



## Residential Dwelling 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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## Policy Definitions

Whenever these words are used this is what they mean:

**“Accidental”** means a sudden and unexpected event, which is not intended. By sudden We mean manifesting within a 24 hour period.

**“Certificate of Insurance”** means the Insurance Certificate issued to You, and/or Your broker, and the last endorsement certificate or renewal certificate issued to You under this policy.

**“Excess”** means the amount You must pay towards the claim as set out in this policy or the Certificate of Insurance.

**“House”** means the building or buildings primarily used as a place of residence and domestic outbuildings, which You own at the address stated in the Certificate of Insurance, and includes:

- a. garages, carports, glasshouses and greenhouses, and garden sheds;
- b. tanks, pumps, pipes, cables and ducts, wires, meters and switches for domestic water supply, storm water, sewerage, communications, electricity and gas services, which are at the address and for which You are legally responsible up to the point of connection to the public supply;
- c. domestic driveways and paths constructed with concrete, brick, paver or tar seal surfaces, but not wharves or jetties;
- d. walls, fences, decking and gates but not hedges;
- e. permanently installed swimming pools which shall include above ground Para pools or similar, saunas and spa pools together with all fixed accessories, including pool pump sheds;
- f. tennis courts of permanent construction but not clay or grass surfaces;
- g. fixed masts, aerials, satellite dishes, exterior blinds and awnings, clothes lines and letterboxes;
- h. fixed home appliances which are permanently connected to electricity, plumbing or gas services;
- i. fixed ceiling and wall coverings but not curtains, drapes or blinds;
- j. fixed carpets and floor coverings, but not carpets fitted using tacks;
- k. solar heating panels.

**“Indemnity Value”** means the current market value of any item, allowing for its age and condition, immediately prior to the loss or damage.

**“Injury”** means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury.

**“Tenant”** includes sub-tenant. The person renting your home from You under a tenancy agreement, including the persons partner and/or family.

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

**“You” or “Your”** means the person or persons or corporate body named in the Certificate of Insurance as the Insured, and if a natural person, Your spouse or defacto partner as defined in the Property (Relationships) Act 1976, and a child or children of Your relationship living with You at the address.



## Section 1 : House Cover

### Basis for Settlement of Claims

We will pay the costs actually incurred to repair or rebuild Your House to the same condition and extent it was when new but not exceeding the square metered area stated in the Certificate of Insurance, however

- a. We have the option whether to make payment, repair, rebuild or replace Your House;
- b. We are not bound to repair or rebuild Your House exactly to its previous condition beyond what is reasonable, practicable or comparable with the original;
- c. We will use current building materials and construction methods;
- d. We will not pay to repair or rebuild Your House, or parts of Your House, which have not been physically damaged.

We will also pay:

- a. the additional costs to repair the damaged part of Your House to comply with the Building Act 2004 and Building Code provided that Your House complied with the governing building controls when it was built, or when that part of your House was altered, and no notice has been served requiring compliance with the Building Act 2004 or Resource Management Act 1991 before the loss or damage occurred;
- b. reasonable architects', engineers' and surveyors' fees in respect of the repairs or rebuilding where authorised by Us;
- c. the reasonable costs to demolish and remove the debris, including Your Contents.

We will not pay:

- a. more than the Indemnity Value at the time of loss or damage until the cost of replacement is actually incurred;
- b. for wall coverings, carpets or floor coverings, curtains, drapes or internal blinds, not located in the room where the loss or damage occurs.

Where Your House is destroyed beyond repair You may at Your option either:

- a. rebuild on the original site; or
- b. rebuild on any alternative site provided Our liability does not exceed the costs which would have been incurred had rebuilding been carried out at the original site.

If You do not repair or rebuild Your House within 12 months of the loss or damage, unless We agree in writing to a longer time period, We will only pay You the Indemnity Value immediately before the loss or damage and the reasonable costs of demolition and removal of debris, including Your Contents.

If Your House is mortgaged payment in respect of any loss or damage may be made to any financially interested party whose receipt will discharge Us completely.

### Excess

We will deduct from all claims, except as noted below, the amount of Excess shown in the Certificate of Insurance as You are not insured for this amount.

An Excess of \$500 will be deducted for any claim payable under the additional benefit 'Retaining Walls'.

An Excess will not be deducted from claims payable under the following additional benefits:

- ❖ Landscaping Cover
- ❖ Stress Cover
- ❖ Tree Removal Costs
- ❖ Water or Sewerage Pipe Blockage

### Houses not Lived in for More than 60 Consecutive Days

If Your House has not or will not be lived in for any period of 60 consecutive days or more, We will not pay for loss or damage caused by:

- a. accidental breakage;
- b. explosion;
- c. fire or smoke;



- d. malicious acts;
- e. burglary, theft or home invasion;
- f. water or other liquid damage;

unless You have Our prior agreement in writing. If You do, We may amend the terms of this cover with immediate effect.

#### Alternative Accommodation

If Your House is damaged by an event covered by this policy to such an extent that You cannot live there, We will pay Your rental costs for:

- a. the length of time which We agree it is necessary to reinstate Your House; or
- b. up to a maximum period of 12 months; whichever period of time is the lesser.

the amount We will pay will be based on the rentable value of Your House.

#### Loss of Rents

If your House is damaged by an event covered by this policy to such an extent that your tenant can not live there, We will pay for any loss of income from rents receivable for:

- a. the length of time which We agree it is necessary to reinstate Your House; or
- b. up to a maximum period of 12 months; whichever period of time is the lesser.

However We will not pay for Loss of Rents if You are the landlord and:

- a. Your House has not been tenanted for more than 60 consecutive days immediately before the date of the loss or damage; or
- b. You do not have a contract in place for Your House to be tenanted within the 30 days immediately following the date of the loss or damage.

#### Landlord Chattels

This policy is extended to cover landlord's fixtures and fittings, including carpets and floor coverings whether fixed or not, curtains, drapes or blinds, or landlord's furniture and furnishings if your house is rented. These will be:

- a. insured for their Indemnity Value only; and
- b. we will pay up to a maximum sum of \$10,000 in total for any one event only.

**You must tell Us if You stop living in Your house if you intend to rent or lease it.**

#### Hidden Gradual Damage

If Your House suffers loss or damage caused directly by micro-organisms, fungi, mildew, mould, rot or gradual deterioration as a result of an internal water or waste disposal pipe leaking, which is unknown to You, We will pay up to a maximum of \$5,000 to repair the loss or damage that has occurred during the time that You have owned Your House. We will not pay for the costs to remedy the cause of the leak.

#### Landscaping Cover

If Your House suffers loss or damage, and We have agreed to pay Your claim, We will pay up to \$5,000 for re-establishing gardens for physical damage to Your gardens and lawns if damaged in the same event, and that damage was caused by:

- a. storm (but not hail, frost or snow),
- b. flood

But subject to an excess of \$500 each and every loss

#### Water or Sewerage Pipe Blockage

We will pay reasonable costs towards clearing an underground water or sewerage pipe within the boundaries of your home that becomes blocked during the period of cover. The most we will pay during the period of cover is \$500. The excess does not apply to this Additional Benefit.



### Temporary Removal of Fixtures

This Home cover is extended to cover fixtures and fittings of your home which have been temporarily removed for the purpose of restoration, renovation or repair by a professional contractor or tradesman for a period not exceeding 60 days. The excess applies to this Additional Benefit.

### Stress Cover

If Your House is totally destroyed and a claim is payable under this policy. We will pay You \$2,000 for the inconvenience and stress suffered, in addition to the value of the claim otherwise payable. We will only pay this benefit once during any one period of insurance regardless of the number of insurance policies held with Us.

### New Building Work

This Home cover is extended to cover sudden accidental loss during the period of cover to:

- a. any new structure being built within the boundaries of your home if you own it (or if you are responsible for it while it is being built), provided that it will be covered by this Home cover when complete, and
- b. any materials within the boundaries of your home that are to be included in the new structure.

### What is not covered

We do not cover any structure:

- a. where the expected value of the completed work, or the price of the contract including materials, is more than \$10,000, or
- b. that involves alteration or addition to any part of the existing home, or
- c. that involves excavation more than 1 metre deep, or
- d. that has not been granted a building consent or similar if one is required.

### What we will pay

The most we will pay during the period of cover is \$10,000.

The excess applies to this Additional Benefit.

### Natural Disaster

If Your House is damaged by:

- a. earthquake;
- b. natural landslip;
- c. volcanic eruption;
- d. hydrothermal activity;
- e. tsunami; or
- f. fire resulting from any of these events;

We will pay the difference between the cost of repairing or rebuilding Your House and the amount You receive from the Earthquake Commission, up to the sum insured stated in the Certificate of Insurance, provided that the Earthquake Commission has accepted liability under the Earthquake Commission Act 1993. We will not pay for any Excess imposed on You by the Earthquake Commission Act 1993.

### Cover Continuation Under Contract of Sale

If You have contracted to sell Your House, and Section 13 of the Insurance Law Reform Act 1985 applies, then the terms of this policy apply to You and the purchaser(s) as joint insureds. As long as the purchaser meets all the terms and conditions of this policy and has not otherwise insured the House.

### Retaining Walls

If Your retaining wall at the address stated in the Certificate of Insurance suffers Accidental physical loss or damage from any one event, We will pay up to \$5,000 to repair the retaining wall.

For this cover to apply:

- a. the retaining wall must be complete, and not in the process of construction, and for the principal purpose of retaining land;
- b. must comply with all governing statutory and regulatory controls and local authority by-laws; and
- c. You must pay an Excess of \$500.

This cover does not apply if the loss or damage is recoverable under the Earthquake Commission Act 1993.



### Home Office

This policy extends to include any part of the House used as a home office where that part of the House is used by You to conduct business of an administrative, clerical or professional nature only.

### Tree Removal Costs

If Your House suffers loss or damage caused directly by a tree or part of a tree falling on it and We have agreed to pay Your claim, We will also pay up to \$1,000 to remove the tree to render it safe, provided We agree that such work is necessary.

## Section 2 : Owners Liability Cover

### Owner's Liability Cover

We will cover Your legal liability for payment of compensation in respect of:

- a. physical loss or damage to property; and/or
- b. Injury; occurring during the period of insurance which arises out of Your ownership of Your House and is caused by an accident or series of accidents occurring at Your House and attributable to one source or originating cause.

We will also pay reasonable legal costs and expenses You incur with Our consent for which You are legally liable, plus the cost of any lawyers We appoint.

### Basis of Settlement of Claims

During any one period of insurance, We will pay up to a maximum of:

- a. \$5,000,000 for liability for loss or damage to property;
- b. \$1,000,000 for liability for Injury to any person.

These limits will be reduced by any amount paid under any other building or contents policy You have with Us providing this type of cover for the same liability, loss, occurrence or incident.

### Rural Fires

We will cover Your legal liability for payment of compensation under section 43 of the Forest and Rural Fires Act 1977 in respect of:

- a. physical loss or damage to property; and
- b. costs of fire control measures recoverable from You; occurring during the period of insurance which arises out of Your ownership of Your House.

We will not cover Your liability for fires You deliberately light, or cause to be lit, if:

- a. the fire was lit recklessly or in breach of any regulation, by-law or notice issued by a fire authority or local authority; or
- b. You recklessly fail to suppress, extinguish or control the fire; or
- c. You fail to comply with the terms of any fire permit issued.

The most We will pay under this cover will be \$1,000,000 for any one claim or series of claims arising from any one event during the period of insurance. If You have House and Contents insurance with Us which contain this cover, You are only entitled to claim indemnity for it under one policy.

Each and every claim under this cover will be subject to an Excess of \$1,000.

This cover is payable whether or not there is any loss or damage to Your property.

### Liability Exclusions

1. This policy does not cover You if the liability arises out of, or is in connection with:
  - a. any business, trade or profession from which You obtain financial return whether for profit or not;

- b. the ownership, use or possession of any mechanically propelled vehicle (except garden implements or ride-on mowers for home use only, mechanised or motorised golf buggies or wheelchairs which are not registered and which are not required to be registered), trailer, caravan, watercraft, aircraft or other aerial or spatial device, other than models;
  - c. the ownership or operation of any lift;
  - d. damage caused by vibration, or the removal or weakening of, or interference with, the support of land, buildings or other structures.
2. This policy does not cover You for liability:
- a. for loss or damage to property belonging to You or under Your care or control, except that property in which You live as a residential tenant;
  - b. assumed by You under any contract or agreement, whether oral or written, except to the extent that such liability would have been imposed or implied by law, including any limitation or exclusion of Your rights of recovery from another person;
  - c. to pay fines and/or other penalties or reparation orders or any punitive, exemplary or aggravated damages awarded against You;
  - d. for personal injury as defined in the Injury Prevention, Rehabilitation and Compensation Act 2001.
3. We will not cover Your legal liability for claims arising directly or indirectly out of, or in any way connected with:
- a. the existence, at any time, of asbestos; or
  - b. the existence of micro-organisms, fungi, mildew, mould, toxic mould or spores; or
  - c. the existence, use, operation or maintenance, at any time, of electronic mail, a computer virus, an internet site or other internet based service, intranet or any web site.
4. We will not cover You for the cost of defending any action or legal proceedings brought in any court outside New Zealand, or for any damages or costs awarded.

## General Exclusions

1. This policy does not cover loss, damage, Injury or liability caused by, or arising from:
- a. wear and tear;
  - b. micro-organisms, fungi, mildew, mould, rot, corrosion, rust, gradual deterioration, or action of light, except cover as provided under 'Gradual Damage' in Section 1 on page 4;
  - c. insects, birds or vermin other than opossums;
  - d. mechanical, electrical or electronic breakdown except cover as provided under 'Fusion' in Section 1;
  - e. lifting or shifting Your House or alterations or repairs involving the removal of structural support or any part of the roof unless agreed to in writing by Us;
  - f. war, invasion, act of foreign enemy, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
  - g. nuclear weapons material or ionising radiation or contamination by radio-activity from any nuclear waste or from the combustion of nuclear fuel. For the purpose of this exclusion combustion includes any self-sustaining process of nuclear fission or fusion;
  - h. subsidence, landslip or erosion;
  - i. settling or cracking of land, earth movement or underground water pressure;
  - j. geothermal activity;
  - k. earthquake, natural landslip, volcanic eruption, hydro-thermal activity or tsunami as defined in the Earthquake Commission Act 1993, except cover as provided under 'Natural Disaster' in Section 1;
  - l. hydrostatic pressure;
  - m. confiscation, nationalisation or requisition by the order of Government or Local Authority but We will pay for loss or damage as a result of such an order if it is to prevent fire or other loss or damage covered by this policy;
  - n. an illegal or criminal activity or enterprise at Your House by You or any person acting with Your expressed or implied consent;
  - o. a deliberate, intentional, criminal or malicious act by:
    - i. You or Your Tenants,
    - ii. guests of You or Your Tenants, or



- iii. any person who is acting with Your express or implied consent.

However, We will cover loss or damage caused by, or arising from, any deliberate, intentional, criminal or malicious act, which results in fire or explosion, committed by Your Tenants, or guests of You or Your Tenants;

- p. inherent defects, faulty design, structural defects or poor workmanship, whether arising directly or indirectly, other than as specifically provided under 'Gradual Damage' in Section 1;
  - q. or is consequent upon, or is in connection with, the failure of Your House to contain materials, a design, a system, or a standard of workmanship which effectively prevents or manages the presence or penetration of moisture or water to which Your House might reasonably be subjected, except cover as provided under 'Gradual Damage' in Section 1.
2. This policy does not cover loss or damage caused by, or arising from, animals or pets owned by Your Tenant, or for which Your Tenant is legally responsible, which are kept at Your House.
3. This policy does not cover loss, damage, liability, Injury, illness or death arising directly or indirectly out of, or in any way connected with:
- a. any act of terrorism; or
  - b. any action in controlling, preventing, suppressing, retaliating against, or responding to any act referred to in (a) above.

An act of terrorism includes, but is not limited to, any act, preparation in respect of action or threat of action, designed to:

- a. influence a government or any political division within it for any purpose; and/or
- b. influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.

## General Conditions

### Statements

The correctness and truthfulness of all statements made in relation to this policy or any claim is essential before We have any liability under this policy.

### Changes in Circumstances

If any relevant circumstances change or may change during the period of cover, You must advise Us. For example, if You stop living in Your House because it is intended to be rented or leased.

### Changes to the Policy

We can change the terms of this policy by writing to You at Your postal address for this policy shown on Our records. The change will take effect 14 days after the date of that letter.

### Cancellation of the Policy

- a. By You – You may cancel this policy by writing to Us. We will refund 80% of the unused premium.
- b. By Us – We may cancel this policy at any time by writing to You at Your postal address for this policy shown on Our records. The letter will contain at least 14 days notice. We will refund Your unused premium.

### Holiday Homes

Where Your House is used as a holiday home, this policy does not cover loss or damage that occurs while Your House is unoccupied unless:

- a. Your House is maintained in a tidy condition;
- b. Your House is secured against unauthorised entry when left unattended;
- c. all papers and mail which are delivered to Your House are collected on a regular basis; and
- d. Your House undergoes regular inspections.



### **Taking Precautions**

We will not pay any claim if You do not:

- a. take all reasonable precautions to prevent loss, damage, Injury or liability;
- b. secure Your House against unauthorised entry whenever Your House is left unattended by You or any other person;
- c. maintain Your House in good repair; and
- d. effectively secure tarpaulins on buildings which are undergoing renovation where the area undergoing renovation would be exposed to the effects of the weather.

### **Other Obligations**

We may decline any claim and/or recover any payment already made if You do not act as follows. You must:

- a. not cause or facilitate loss or damage or incur liability by any unreasonable, reckless or willful act or omission;
- b. tell Us in writing if Your House is going to be unoccupied for more than 60 consecutive days, or if You have leased or are about to lease Your House;
- c. inform the Police if it appears that there has been arson, burglary, theft, home invasion or malicious damage and co-operate fully with the Police in their investigation and prosecution;
- d. tell Us immediately and return the claim form properly completed within 30 days of becoming aware of any circumstances which may give rise to a claim;
- e. provide Us immediately with full particulars of any claim made against You by another person, all legal documents served on You and allow Us the sole option to negotiate settlement of, or defend the claim, in Your name;
- f. allow Us to take over for Our own benefit and settle any legal right of recovery You may have and You must co-operate fully in any recovery action;
- g. take all steps which We consider reasonable to prevent further loss or damage and see that any repair or rebuild work is carried out promptly;
- h. comply with all Our requests relating to Your claim including providing all co-operation, information and assistance;
- i. not start repair or rebuilding work without Our prior approval;
- j. not discuss any claim made on You by another person with them.

### **Joint Insureds**

If this policy is issued to more than one person or corporate body or a combination, then the policy is a joint policy. This means that if one named insured does, or fails to do, something which breaches the policy or forfeits the right to cover, no cover will be available under the policy for any of the named insured's.

### **Other Insurance**

If any loss or damage 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.

### **Automatic Reinstatement**

The cover provided under Section 1 will not be reduced by any claims paid by Us, provided You pay an appropriate extra premium requested by Us.

### **Goods and Services Tax**

Where any part of this policy specifies any sum insured this amount excludes Goods and Services Tax.

### **Jurisdiction**

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