics*, and we mean the definition we give in this section.

Avoid (a policy)

We'll treat your policy as though it never existed in accordance with the legal principles which govern the duty of disclosure and its remedies.

Bodily injury

Bodily injury (including death), *illness*, disability, disease, shock, fright, mental anguish, or mental *injury* to another person.

Computer system

Any of the following in any configuration:

- computers, hardware, and software
- communications systems
- electronic devices, including smart phones, laptops, tablets, and wearable devices
- electronically controlled equipment, including *data* processing equipment
- server, cloud, or microcontroller equipment
- any similar system, input, output, *data* storage device, networking equipment or back up facility.

Cyber act

One or more unauthorized, malicious, or criminal acts, involving accessing, processing, using, or operating any *computer system*. *Cyber act* also includes the threat or hoax of these acts.

Cyber incident

Either of the following.

- Any error, omission or series of related errors or omissions involving accessing, processing, using, or operating any *computer system*.
- Any partial or total unavailability or failure, or recurring unavailability or failure, involving accessing, processing, using, or operating any *computer system*.

Damage

Physical loss or *damage* that you don't intend or foresee and we don't otherwise exclude. This also includes being unable to access a farm building you own due to the occurrence of a loss that is covered by the Farm Assets policy, even if there is no damage to the farm building.

Data

Any kind of information, including facts, concepts, or code.

In this definition, we mean information that is converted, recorded, or transmitted in a form that a *computer system* can access, communicate, display, distribute, interpret, process, transmit, store or use.

Employee

Someone who works for you on your *farming operations*. They may be:

- someone you've contracted to provide a service
- someone who has an apprenticeship with you
- someone you've hired or borrowed
- a sub-contractor who provides labour only
- a sharemilker or someone with a share farming arrangement.

Entity

The *insured* on your *schedule* and all the *insured's subsidiaries*.

Event

Something that happens which causes *damage* or a sequence of *damage*.

Excess

The first amount of any claim that you must pay. We'll deduct it from any payment to you.

You'll find the amount on your *schedule* or in the relevant section of this policy.

Farm assets

The items insured by us and specified as farm assets on your Farm Assets *schedule*.

Farming operations

Your usual farming activities. They include:

- exhibitions and competitions at shows and dog trials
- distributing farming materials from aircraft, if an independent aerial operator is operating the aircraft on your behalf (but not if they are distributing 1080, 1081, or similar chemicals; or hormone herbicides including phenoxy and herbicides that regulate growth)
- owning or using of any farming or agricultural equipment used only for your *farming operations*
- selling or supplying farm goods and produce
- occasional farm contracting, but only to the extent allowed by additional benefits in various sections of this policy
- other business operations on your *schedule*
- hunting clubs, if they aren't your only source of income.

They exclude owning or using aircraft or watercraft.

Gross profit

The amount calculated as follows:

(*turnover* + closing *stock*)

minus

(Opening *stock* + uninsured working expenses in the *schedule*)

To calculate opening and closing *stock*, use your normal accounting methods. Allow for depreciation.

Gross profit ratio

The rate of *gross profit* earned on *standard turnover*

Illness

Any *illness*, sickness, disease, or debilitating or degenerative condition that's not an *injury*.

Indemnity period

The period we cover you for *turnover* that you've lost. It's immediately after the *damage* that affects your normal *farming operations*. You'll find the maximum *indemnity period* on your *schedule*.

Injury

An injury is any *bodily injury* caused solely and directly by one of the following:

- violent, accidental, external, and visible means (including exposure to weather or inhaling water or gas)
- a medical accident or treatment *injury* (as defined in the Accident Compensation Act 2001).

Injury includes occupational overuse syndrome.

Insured

Any of the following:

- the *insured* on your *schedule*
- the *entity* on your *schedule*
- any *subsidiary* of the *insured* or the *entity* that's in New Zealand
- the *insured* person on your *schedule*.

Insured location

The location on your *schedule*.

Lost turnover

The amount that *turnover* for the *indemnity period* falls short of the *standard turnover* for the same period, because of *damage*.

Machinery, machine

Whatever is listed on your *schedule* under the *Machinery* Breakdown section. This includes all the integral parts, except parts that are normally exchangeable or replaceable.

Mechanical, electrical, or electronic breakdown

When any component or accessory fails, break, or can't be operated. It includes:

- any engine or transmission
- any mechanical, electrical, electronic or alarm system
- any *damage* their failure causes to the rest of those systems.

Micro-organisms

Living things such as:

- amoeba
- bacteria
- fungi
- mould
- protozoa
- any similar forms.

Money

Money includes negotiable instruments such as:

- current coins
- bank and currency notes
- cheques and traveller's cheques
- postal notes
- *money* orders
- unused postage stamps
- redeemable vouchers and tokens
- franking machine credits.

Natural disaster

An earthquake, *natural landslip*, volcanic eruption, tsunami, or hydrothermal activity — or fire resulting from any of these. It does not include a gradual or slow-moving *natural landslip*.

Natural landslip

The movement of materials that formed an integral part of the ground before they moved. Examples of such materials include natural rock, soil, or artificial fill. Movement can include falling, sliding, or flowing.

Movement isn't a landslip if it's caused by any of the following.

- Below-ground *subsidence*
- Soil expanding or shrinking
- Soil compacting or eroding

People insured

The people insured are any of:

- the *insured*, and any *subsidiary* company in New Zealand
- the *insured's* partners, directors, executive officers, or *employees*, when acting in that capacity – we only cover them for the liability we would have covered the *insured* for if the *claim* had been made against the *insured*.

Period of insurance

The timeframe we provide your insurance cover for (usually 12 months), as shown on your *schedule*.

Personal injury

Any of these:

- *bodily injury*, death, disability, disease, *illness*, shock, fright, mental anguish, or mental *injury*
- the effects of false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, wrongful entry, wrongful prevention of access
- the effects of assault or battery that you didn't commit or order
- libel, slander, defamation, or invasion of privacy.
- the effects of assault or battery that an *insured person* didn't commit or order, unless the *insured person* uses force to prevent or remove danger to any person or property.

However, it's not *personal injury* if you assaulted someone, or ordered someone to be assaulted, in order to keep people or property safe.

Premium

The amount you need to pay us to ensure cover commences and remains in force. This is the initial premium or any subsequent premium, and includes any government levies and taxes.

Regulations

Any Act of Parliament or *regulations* made according to any Act of Parliament, or *regulation* or bylaw of any local authority.

Rent

The amount you receive in return for letting property at the *insured location*. This may include payments for services, whether made directly to you or to others on your behalf, including:

- rent (for buildings and carparks)
- operational expenses
- rates
- insurance *premiums*
- any other expenses as agreed via a tenancy or rental agreement.

Schedule

The policy schedule, policy change, endorsement, expiry notice, or renewal notice that we most recently issued to you or your insurance adviser.

Standard adjustment

Any adjustments we make to your results to represent, as close as reasonably possible, the results your business would have seen in the period after the loss if there hadn't been any *damage*.

Standard turnover

The *turnover* achieved in the same part of the 12-month period immediately before the *event* that matches the *indemnity period*.

Stock

Any stock or materials that are necessary to continue your trade or business.

Subsidence

The sudden sinking of filled, graded, or undermined earth or soil to its original or natural elevation. Subsidence includes the ground sinking, collapsing, sliding, or flowing.

Subsidence does not include:

- soil compacting or eroding
- the normal settling, expansion, or shrinkage of any *building* or its foundations
- the ground moving because the atmosphere climate dried out the water-table.

Subsidiary

A company is a subsidiary if any of these apply.

- Another company controls who's on its board of directors
- Another company can control more than half the number of votes that can be exercised at a company meeting
- Another company owns more than half the company's issued shares (excluding shares that are only entitled to a specified amount of profits or capital, and have no other right to participate)
- Another company is entitled to more than half of all share dividends (excluding shares that are only entitled to a specified amount of profits or capital, and have no other right to participate)

Sum insured

The amount your *schedule* shows you are insured for.

Theft

The act or crime of stealing, reported to the New Zealand Police. We only provide cover for theft if it involves either:

- forced entry into, or exit from, a securely locked motor *vehicle* or farm *building* by thieves or any person except you or your *employees*
- violence or threat of violence to people.

Turnover

The *money* you get for goods you sell and deliver, and for services you render, as part of your *farming operations*.

