

# REAL Landlord Rental Property Policy

Protecting Your Income



REAL INSURANCE FOR REAL PROPERTY INVESTORS

## REAL Landlord Rental Property Update

Your REAL Landlord Rental Property Policy (QBELRP0616) is amended as follows:

**A** Under **Words with a special meaning** the following are added:

**Acceptable methamphetamine testing** means

The 'screening' or 'screening testing' of **your rental property** for any 'precursor' substance/s or 'methamphetamine' as defined by the New Zealand Standard NZS 8510: 2017, and which confirms that no 'precursor' substance/s or 'methamphetamine' residue is present. Or alternatively, a 'detailed assessment' as detailed in the **Standard**, which is accepted by **us** in writing.

**Methamphetamine contamination** means

Contamination of **your rental property** caused by the use, of 'methamphetamine' or 'methamphetamine production' as has been identified by way of a 'detailed assessment' and found to exceed the relevant 'decontamination levels', all as detailed in the **Standard**.

**Methamphetamine remediation** means

Reduction of the **methamphetamine contamination** to a level below the relevant 'decontamination levels' detailed in the **Standard**.

**Standard** means

The New Zealand Standard NZS 8510: 2017, or any amendment/s to this standard that is in force or comes into force during the **period of cover**.

**B** Under **Loss to your rental property**, Extra cover benefit 3. 'Illegal substances protection for your rental property' is deemed deleted and replaced by the following:

### 3. Methamphetamine remediation protection for your rental property

Your policy is extended to provide cover for **your rental property** for fire, explosion and **methamphetamine remediation**, as a result of **methamphetamine contamination**. Where it is necessary for the process of completing **methamphetamine remediation** to cause further **loss to your rental property**, then the reasonable costs actually incurred to repair the part of **your rental property** that has suffered such further **loss** is also considered to being part of the **methamphetamine remediation**.

Provided:

- **your rental property** is rented to a tenant under a residential tenancy agreement; and
- **you** have completed **acceptable methamphetamine testing** prior to each tenancy commencing and **you** can provide **us** with copies of all the laboratory test results if **we** ask for them; and
- **you**, or the person managing the tenancy on **your** behalf, has:
  - exercised reasonable care in the selection of the tenant/s by at least obtaining satisfactory written or verbal references; and
  - completed internal and external inspections of **your rental property** at least every 6 months and upon every change of tenant/s; and
  - kept a written record of the result of each inspection and will provide to **us** a copy of the record if **we** ask for it.

The most **we** will pay for any one **event** during the **period of cover**:

- for **loss** resulting from fire or explosion is up to the **maximum amount payable**; or
- when **acceptable methamphetamine testing** has been carried out prior to each tenancy commencing and **you** provide to **us** copies of all the written laboratory test results if **we** ask for them, is up to \$25,000, and up to \$5,000 for **acceptable methamphetamine testing** costs relating to the current claim only.

**C** Under **Loss to your rental property** What you are not insured for the following exclusion is deemed added to the policy:

### 12. Methamphetamine contamination

Your policy does not cover loss of rent as a result of **methamphetamine contamination** unless there is a claim payable under **Loss to your rental property** Extra cover benefit 3. 'Methamphetamine remediation protection for your rental property' for **methamphetamine contamination**.

**D** Under **Your policy exclusions**, 3. 'Illegal substances' is deemed deleted and replaced by the following:

**3. Illegal substances**

**Your** policy does not cover **loss** or resultant **loss** arising directly or indirectly out of or connected in any way with any activity at **your rental property** involving any 'precursor substances' or 'controlled drug' as defined in the Misuse of Drugs **Act** 1975, other than:

- **loss** caused by the **accidental** spread of fire or explosion; or
- the cover provided under the 'Methamphetamine remediation protection for your rental property' Extra cover extension; or
- the cover provided under the 'Loss of rent' Extra cover extension as modified under 'What you are not insured for' 12. Methamphetamine contamination.

In all other respects **your** policy is unaltered.

## Welcome to QBE Insurance and thank you for trusting us with the protection of your rental property.

QBE has been committed to protecting New Zealanders and their assets for over 125 years. We are Australasia's largest international insurance and reinsurance group and have specialist staff operating in over 38 countries. Our standing in the insurance marketplace has been achieved through consistent delivery of quality service to both our brokers and policyholders.

This is your QBE/REAL Rental Property Insurance policy document which should be read in conjunction with your policy schedule and accompany your REAL Landlord policy.

If you need help understanding any aspect of your insurance cover, please contact your REAL Landlord Insurance Broker.



QBE Insurance can also protect your home contents and motor vehicles. Ask your broker for details.

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## Table of Contents

|   |    |
|---|----|
| <b>QBE / REAL LANDLORD RENTAL PROPERTY POLICY</b> .....   | 1  |
| <b>REAL INSURANCE FOR REAL PROPERTY INVESTORS</b> .....   | 1  |
| WELCOME TO QBE INSURANCE AND THANK YOU FOR TRUSTING US WITH THE PROTECTION OF YOUR<br>RENTAL PROPERTY ..... | 2  |
| <b>READING YOUR POLICY DOCUMENT</b> .....   | 4  |
| <b>YOUR POLICY CONDITIONS</b> .....   | 8  |
| <b>YOUR CLAIMS CONDITIONS</b> .....   | 10 |
| <b>LOSS TO YOUR RENTAL PROPERTY</b> .....   | 11 |
| WHAT YOU ARE INSURED FOR .....  | 11 |
| LIMITS TO WHAT WE WILL PAY .....  | 11 |
| EXTRA COVER .....   | 12 |
| WHAT YOU ARE NOT INSURED FOR .....  | 14 |
| <b>YOUR POLICY EXCLUSIONS</b> .....   | 16 |

# Reading your policy document

Thank **you** for choosing QBE to take care of **your** home insurance.

## Your contract of insurance

This is **your** Rental Property Insurance policy document, which is one part of **your** insurance contract with **us** and it explains the terms and conditions of the cover that **we** offer.

The other parts of **your** insurance contract are:

- the information **you** gave **us** when **you** applied for or renewed the policy; and
- your policy schedule.

The information **you** gave **us**, the information showing on **your schedule** and this policy document make up **your** contract of insurance with **us**. Please keep these documents safe and read them together.

## You may change your mind

If **you** find the cover **you** have chosen is not what **you** want, **you** may change **your** mind and cancel the policy if **you** or, on **your** instruction, **your** REAL Landlord Insurance broker notifies **us** within 30 days from the start date of the policy. **We** will refund any premiums paid in full and cancel the cover provided there have been no claims.

## Defined words

If a word is shown in **bold** it has a special meaning. There is a list of these words and their meanings in the section 'Words with a Special Meaning'.

## Headings

The headings in this policy document are for reference only and do not form part of it. They are not to be used when interpreting **your** policy.

## Current REAL Landlord Policy

**Your** QBE/REAL Landlord Rental Property policy only provides limited cover for **your rental property**. It is specifically designed to complement **your** REAL Landlord Preferred or Multiple Tenancy policy and must accompany one of these policies.

# Words with a special meaning

Words with a special meaning are shown in **bold** type and have the same meaning wherever they appear in **your** policy. The definitions apply to the plural and any derivatives of the words. For example, the definition of 'accident' also applies to the words 'accidentally', 'accidental' and 'accidents'.

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|------------------|--|
| Accident         | means a sudden happening or <b>event</b> that is unforeseen and unintended by <b>you</b> .   |
| Act              | means an Act of the New Zealand Parliament that is in force or comes into force during the <b>period of cover</b> and includes any amendments to or regulations made under the Act.  |
| Act of terrorism | means an act, including but not limited to the use of force or violence and/or threatening the use 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 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. |
| 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 programs, software and other coded instructions for such equipment.  |
| Event            | means an incident or occasion or series of incidents or occasions arising from one source or original cause.   |
| Excess           | means the first part of any claim stated either in <b>your schedule</b> or in this policy, which you must pay. An excess applies to each <b>accident</b> causing <b>loss</b> . When a single <b>accident</b> causes <b>loss</b> to more than one item insured by <b>you</b> with <b>us</b> under multiple policies only one policy excess shall apply. The excess amount that shall apply will be the highest excess or cumulative excess that <b>we</b> would apply under any of the policies affected.                           |
| Family           | means any of the following people; <ul style="list-style-type: none"><li>• a husband, wife or partner;</li><li>• children (including foster children);</li><li>• parents;</li><li>• a husband's, wife's or partner's parents.</li></ul>  |
| Loss             | means physical loss, damage or destruction. A series of losses arising from any one <b>accident</b> during a period of 72 consecutive hours will be treated as one loss.   |

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|------------------------|---|
| Maximum amount payable | means the lesser of the cost to rebuild <b>your rental property</b> to the square metres or the sum insured amount stated in <b>your schedule</b> .   |
| Natural disaster       | means a natural landslip or natural disaster fire as defined in the Earthquake Commission <b>Act</b> 1993, an earthquake, volcanic eruption, hydrothermal activity or tsunami.  |
| Natural disaster cover | means the insurance for <b>your rental property</b> provided by the Earthquake Commission.  |
| Period of cover        | means the period stated in <b>your schedule/s</b> during which this policy is in force.   |
| Present value          | means the estimated reasonable cost to repair or replace an item in New Zealand with a similar item that is of comparable age, quality and capability, and in the same general condition.   |
| Rental property        | <p>means the rental building/dwelling/s or flat/s owned by <b>you</b>, which are rented or leased for domestic use within the residential boundaries of the situation stated in <b>your schedule</b> and includes the following:</p> <ul style="list-style-type: none"> <li>• outbuildings including garage/s;</li> <li>• permanently attached fixtures and fittings;</li> <li>• fixed floor coverings (glued, tacked or smooth edged);</li> <li>• permanently fixed swimming and/or spa pools;</li> <li>• tennis court;</li> <li>• underground and overhead services;</li> <li>• solar power and solar water heating systems;</li> <li>• permanently sited water storage tank, septic tank or heating oil tank and its associated equipment but excluding its contents;</li> <li>• walls (including retaining walls), gates and fences;</li> <li>• paths, driveways and patios constructed of concrete, brick, pavers or tarseal;</li> <li>• permanently fixed garden sculptures or artwork;</li> <li>• other domestic improvements of a structural nature which are permanently fixed or installed and which are not excluded by this policy.</li> </ul> <p>Rental property does not include:</p> <ul style="list-style-type: none"> <li>• temporary structures;</li> <li>• items that form part of <b>your</b> landlord's contents;</li> <li>• any part of <b>your</b> rental property that is used for business purposes or commercial purposes, other than the cover given under the 'Home office' Extra cover extension in this policy;</li> <li>• any part of <b>your</b> rental property (other than the rental dwelling or flat) that is used for farming purposes (whether commercial or not);</li> <li>• any part of <b>your</b> rental property that is partly constructed and not suitable for permanent residential use or occupation;</li> <li>• portable aerials or portable satellite dishes;</li> <li>• any of the following unless specified and stated in <b>your schedule</b> with a corresponding sum insured:</li> </ul> |



- utility plant and associated equipment;
- well or bore hole and associated equipment;
- cable cars, lifts and associated equipment;
- wharf, pier, landing or jetty;
- ford, dam, reservoir, culvert or slipway;
- bridges, unless they provide exclusive access to **your** rental property.

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**Schedule** means the most recently dated schedule/s which **we** issue. This includes any schedule/s issued to renew or endorse **your** policy.

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**We/our/us** means QBE Insurance (Australia) Limited.

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**You/your** means the person or persons shown on your **schedule/s** as the Insured.

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# Your policy conditions

All of your policy conditions must be complied with or we may be entitled to:

- reject payment of a claim; or
- reduce a claim payment; or
- void **your** policy.

In some cases you may not be entitled to a refund of premium.

## Assignment

**You** are not to assign or transfer any of **your** entitlements or benefits under this policy to any other person or party without first getting **our** written approval.

## Care of insured property

**You** must maintain **your rental property** in good repair and take all reasonable steps to safeguard it against loss.

## Changes in circumstances

**We** have offered, and may offer to renew, this policy using the information **you** have given **us**. **You** must tell **us** immediately if there are any changes to the information **you** have provided. **We** may re-assess **our** decision to offer this policy or change the cover **we** provide and/or the premiums **we** charge when **we** are told about changes.

## Changing or cancelling your policy

**You** or, on **your** instruction, **your** REAL Landlord Insurance broker may change the terms of this policy at any time as long as **we** agree the change before it takes effect. **You** or, on **your** instruction, **your** REAL Landlord Insurance broker may cancel this policy at any time and a refund of the premium will be calculated equal to the unexpired period of this policy.

**We** may cancel or change the terms of this policy (including the **excess**) by writing to **you** at **your** last known postal or **your** email address (if known), or to **your** REAL Landlord Insurance broker. The cancellation or change will take effect at 4:00pm 30 days after the date **our** communication was sent. On cancellation, a refund of the premium will be calculated equal to the unexpired period of this policy.

## Goods and Services Tax (GST)

Where GST is recoverable by **us** under the Goods and Services Tax **Act** 1985 all sums insured exclude GST. The following amounts include GST:

- all limits and sub limits;
- all excesses.

## Governing law

This policy is governed by New Zealand law and the New Zealand Courts have exclusive jurisdiction over any legal proceedings commenced in relation to it.

## Joint insurance

If more than one person is named as the Insured or the Insured is a Trust, **we** will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all. This means that a change to or breach of this policy by any one person affects everyone covered by this policy.

## Other people's obligations

Any other person entitled to cover under this policy must meet all of the conditions and obligations that **you** are required to meet, where applicable.

## Reinstatement of cover

If **we** pay a claim for any partial **loss**, **we** will automatically reinstate **your** cover under this policy once the repair work has been completed and upon payment of a further premium determined by **us**.

## Starting or continuing your policy

To start or continue this policy, **you** must pay **us**, or have agreed to pay **us**, the premium. In return for the premium, **we** will provide cover as described in this policy.

## Your duty of disclosure and providing accurate information

Please check **your schedule** carefully to make sure the information **you** gave **us** is shown correctly and the cover **you** selected meets **your** needs. Please tell **us** if this information has changed, is not correct or changes in the future. This includes:

- information about **you**, **your rental property** and any person insured by this policy;
- any criminal convictions not subject to the 'clean slate scheme' under the Criminal Records (Clean Slate) **Act** 2004;
- any bankruptcy or insolvency;
- any previous refusal by an insurance company to insure **you**;
- any previous claims, including any claims that were declined by an insurance company;
- any previous **accidents** or history of **losses** – whether **you** were insured at the time or not – including burglary, fire, water damage, wind, flooding and **natural disaster**;
- any pre-existing damage to **your** property;
- any changes to **your** property or living conditions, for example:
  - if **you** start using **your rental property** as a business or if **your rental property** becomes unoccupied for an extended period of time;
  - if **you** plan to do renovations, extensions or major repairs to **your rental property**;
  - if the people who come to live in **your rental property** have criminal convictions.

**We** want to make sure **you** are properly covered now and every time **you** renew this policy. If **you** are not sure whether **you** need to tell **us** about something just ask **us**. If **you** don't tell **us** and the information is incorrect or changed, **you** may find **you** are not insured when **you** most need to be.

# Your claims conditions

## What you must do

If anything happens that may lead to a claim, **you** must:

- do as much as **you** can to minimise any **loss**;
- take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses in relation to the **loss**;
- take photographs and make a list of what has suffered **loss**;
- tell **us** as soon as possible;
- tell the Police as soon as possible if property is lost or if **you** suspect theft, burglary, arson or malicious damage to **your rental property**;
- give **us** reasonable access to examine and assess any **loss**;
- immediately send **us** any communication received from any other person in relation to the **loss**;
- fully co-operate with **us** and complete any documentation **we** require, including statements on oath;
- allow **your** personal information in connection with **your** claim to be disclosed to **us** and for **us** to disclose it to **our** agents assisting with **your** claim.

**You** must ask and get **our** written agreement to:

- dispose of any property involved in a claim;
- incur any expense in making good any **loss**, except as is necessary to minimise any **loss** or safeguard **your rental property**.

## You must not

- admit responsibility for any **loss** or try to negotiate, defend or settle any claim;
- make any false statement or any claim which is fraudulent or dishonest in any respect.

## What we may do

- At **our** expense **we** may act in **your** name and on **your** behalf to negotiate, defend or settle any claim and to make recovery from another person for anything covered by this policy.
- Where the claim is settled by a cash payment and a financial interest has been noted on the policy, **we** may make payment direct to the interested party. This will meet **our** obligation to **you** under this policy in respect of the amount paid.

# Loss to your rental property

## What you are insured for

Your policy provides cover for **accidental loss** to **your rental property** during the **period of cover**. We will pay as follows:

### 1. Repairing your rental property

For **loss** we consider economic to repair, we will pay you, at our option, either:

- the reasonable costs actually incurred to repair the part of **your rental property** that has suffered **loss**; or
- the amount we estimate is equivalent to the cost to repair the part of **your rental property** that has suffered **loss**.

We will not be liable for more than the cost of repairs and the most we will pay is the **maximum amount payable**.

### 2. Rebuilding your rental property

For **loss** we consider uneconomic to repair, we will pay the lesser of:

- the reasonable costs actually incurred to rebuild the part of **your rental property** that has suffered **loss** on the same site and to the same size stated on **your schedule** and to the equivalent specification that it was prior to the **loss**; or
- the amount we estimate is equivalent to the reasonable cost of rebuilding the part of **your rental property** that has suffered **loss** on the same site and to the same size noted on **your schedule** and to the equivalent specification that it was prior to the **loss**; or
- the maximum amount payable for your rental property.

### 3. Associated costs and fees

In addition, we will also pay for (included within the **maximum amount payable**):

- when you are rebuilding or repairing **your rental property**;
  - any additional costs required to rebuild or repair the damaged portion of **your rental property** which are required solely to comply with any statute or local body regulation.  
Provided that you had not received notice to comply with any statute or local body regulation before the **loss**, and **your rental property** complied with existing requirements both at the time it was originally built and at the time of any alterations.
  - any design, engineers', surveyors', building consultants', consents and associated legal fees required to rebuild or repair **your rental property** if they have been authorised by us;
- the cost to demolish **your rental property** and remove debris, including contents.

## Limits to what we will pay

### 1. Construction methods

We will only pay for building materials and construction methods commonly used in New Zealand at the time of **loss**.

### 2. Floor and wall coverings

We will only pay for the cost of replacing or repairing floor and wall coverings in the room/s where the **loss** occurred.

### 3. Undamaged property

Where any similar items forming part of **your rental property** suffer **loss** we will endeavour to match these

to the remaining item/s. However, **we** will not incur any additional repair or replacement costs in doing so and **we** will not replace or alter similar items that have not sustained **loss**.

#### 4. Upgrading or improvement

**We** will not pay for any upgrade or improvement to **your rental property**.

#### 5. Not repairing or rebuilding

If **you** decide not to repair or rebuild **your rental property** after a **loss**, **we** will pay **you**:

- the present value; and
- the reasonable and necessary costs for demolishing **your rental property** and the removal of debris, including contents.

The most **we** will pay is the **maximum amount payable**.

### Extra cover

#### 1. Hidden gradual damage protection

**We** will pay for the costs of repairing any part of **your rental property** that suffers **loss** which happens and **you** discover during the **period of cover** caused by hidden mildew, hidden rot or hidden gradual deterioration, as a result of water leaking or overflowing from:

- any internal tank that is plumbed into the water reticulation system and is permanently used for water storage; or
- water pipe or waste disposal pipe installed in **your rental property**.

This benefit is extended to cover any other part of **your rental property** that is not directly affected but suffers **loss** to locate the cause of the hidden gradual damage, provided **you** have **our** prior agreement.

The most **we** will pay during the **period of cover** is \$5,000.

Note: Where **you** have this extra cover with **us** under any other policy, the most **we** will pay under all policies is \$5,000.

#### 2. Home office

**Your** policy is extended to cover any part of **your rental property** used by **your** tenant/s, or their members of their **family** living with them, as a home office.

#### 3. Illegal substances protection for your rental property

**Your** policy is extended to provide cover for fire, explosion and chemical contamination, where the level of chemical contamination exceeds the acceptable indoor surface residue guidelines issued by the Ministry of Health in its Guidelines for the Remediation of Clandestine Methamphetamine Laboratory Sites, as a result of the use, manufacture, storage or distribution of any controlled drug as defined in the Misuse of Drugs Act 1975.

Provided:

- **your rental property** is rented to a tenant under a residential tenancy agreement; and
- **you**, or the person managing the tenancy on **your** behalf, has:
  - exercised reasonable care in the selection of the tenant/s by at least obtaining satisfactory written or verbal references; and
  - completed internal and external inspections of **your rental property** at least every 6 months and upon every change of tenant/s; and
  - kept a written record of the result of each inspection and will provide to **us** a copy of the record if **we** ask for it.

The most **we** will pay:

- for **loss** resulting from fire or explosion is up to the **maximum amount payable**.
- when illegal substance contamination testing has been carried out prior to each tenancy commencing and **you** provide to **us** copies of all the written laboratory test results if **we** ask for them, is:

- up to \$25,000 to reduce the contamination levels to those outlined in the Guidelines for the Remediation of Clandestine Methamphetamine Laboratory Sites for re-occupancy and, in addition, up to \$5,000 for testing costs relating to the current claim only.
- when no illegal substance contamination testing has been carried out, is:
  - up to \$10,000 to reduce the contamination levels to those outlined in the Guidelines for the Remediation of Clandestine Methamphetamine Laboratory Sites for re-occupancy.

#### 4. Landscaping

If **your rental property's** garden suffers damage as a result of a **loss** to **your rental property** which is covered by this policy or as a result of fire or impact by a vehicle (whether or not **your rental property** suffers **loss**) **we** will pay for the costs incurred to restore **your rental property's** garden.

The most **we** will pay for any one **event** is \$3,000.

#### 5. Loss of rent

In addition to the **maximum amount payable**, if **we** agree **your rental property** can't be lived in because of **loss** covered by this policy, **we** will pay any loss of rent for the time reasonably needed to rebuild or repair **your rental property**, provided that at the time of the **loss**:

- **your rental property** was occupied by a tenant; or
- **you** had a binding tenancy agreement for a period of at least 3 months that had not started.

The most **we** will pay is the weekly rental amount documented in the rental agreement for a period of up to 12 months from the date of the **loss** to a maximum of \$20,000.

#### 6. Natural disaster

**Your** policy is extended to cover **loss** to **your rental property** during the **period of cover** caused by **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**.

The most that **we** will pay is the difference between the **natural disaster cover** and the **maximum amount payable** under **your** policy, provided that **we** do not pay:

- for any **excess** which applies to the **natural disaster cover**; and
- until the **natural disaster cover** has been paid or has been agreed to be paid to **you** by the Earthquake Commission.

**We** will also pay for **loss** caused by **natural disaster** during the **period of cover** to the parts of **your rental property** where there is no **natural disaster cover**, subject to all the terms, conditions, limits and exclusions of this policy.

#### 7. Pipe blockage

If an underground water or sewage pipe within the residential boundaries of **your rental property** becomes **accidentally** blocked **we** will pay the reasonable costs towards clearing the blockage.

The most **we** will pay for any one **accident** is \$1,000.

#### 8. Sale and purchase

Where a contract of sale and purchase of **your rental property** has been entered into, the purchaser shall be entitled to the benefit of this policy until settlement date.

To obtain this benefit, the purchaser must:

- comply with all the conditions of this policy; and
- not have otherwise insured the **rental property** at the time of **loss**; and
- be legally entitled to receive such benefit.

If **your rental property** is subject to a claim as a result of a **loss** occurring prior to the contract of sale and purchase, the purchaser is not entitled to any benefit from the claim settlement unless **you** have **our** prior agreement. **We** will adjust **your** claim payment to reflect the sale of **your rental property**.

## 9. Smart rental property and/or security system

**We** will pay the call out fee and costs for the resetting or reprogramming of smart technology and/or a security system that **we** approve which is installed in **your rental property**, provided the resetting or reprogramming is required as a result of an **event** covered by this Rental property insurance policy.

The most **we** will pay during the **period of cover** is \$500.

## 10. Tree removal and stump grinding

If a tree or part of a tree falls on **your rental property** causing **loss** that is covered by this policy, **we** will pay:

- to have the tree removed, including any parts of that tree that have not fallen; and
- for the grinding of the stump

provided **you** did not know or could not reasonably have known that the tree was unsound or unstable.

The most **we** will pay for any one **accident** is \$1,000.

## What you are not insured for

### 1. Business use

**Your** policy does not cover **loss** connected in any way or arising from the use of **your rental property** for business purposes other than the cover provided by the 'Home office' Extra cover extension.

### 2. Causes of loss

**Your** policy does not cover **loss** caused:

- by insects or vermin including opossums; or
- by defect in materials, workmanship or design; or
- by any process of cleaning, repairing or restoring; or
- by mechanical, electrical or electronic breakdown or failure unless burning out occurs as a result of an **accidental** external force; or
- by the action of light; or
- by animals or pets; or
- to fuses, protective devices, lighting or heating elements caused by electricity.

However, this exclusion only applies to the part of **your rental property** directly affected. **Your** policy will cover any resulting **accidental loss** to any other part or item of **your rental property** not otherwise excluded.

### 3. Excess

**Your** policy does not provide cover for any **excess**. **Your** standard **excess** is reduced from \$500 to \$250.

The applicable excess will be the greater of the following or any voluntary or imposed excess stated on your schedule for **loss** caused by:

- **accidental** damage is \$250;
- vandalism, intentional or chemical contamination damage where **your rental property** has been tested prior to each tenancy is \$500;
- chemical contamination where **your rental property** has not been tested prior to each tenancy is \$2,500;
- **natural disaster**, to any part of **your rental property** that is not subject to the **natural disaster cover**, will be \$5,000.

Note: For claims caused by **natural disaster** subject to **natural disaster cover** please refer to the 'Natural disaster' Extra cover extension.

#### *How your excess is applied*

In the **event** of a total **loss**, **your excess** will be deducted from **your maximum amount payable**. In all other instances **your excess** will be deducted from **your loss**.

For example, if **your** policy limit is \$3,000 and **your excess** is \$500:



- where **your loss** is over \$3,500 **we** will pay the full policy limit of \$3,000; or
- where **your loss** is under \$3,500 **we** will deduct the \$500 **excess** and pay the balance, i.e. If **your loss** is \$3,200 **we** will deduct \$500 **excess** and pay \$2,700.

#### 4. Gradual damage

**Your** policy does not cover any **loss** caused by:

- wear and tear;
- mildew, rot, corrosion, rust or gradual deterioration other than the cover provided by the 'Hidden gradual damage protection' Extra cover extension.

#### 5. Rental property defects

**Your** policy does not cover **loss**, costs or expenses connected in any way with or caused by the failure of the **rental property** to meet or conform to the requirements of the New Zealand Building Code contained in the First Schedule of the Building Regulations 1992 or any applicable New Zealand Standard (or amended or substituted regulation or standard) in relation to leaks, water penetration, weather-proofing, moisture, or any effective water exit or control system.

#### 6. Hydrostatic pressure

**Your** policy does not cover any **loss** to swimming and/or spa pools caused by hydrostatic pressure.

#### 7. Natural disaster

**Your** policy does not cover **loss** to **your rental property** caused by **natural disaster** other than the cover provided by the 'Natural disaster' Extra cover extension.

#### 8. Structural changes/alterations

**Your** policy does not cover **loss** caused as a result of:

- lifting or shifting or moving **your rental property** (including preparatory work); or
- the removal of any external wall, door, window or cladding by **you** or any other person with **your** permission; or
- any structural changes or alterations

unless **you** have received **our** agreement in writing to cover the changes or alterations prior to them starting.

#### 9. Theft, deliberate or malicious acts

**Your** policy does not cover **loss**, costs or expenses connected in any way with theft, deliberate or malicious acts by:

- you or your family; or
- **your** tenant/s or their guests.

However, **your rental property** is covered for **loss** caused by fire or explosion resulting from intentional or malicious acts by **your** tenant/s.

#### 10. Uncertified building work

**Your** policy does not cover **loss**, costs or expenses connected in any way with the failure of **your rental property** to comply with the building standards prescribed for **your rental property** by any regulation, **Act** or by-law.

#### 11. Unoccupancy

Cover under **your** policy shall cease immediately if **your rental property** is unoccupied for more than 90 consecutive days, unless **you** have given **us** prior notice in writing and **we** have agreed on revised policy terms for cover to continue.

# Your policy exclusions

## 1. Consequential loss

Your policy does not cover **loss**, costs or expenses for any intangible **loss**, loss of use, loss of enjoyment, loss of value or consequential **loss** of any kind.

## 2. Electronic data

Your policy does not cover **loss**, costs or expenses from any cause whatsoever, regardless of any other contributing cause or **event** whenever it may occur for:

- the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;
- any error in creating, amending, entering, deleting or using **electronic data**; or
- the total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all.

## 3. Illegal substances

Your policy does not cover **loss** or resultant **loss** arising directly or indirectly out of or connected in any way with the use, manufacture, storage or distribution at **your rental property** of any controlled drug as defined in the Misuse of Drugs Act 1975, other than the cover provided under the 'Illegal substances protection for **your rental property**' Extra cover extension.

## 4. Land

Your policy does not cover **loss**, costs or expenses connected in any way with stabilising, supporting or restoring of land, earth or fill.

## 5. Nuclear

Your policy does not cover **loss** or expenses directly or indirectly caused by or contributed to by or arising from:

- nuclear weapons material;
- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- the radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive matter.

## 6. Operation of law

Your policy does not cover **loss** or resultant **loss** arising directly or indirectly out of or connected in any way with lawful seizure, confiscation, nationalisation, requisition, repossession, destruction or damage by or under the order of any government or public or local authority.

## 7. Other insurance

Your policy does not cover **loss** where cover is provided by any other insurance, not provided by **us**. **You** must tell **us** as soon as **you** are aware of any other insurance that provides the same or similar cover as provided by **your** policy.

## 8. Sanctions

**Your** policy does not cover **loss** or benefit to the extent that the provision of such cover, payment of such claim or provision of such indemnity would expose **us** to any sanction, prohibition or restriction under United Nation's resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.

## 9. Subsidence

**Your** policy does not cover **loss** connected in any way with land movement, subsidence, settling, ground heave, shrinkage, expansion or erosion.

## 10. Terrorism

**Your** policy does not cover **loss**, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

- any **act of terrorism** regardless of any other cause or **event** contributing concurrently or in any other sequence to the **loss**;
- any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**.

## 11. War

**Your** policy does not cover **loss** occasioned by or through or in consequence directly or indirectly of any of the following occurrences, namely:

- war, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), or civil war;
- mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.