



AURORA
UNDERWRITING AGENCY
PTY LTD

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GST Number 2079170

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Introduction

About Aurora NZ

Aurora NZ is an underwriting agency and acts as Agent under underwriting authorities / binder agreements.

In arranging this insurance, Aurora NZ is acting under an authority given to it by Hemisphere Insurance Company Limited, and is acting as their agent and not as **your** agent.

About Hemisphere Insurance Company Limited

Name and Postal Address:

Hemisphere Insurance Company Limited

Level 9, Bank of New Zealand Tower,

125 Queen Street Auckland, New Zealand

Hemisphere Insurance Company Ltd has a current rating under the provisions of the Insurance Companies (Ratings and Inspections) Act 1994 (New Zealand).

This is **your** insurance Policy which is underwritten by Hemisphere Insurance Company through Aurora NZ. It consists of this wording, any proposal or declaration and the schedule(s).

In return for the premium, Hemisphere Insurance Company will provide the insurance cover(s) explained in this Policy and accept liability to meet valid claims made under the Policy.

Please read this document carefully to ensure you understand the Policy and that the cover(s) described here meet(s) your requirements.

If **you** find the cover **you** have chosen is not what **you** want, **you** can notify **us** in writing within 30 days of the date the cover begins and **we** will refund any premiums paid in full and cancel the cover. Of course, if that happens, **we** will not pay any claims under the Policy either. If a claim has already been paid under this Policy(s) no refund can be given.

General Conditions

All the conditions and obligations of this Policy must be complied with, or **we** may decline **your** claim.

Disclosure/Accuracy of Statements

We have issued this Policy based on the information **you** have provided **us**. **You** must tell **us** everything that may be relevant to **our** decision as to whether **we** issue, continue or renew this cover, including (but not limited to) criminal activity or associations or convictions, bankruptcy or insolvency, hazardous processes, or any other circumstances giving greater than normal risk of loss – **note**, this is not an exhaustive list.

All statements made in any application, proposal form, schedule, or claim, or any other information supplied must be correct in every respect. Otherwise, **we** may be entitled to consider **you** as being uninsured.

Change in circumstances

If there are any changes to any circumstances relevant to this insurance **you** must immediately notify **us** in writing.



Care of Property Insured

You must maintain the insured property in good repair and take all reasonable steps to safeguard it against loss.

Reckless, wilful or deliberate acts

You must not cause or facilitate loss or incur any liability through any reckless, deliberate or wilful act nor must **you** knowingly allow or permit anyone else to cause loss or liability in this way.

Making a Claim

You must:

- immediately tell **us** in writing of any event that might result in a claim
- immediately tell the Police if property is lost or if **you** suspect theft, burglary, arson or malicious damage
- do as much as **you** can to minimise any loss or liability
- give **us** free access to examine and assess any loss or liability
- take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses
- immediately send **us** any communication received from any other person
- fully co-operate with **us** and complete any documentation **we** require, including statements under oath.

It is a requirement of this Policy that **you** do not:

- without **our** prior written consent, dispose of any property involved in a claim on this insurance
- without **our** prior written consent, incur any expense in making good any loss, or incur any professional expense, except as is necessary to minimise any loss or safeguard the property
- admit responsibility for any loss or liability, or try to negotiate, defend or settle any claim **yourself**
- make any claim which is fraudulent in any respect. Otherwise all benefits under this Policy are forfeited.
- make incorrect statements to **us** or our representatives in relation to any claim.

We have the sole right and option to act in **your** name and on **your** behalf to negotiate, defend or settle any claim and to take over for **our** own benefit and settle any legal right of recovery **you** may have, including any counter claim. If **we** do this it will be at **our** expense.

Other people's obligations

Any other person entitled to cover under this Policy must meet all of the conditions and obligations that are required to be met, wherever this is applicable. Otherwise, this insurance may not cover them, or **you**.

SECTION 1: HOME COVER

What you are Insured for

This insurance covers Accidental Loss to the home during the period of insurance.

We will pay the costs actually incurred to rebuild or repair the home to the same condition and extent as when it was new. **We** will pay for building materials and construction methods commonly used at the time of loss. The cost of rebuilding or repair will be limited to the floor area disclosed in the schedule. **We** may settle the claim by payment or, to **our** discretion, by rebuilding or repair.

Included in **your** cover are:

- any additional costs to rebuild or repair the damaged portion of the home which are required solely to comply with any statute or local body regulation, provided that:
 - **you** had not been served notice of these before the occurrence of the loss, and
 - the home complied with the existing requirements at the time it was originally built, and at the time of any alterations.
- architects', engineers', and surveyors' fees to rebuild or repair the home if they have been authorised by **us**
- the cost to demolish and remove debris including contents.

You must co-operate to ensure that any rebuilding or repair authorised by **us** is carried out promptly.

If **you** decide not to rebuild or repair the home after a loss, **we** will pay **you** the indemnity value. **We** will also pay the costs of demolition and removal of debris and contents provided these costs are actually incurred as a reasonable and necessary expense as a result of the loss.

If the home is mortgaged, **we** may make payments in respect of any loss to the mortgagee. Receipt by the mortgagee will discharge **our** responsibilities completely.

The most **we** will pay for any loss or series of losses arising from one event is:

- Two million dollars in total any one situation.

The owner's liability extension is additional to the above.

The basic Policy Excess is \$250 each & every occurrence

Extensions included in your cover

Alternative Site

If the home is totally destroyed and **we** agree, **you** may rebuild the home at a different site, however, **we** will not pay more than the cost that would have been payable if rebuilding had been completed at the original site. **You** will have to pay for any extra costs associated with rebuilding elsewhere.

Gradual Damage Protection

We will cover **you** for the costs of repairing the home for up to \$10,000 if it suffers loss by mildew, rot or gradual deterioration, caused by water which accidentally leaks or overflows from:

- any internal water pipe or waste disposal pipe
- any bath, shower, basin, sink, toilet, cistern, bidet, internal water tank or any other water apparatus



provided that when the leak or overflow is first noticed and the loss is discovered:

- **you** own the home
- this Policy is in force
- **you** take immediate steps to minimise the loss.

Landlord's Chattels

We will cover **you** for appliances, furniture, carpets, blinds and drapes which remain in the house while it is let, lent, leased, rented or tenanted. **We** will pay replacement value only to a maximum of \$15,000. (See Special Conditions on Page 7 for specific items mentioned in this clause)

Landlords Extension – damage by tenants

We will cover **you** for theft or deliberate damage by tenants or their guests.

The excess applying to this extension is \$250 and is in addition to the Basic Policy Excess.

Landscaping

If **we** settle the claim by rebuilding, **we** will pay up to \$5,000 for costs incurred to restore any part of **your** garden which was damaged as a result of the loss.

Loss of Rent

If the home is rented and cannot be lived in because of loss covered by this section of the Policy, **we** will pay any loss of income from rents receivable for the time reasonably needed to rebuild or repair the home. The amount payable will be up to \$500 per week for a maximum period of 26 weeks or the actual amount of rent for up to 26 weeks from the date of the loss, whichever is the lesser. This extension is additional to the sum insured.

We agree that loss of income from rents receivable to the limits and limitation of period stated above extends to include loss of rental income arising from:

- i. The tenant/s vacating the insured premises without giving the required period of notice
- ii. The tenant/s is/are evicted for non-payment of rent due
- iii. Prevention of access to the insured property by the tenant following damage caused by a loss that would be covered by this Policy to property in the vicinity which prevents occupation of the insured property.

Owner's Liability

This insurance will cover **your** legal liability as owner of the home for:

- 1) accidental/loss to any property in New Zealand, or
- 2) accidental loss to property where the costs are recoverable from **you** under Section 43 of the Forest and Rural Fires Act 1977, or
- 3) levies imposed on **you** by a fire authority under Section 46 or 46A of the Forest and Rural Fires Act 1977

occurring during the period of insurance under this Policy, caused by or through or in connection with **your** ownership of the home and/or its grounds.

You are also covered for defence costs, incurred by **you**, with **our** prior written consent arising under 1, 2 and 3 (above).



This extension *will not* cover **you** for:

- liability caused by or in connection with, or arising from:
 - the ownership or use of any mechanically propelled vehicle (other than a bicycle or domestic garden appliance, electric wheelchair, mobility scooter or golf cart), trailer, caravan, boat or watercraft, aircraft or aerial or spatial device
 - any business, trade, profession, employment, sponsorship or earning of any income
 - an agreement, unless **you** would have been liable anyway, even without the agreement.
- liability for damage to property belonging to **you** or any person who is living at the home or property under **your** (or their) care or control.
- **you** are not covered for punitive or exemplary damages or fines

Our liability for any loss or series of losses arising from any one event shall not exceed \$20,000,000.

This sum includes any costs and expenses incurred by **you** with **our** prior written consent, or recoverable from **you** by any claimant. If **you** have liability protection with **us** under any other Policy or section of this Policy, then **our** maximum combined liability under all policies or sections shall be \$20,000,000.

Sale and Purchase

Where a contract of sale and purchase of the home has been entered into, the purchaser shall be entitled to the benefit of this insurance until settlement date, but to obtain this benefit, the purchaser must:

- comply with all the conditions of this insurance
- claim under any other insurance that has been arranged prior to claiming under this insurance
- settle this purchase within 90 days of making such contract.

Water or Sewage Pipe Blockage

This insurance will cover the reasonable costs towards clearing a blockage in an underground water or sewage pipe at the property insured by this Policy such pipes being declared to be your responsibility.

The most **we** will pay during the Policy period for this benefit is \$1,000.

The Policy Excess does NOT apply to this additional benefit.

General extension

The general extension on page 8 of this Policy wording contains extensions to this cover.

What you are not insured for

This insurance does not cover any loss which is, or arises from:

- mildew, rot, corrosion, rust, or gradual deterioration (other than the cover provided under the 'gradual damage protection' extension)
- mechanical breakdown or failure, electrical or electronic breakdown or failure (however **we** will cover accidental loss to any part of household electrical or electronic equipment caused by the actual burning out of that part)
- defect in materials, workmanship or design

Also not covered is any loss arising from:



- the action of light
- any process of cleaning, repairing or restoring
- insects or vermin other than opossums
- lifting or shifting the home (including preparatory work) or the removal of structural support or any part of the roof
- land movement of any kind, including settlement, shrinkage, expansion, landslip, subsidence, cracking or erosion (other than cover provided under the 'natural disaster damage' extension on page 8 of this Policy)

however, these exclusions apply only to the part or item which is directly affected. This insurance will cover loss to any other part or item not otherwise excluded.

General Exclusions

The general exclusions on page 9 of this Policy wording contain further exclusions to this cover.

Special Conditions

Limitation on rental properties

Claims for glued floor coverings or wall coverings over 10 years old and burning out of household electrical equipment over 10 years old are restricted to indemnity value.

Furnishing limitation

In respect of floor coverings, **we** will pay the cost of replacing or repairing only in the room(s) in which the loss occurs.

Reasonable Care

You must take reasonable care:

- to protect the property insured by this Policy, and
- to prevent any loss or liability that is covered by this Policy.

Unoccupancy

Cover under this Policy shall cease immediately if the home is unoccupied for more than 60 consecutive days, unless **you** have given **us** prior notice in writing, and **we** have agreed on revised Policy terms for the Policy to continue.

You must ensure that:

- the home is kept in a tidy condition
- all external doors and windows are securely locked
- all papers and mail are collected regularly
- the home is under regular supervision.

End Section One



GENERAL EXTENSIONS APPLYING

Natural disaster damage

What you are insured for

This extension applies to all sections of this Policy and will cover any loss during the period of insurance that occurs:

- as the direct result of natural disaster, or
- as a direct result of measures taken under proper authority to avoid the spread, or otherwise mitigate the consequences, of a natural disaster. It does not include any loss for which compensation is payable under any Act of Parliament other than the Earthquake Commission Act 1993
- for the home insured , **we** will pay the difference between the EQ Cover and the cover under this Policy, on the condition that **we** do not pay:
 - for any excess which applies to the EQ Cover, and
 - until the Earthquake Commission has paid or has agreed to pay the EQ Cover.
- for the home and Landlords Chattels insured , **we** will pay the cover under this Policy for:
 - walls including retaining walls
 - gates
 - fences
 - paths
 - driveways
 - swimming pools spa pools which are permanently fixed.
 - Landlords chattels

Provided that the combined total of any payments:

- by EQ Cover, and
- by this extension

is no more than the sum insured shown in the schedule plus any extensions which are stated in the Policy to be additional.

This entire general extension is subject always to the terms, conditions and limits of the Policy.

GENERAL EXCLUSIONS

There is no cover under any part of this Policy for any loss or liability caused directly or indirectly in any way by any of the following:

Bodily Injury

- any event where the cover is provided under the Accident Rehabilitation and Compensation Insurance Act 1992.

Confiscation

- confiscation, nationalisation or requisition by the order of the Government or local authority. However **we** will pay damage as a result of such an order if it is to prevent a loss which would otherwise have been covered by this Policy.

Earthquake

earthquake, volcanic eruption, hydrothermal or geothermal activity, tsunami, landslip or any event where cover is provided under the Earthquake Commission Act 1993, except to the extent that cover is provided by the 'natural disaster damage' extension.

Electronic Data Exclusion

This Policy does not cover any loss or damage arising directly or indirectly out of:

- i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA, or
- ii. error in creating, amending, entering, deleting or using ELECTRONIC DATA, or
- iii. total or partial inability or failure to receive, send access or use ELECTRONIC DATA for any time at all, or

regardless of any other contributing cause or event whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured physical damage.

However, any accidental physical damage to an insured item, which originates directly from an action of the insured to the Insured's own property, and which causes or is caused by any of the matters referred to in (i) to (iii) above, will be covered, subject to all other provisions of the Policy. Any business interruption loss resulting from such physical damage will also be covered provided business interruption is insured.

Jurisdiction

- for the cost of defending any legal proceedings or for any amount awarded by any court unless all proceedings took place in New Zealand.

Nuclear and War Risks

- war, invasion, act of foreign enemy, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
- nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel (for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission or fusion).

Other important information

Act of Parliament

Where this Policy refers to any act of Parliament, this includes any Regulations and Amendments to that Act. It also includes any other Act or Regulation passed as an addition, an amendment, or in its place.

Alterations

You can have this Policy altered at any time as long as **we** agree in writing to the alteration before it takes effect.

We can alter the terms of this insurance by giving **you** notice in writing or by electronic means at **your** last known address. The change will take effect from 4pm 30days after the date of that notice.

Automatic reinstatement of cover

If **we** pay a claim for any partial loss, **we** will automatically reinstate **your** insurance cover provided **you** carry out all recommendations **we** make to prevent further loss.

Cancellation of this Policy

By you

You may cancel any section of this Policy at any time. If **you** do, **we** will refund any premium that is due to **you** based on the unused part of the premium less 25% of the premium

By us

We may cancel any section of this Policy by giving **you** notice in writing or by electronic means at **your** last known address. **Your** Policy will be cancelled from 4pm on the 30th day after the date of the notice. If **we** do, **we** will refund **you** all the unused part of the premium.

Goods and Services Tax (GST)

The following amounts exclude GST provided that GST is recoverable by **us**:

- any sum insured specified in the schedule (other than specified items)
- legal liability cover

The following amounts include GST:

- any excess
- specified items
- any other amounts, additional cover or limits.

Other Insurance

If any loss or liability covered by this Policy is also covered by any other Policy, **we** will only pay over and above the cover provided by the other Policy. **We** will not pay for any excess which applies to the other Policy. **You** must tell **us** as soon as **you** are aware of any other such insurance.



Terrorism

You are not covered for loss, damage, death, injury, illness, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

- an act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, death, injury, illness, liability, cost or expense.
- any action taken in controlling, preventing, suppressing or in any way relating to an act of terrorism.

Total Loss Payment

If **we** pay a claim for a total loss, then that section of the Policy comes to an end and no refund of premium is due to **you**.

Definitions

'Accident' means an unforeseen or unintended happening or event. Whenever the word 'accident' is used this refers to 'accident' as defined above.

'Act of terrorism' means an act including but not limited to the use or threat of force or violence 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) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethic or similar purposes or reasons, including the intention to influence any government and/or to put the public or any section of the public in fear.

'Application' means the information provided by **you** to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**.

'EQ Cover' means the insurance of the home provided by Section 18 and/or the insurance of the contents provided by Section 20 of the Earthquake Commission Act 1993.

'Electronic Data' means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

'Event' means any one event or series of events arising from one source or original cause.

'Excess' means the first amount of any claim which **you** must bear as **you** are not insured for this amount. If as a result of a single accident, there is loss to **your** home or landlords chattels covered by this Policy, only the highest excess will apply.

'Home' means the dwelling at the situation shown in the schedule and its outbuildings including any of the following:

- garage, carport, domestic glasshouse/greenhouse or other domestic outbuilding,
- carpet or floor covering permanently glued to the floor,
- wall (including garden and retaining walls), deck, gate or fence,
- underground and overhead services,
- swimming and spa pools which are permanently fixed,
- patio, path, paving, tennis court or other permanent domestic improvements of a structural nature,
- driveway or bridge which is of permanent construction and provides sole and immediate access to the private dwelling or flat,
- kitchen stove and hob, range hood and any other permanently wired or plumber home appliance,
- permanent built in furniture,
- septic tank, heating oil tank, service tanks, water tanks including their fixed pumps,
- aerials forming part of the building
- letterboxes, exterior blinds and awnings, fixed clotheslines and built in barbeques,
- gas pipes, fresh water pipes, electricity and telephone cables.

The home does not include tress, shrubs and other plant life other than the cover given under the 'landscaping' extension.

The home must be used only for private residential purposes.

'Indemnity Value' means the cost immediately before the loss of rebuilding, replacing, repairing **your** home or Landlords Chattels to a condition no better than new less an allowance for depreciation and deferred maintenance.

'Landlords Chattels' means any of the following:

- fixture or fitting including drapes and light fittings,
- household goods such as dishwashers and heaters that are specifically included in the rental or lease,
- carpet or floor coverings that are not glued to the floor,

that are owned by or hired to **you** (provided that **you** are legally liable under the hire agreement), and provided by **you** for use by the tenants.

It does not include any:

- personal effects, or
- livestock, domestic pet or other creature, or
- carpet or floor covering that is glued to the floor, or
- watercraft or outboard motor and their parts or accessories that are in it or attached to it, or
- motor vehicle, motor cycle, motor scooter, trailer, caravan and their parts or accessories that are in it or attached to it, or
- aircraft or other aerial device and their parts or accessories that are in it or attached to it, or



'Loss' means sudden physical loss, damage or destruction.

'Natural Disaster' means an earthquake, volcanic eruption, hydrothermal activity, tsunami, natural landslip or natural disaster fire.

'Natural Disaster Fire' means fire occasioned by or through or in consequence of an earthquake, volcanic eruption, hydrothermal activity, tsunami or natural landslip.

'Natural Landslip' means the movement (whether by falling, sliding or flowing or by a combination thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such materials, which, before movement, formed an integral part of the ground but does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compaction or erosion.

'Period of Insurance' means the period in the schedule during which this insurance is in force.

until such time as this insurance is cancelled or expires or lapses.

If the period of insurance is annual the period starts at the "START" date and ends at 4.00pm (New Zealand time) on the "EXPIRY" date.

No claim will be payable if at the time of loss any premium due has not been paid.

'Forest and Rural Fires Act' means the Forest and Rural Act 1977

'Schedule' means the most recently dated schedule(s) which **we** issue. This includes any schedule(s) issued to renew or endorse **your** insurance.

'Sum Insured' means the Sum Insured in the schedule.

'You' means the person (or persons), shown in the schedule as "the Insured". Whenever the words "**yourself**" or "**your**" are used this refers to "**you**" as defined above. If there is more than one insured shown in the schedule, this Policy insures **you** jointly.