

Landlords Insurance Policy Wording

Contract of Insurance and Insurance Agreement

This Policy forms part of Your contract of insurance. Your contract of insurance consists of:

1. This Policy document; and
2. The Schedule which details the cover applying to You and which may be updated from time to time. The Schedule will include any changes to the standard cover described in this Policy; and
3. Your proposal or application form including any written or oral statements or documents made or supplied by You; and
4. Any endorsements added either by way of Schedule or otherwise.

Under this contract of insurance You, as the Insured party, agree to pay the premium(s) stated in the Schedule and Western Pacific Insurance Limited (WPIL) agrees to provide the insurance cover set out in this Policy and according to this contract of insurance.

Some terms used in this Policy have specific meanings. Where words begin with an upper case letter the meaning of those words or terms are set out in the definitions section of this Policy document.

Defined words include any plurals or other derivatives of those words or terms as the context requires.

Headings are used for reference only and are not part of the Policy for interpretation purposes.

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Section A: Accidental Damage to your House

Western Pacific Insurance Limited (WPIL) will cover you for Accidental and sudden damage to the house.

1. If, following damage you restore or replace the house, WPIL will:
 - a. If it is not economic to repair the house pay:
 - i. The cost of replacing the house as nearly as possible equal to its condition when new using current materials and methods; and
 - ii. Any extra costs that are necessary for the restoration to meet with the lawful requirements of any territorial authority.
 - b. If it is economic to repair the house, pay the lesser of:
 - i. The amount of damage; or
 - ii. The estimated cost to repair the house as nearly as new as possible to the same condition it was in immediately before the damage happened using current materials and methods after deducting the relevant excess shown in your policy document.
2. If following damage, you do not restore or replace the house; WPIL will pay the lesser of:
 - a. The amount of damage; or
 - b. The estimated cost to repair the house as nearly as possible to the same condition immediately before the damage happened using current materials and methods, after deducting the relevant excess shown on your certificate.
3. WPIL will pay reasonable:
 - a. "Architects" fees
 - b. "Surveyors" fees
 - c. Costs of demolition
 - d. Costs of removing debris and contents incurred in restoring the house

Exclusions to Section A:

You will not be covered for:

1. Wear and tear, depreciation, corrosion, rust, rot, mildew or gradual deterioration.
2. The cost of rectifying any fault, defect, error or omission in:
 - a. Design; or
 - b. Manufacture; or
 - c. Assembly.
3. The breakdown, failure or wearing out of any part of any mechanical or electrical equipment unless burning out occurs.
4. Any carpet or floor covering, which is not in the room(s) where the damage happened.
5. Damage which is covered by the Earthquake Commission Act 1993 or which would have been but for:
 - a. The deduction of the excess; or
 - b. The Earthquake Commission exercising its power to decline a claim for that damage.
6. Damage in any way connected with subsidence and erosion.
7. Settling, warping or cracking caused by earth movements.
8. Damage to any device or appliance forming part of the house caused by the failure of that device or appliance to correctly recognize any date, whether occurring before, during or after the year 2000. However, WPIL will pay for any resultant damage to the house.

9. Damage arising from the use of the house for any illegal purpose where you knew or should have known, of that use.
10. Damage caused with your knowledge or consent.

Section B: Legal Liability

WPIL will cover you, if you are legally liable as the owner of the house for:

- a. Accidental damage to property; or
- b. Accidental bodily injury; or
- c. Costs under section 43 or 46 of the Forest and Rural Fires Act 1977.

WPIL will pay damages or costs awarded against you by a New Zealand Court and defence costs up to \$5,000,000 for any one claim.

Exclusions to Section B:

You are not covered for:

1. Liability arising from any business, trade or profession.
2. Liability arising out of an agreement (except where you would have been liable without that agreement).
3. Liability arising from the ownership or use of any motor vehicle, watercraft, aircraft or other aerial device.
4. Liability arising from the non-compliance with your obligations under the Forest and Rural Fires Act 1977.

Section C: Accidental Damage to your Contents

WPIL will cover you for Accidental and sudden damage to the contents at the house.

1. WPIL will pay:
 - a. The repair cost, where the item is damaged and capable of being economically repaired; or
 - b. To replace the item as nearly as possible equal to its condition when new, where the item is lost, destroyed or cannot be economically repaired after deducting the relevant excess as shown in your certificate.
2. The maximum WPIL will pay for any one claim for damage to the contents is shown in your certificate.

Exclusions to Section C:

You are not covered for:

1. Wear and tear, depreciation, corrosion, rust, rot, mildew or gradual deterioration.
2. The cost of rectifying any fault, defect, error or omission in:
 - a. Design; or
 - b. Manufacture; or
 - c. Assembly.
3. The breakdown, failure or wearing out of any part of any mechanical or electrical equipment unless burning out occurs.
4. Any carpet or floor covering, which is not in the room(s) where the damage happened.
5. Damage, which is covered by the Earthquake Commission Act 1993 or which would have been covered but for:
 - a. The deduction of the excess; or
 - b. The Earthquake Commission exercising its power to decline a claim for that damage.

Section D: Rent default and Theft by a Tenant

WPIL will cover you for:

1. Rent default and theft by a tenant.
2. Legal costs you incur as a result of rent default or theft by a tenant.

If you choose this option, it will be listed on your schedule as 'Rent default and theft by a tenant'. We will only cover rent default for the weekly amount your rental property is leased for, up to 8 weeks, less any excess or bond money that applies:

- a. If your tenant leaves your rental property before the end of the tenancy period of your rental agreement or periodic tenancy agreement, without giving you or your agent notice.
- b. If your tenant is legally evicted from your rental property.
- c. If your tenant stops paying rent owed to you or your agent.

We will only pay a rent default claim:

- a. If the tenant breaches your rental agreement or periodic tenancy agreement; and
- b. You have taken all reasonable steps legally available to you under the Act, or other relevant Legislation, to remedy non-payment and evict the tenant.

Your cover for rent default ceases if the rental agreement could have been legally terminated by you.

Cover for rent default will not apply if the rent is in arrears at the commencement date of this insurance.

This cover will not commence until all rent arrears have been paid, and the tenant has paid a minimum of four consecutive weeks of the agreed rent in accordance with the rental agreement.

When a rental agreement defaults to a 'periodic tenancy agreement', we will only pay up to two weeks rent after a tenant vacates the building without notice.

When you or your agent issues a notice to leave to a tenant, we will only pay up to two weeks rent after the tenant vacates the building.

We will not pay a claim if your tenant leaves the building with, or without notice, and you have failed to rectify a 'Notice of Remedy' breach issued by the tenant to you.

This cover will stop immediately:

- a. If your rental property is re-tenanted; or
- b. When the term of your rental agreement ends.

We will only cover theft by a tenant or their visitors of:

- a. Any part of your buildings, up to the buildings sum insured, as listed on your schedule, after deducting any excess that applies, if you have insured your buildings.
- b. Your contents, up to the contents sum insured, as listed on your schedule, after deducting any excess that applies, if you have insured your contents.

If we have agreed to pay a rent default or theft by a tenant claim we will also cover legal costs as a result of rent default or theft by a tenant, up to \$1,000:

- a. That you incur to:
 - i. Legally evict a tenant.
 - ii. Recover amounts owed to you by a tenant, unless the legal costs are solely to recover excesses that apply to a claim under this policy; or
 - iii. Recover amounts for items stolen from your rental property by a tenant or their visitors.

We will only pay your legal costs if we agree to pay them and before they are incurred.

An excess applies to this option as noted in the schedule.

Section E: Loss of Rent

WPIL will with this option, provide cover if your buildings or sections of your buildings suffer loss or damage and are uninhabitable as a result, we will cover any loss of rent equal to the weekly amount as stated on your rental agreement or periodic tenancy agreement for up to 12 months.

The most we will pay is up to the sum insured, as listed on your schedule:

If you choose this option it will be listed on your schedule as 'Loss of rent'.

1. This cover applies when:
 - a. Loss or damage to your buildings or contents occurs as a result of an incident as listed in Section A or Section C.
 - b. Access to your rental property is prevented due to loss or damage to other property located near your rental property. We will only cover loss of rent while your rental property is uninhabitable.
2. We will also provide cover for up to two weeks rent, up to \$1000 (inclusive of GST) after:
 - a. A death of a sole tenant that occurs before the end of the tenancy period of your rental agreement or during a periodic tenancy agreement. Cover will start from the date of death of the sole tenant. We will not pay if the sole tenant had given you or your agent notice in accordance with the rental agreement or periodic tenancy agreement prior to their death.
 - b. Your rental agreement or periodic tenancy agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the tenant. Cover will start from when the termination order issued by the Residential Tenancies Tribunal or other relevant authority takes effect.

This cover will stop immediately if your rental property is re-tenanted.

An excess may apply to this option, as noted on Your Schedule. This option is available for buildings or contents policies.

General Exclusions

WPIL will not cover you for:

1. Damage to any property by order of any territorial authority or expenses arising from that damage.
2. Anything arising from:
 - a. Nuclear weapons, ionizing, radiation or contamination by radioactivity from nuclear fuel or from any nuclear waste from the combustion or nuclear fuel; or
 - b. War, invasion, act of foreign enemy, warlike operations (whether war be declared or not), military or usurped power, civil war, rebellion, revolution or insurrection.
3. Any damage arising or occurring other than at or arising out of the ownership of the premises specified in the certificate.
4. Any damage occasioned by or arising from your willful or wrongful act or with your connivance.
5. Any act of terrorism. Notwithstanding any provision to the contrary, this insurance excludes loss, damage, death, injury, illness, liability, cost or expense or whatever nature directly or indirectly caused by, resulting from or in connection with:
 - a. An act of terrorism regardless of any other case or event contributing concurrently or in any other sequence to the loss, damage, death, injury, illness liability, cost or expense.
 - b. Any action taken in controlling, preventing, suppressing or in any way relating to an act of terrorism.

“An act of terrorism” means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic

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.

General Conditions

Care of your property

1. You must take reasonable care to maintain, protect, and prevent damage to your property.
2. You must tell WPIL if there will be no one living at the house for a period of more than 60 days at a time.
3. You must:
 - a. Complete an internal and external inspection of the house at no less than 6 monthly intervals; or
 - b. Complete an internal and external inspection when any tenant changes; and
 - c. If rent is 14 days in arrears, make a visit to the house to determine if your tenant is still occupying the house; and
 - d. Keep a property certificate record of all defects and damage discovered during that inspection.

If you do not comply with this condition you cannot bring a claim under sections A or C of this policy.

You must tell WPIL if you make any structural alterations or improvements to the house. WPIL reserves the right to charge you additional premium for any such changes.

Tenancing your house

1. You must exercise due care in the selection of your tenant.
2. You must:
 - a. Collect at least 4 weeks rent &/or bond in advance from your tenant.
 - b. Send written notification to your tenant for any rent that is 7 days in arrears.
 - c. Make application to the Tenancy Tribunal for an order terminating the tenancy in accordance with the provisions of the Residential Tenancies Act 1986 immediately the rent is 21 days in arrears.

If you do not comply with this condition, you cannot bring a claim under section D of this policy.

Automatic Reinstatement

Once the house is restored following loss or damage, WPIL will automatically reinstate cover from the date of loss. You will be required to pay additional premium for the reinstatement cover.

Other Insurances

If you can claim under this policy and another policy, then WPIL will only be liable to pay its rate-able proportion of the claim.

Increased Risk

You must tell your broker or WPIL if there are any changes that may increase the chance of a claim under this policy. Additional exclusions, conditions or premium may apply.

Cancellation

To cancel this policy or any cover you must tell your broker or WPIL.

To cancel this policy or any cover, WPIL must tell you by giving written notice of cancellation to you or your broker. Cancellation will take place at 4pm 30 days later.

WPIL will refund any premium that is due to you for the unused portion of your period of insurance.

Other Interested Parties

If WPIL is advised of any party having a financial interest in your property, WPIL may pay part of all of any claim to that party.

New Zealand Jurisdiction

The laws of New Zealand shall apply to this policy and the Courts of New Zealand will have exclusive jurisdiction in respect of any litigation arising out of this policy. Any damages awarded or costs or expenses of litigation outside New Zealand are not covered.

Legislative Amendments

Reference to any legislation shall include any amendment or any statutory provision passed in substitution.

Claims

If you can claim under more than one section of the Landlord's Insurance with WPIL as a result of one event, WPIL will only deduct the highest excess that applies.

1. Unless WPIL has agreed, you must not:
 - a. Incur any expenses in connection with any claim; or
 - b. Negotiate, pay, settle, admit, or deny any claim.
2. WPIL shall have the right to:
 - a. Restore, replace or pay for any property; or
 - b. Take over any property or deal with salvage in a reasonable way; or
 - c. Refuse to pay the claim if:
 - i. It is false; or
 - ii. If you or anyone acting on your behalf knowingly gives any false information.
 - d. Take action in your name:
 - i. In conduct of any proceedings or in the settlement of any claim; or
 - ii. To make a recovery from any other person.
3. If anything happens which gives rise to a claim, you must:
 - a. Do as much as you can to take care of and to prevent further damage to your property.
 - b. Tell your broker or WPIL as soon as possible and supply information about the claim.
 - c. Tell the police immediately if you think your property has been lost or damaged by burglary, theft, vandalism, or malicious acts.
 - d. Send your broker or WPIL any letter or other document you receive from anyone else immediately when you receive it.
 - e. Give your broker or WPIL any information or assistance that is asked for.
 - f. Not abandon any property.

Policy Definitions

The words defined below are used throughout this policy. Any other definitions are shown in the section to which they apply.

"Application" means the application you made for insurance, or for renewal of insurance, including all information given to WPIL as part of or support of your application, whether by telephone, on paper or electronically.

"Bodily injury" means injury caused solely and directly by violent, accidental, external and visible means.

"Bond" means the amount shown in the tenancy agreement but does not include any rent.

"Contents" means your household goods in the house.

"Damage" means loss of or physical damage and includes malicious damage, vandalism or theft by the tenant.

"House" means the building at the situation owned by you and includes outbuildings, fixtures and structural improvements on the site used for domestic purposes related to the use of the principal residence including:

- a. Fences; or
- b. Gates; or
- c. Walls; or
- d. Floor coverings (but not carpets); or
- e. Services you own or for which you are responsible but excluding carpets, land, earth or fill.

"Rent" means the amount shown in your tenancy agreement but does not include bond.

"Situation" means the location(s) described in your certificate.



“**Tenancy agreement**” means the written contract between you and your tenant confirming conditions of rental for the house.

“**Tenant**” means the person or persons named in the tenancy agreement.

“**You and/or Yours**” means the person(s) named in the schedule.

“**WPIL, We, Us and/or Our.**” means Western Pacific Insurance Limited.