

# Personal Insurance Plan BasicPlan House

## Welcome to BasicPlan - for your home

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We would like to make sure you are aware of all your entitlements under this policy, so please read this document carefully. After you have read it, please contact us if you would like further information.

## HELP service - emergency assistance

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HELP is a 24 hour, 7 day a week emergency assistance service which Vero has negotiated as part of your insurance policy - at no extra cost.

With just one phone call you can sort out all the hassles that arise if you have an accident or disaster - even if no insurance claim is involved. Whatever the problem, ring HELP for practical advice and they'll locate the trades people or services you need. The toll free number is 0800 800 786 and you'll always receive friendly, professional service from specially trained operators.

Ringling HELP costs you nothing. The advice is free, but you will have to pay if you ask for a tradesperson to visit or for other services. Where the services are covered by your policy, you can claim back any bills paid, subject to the policy excess.

### How HELP can help you:

#### **Convenience**

Instead of looking through the yellow pages for a plumber at 11 o'clock at night, HELP can organise a call out.

#### **Quality**

All trades people are approved and monitored. Each call is followed up to ensure you are satisfied with the quality and cost of the service received.

#### **Guaranteed response**

Our systems will guarantee that someone will actually arrive.

#### **How do you qualify for HELP?**

HELP is automatically provided to all Vero house, contents or private motor vehicle policyholders (but not business cars or motorcycles). HELP is also available to members of your immediate family who live with you.

No matter which policy you have (of those listed above) you can use any of the HELP services provided.

#### **Service available**

HELP provides a 24-hour referral to a comprehensive nationwide network of recommended service organisations and trades people.

So if you've got a problem with plumbing, a leaking roof, broken glass, replacement of locks or electrical faults, our operators can provide rapid assistance.

Advice is also available on our claims procedures, including the appointment of assessors and tips on how to minimise damage.

If your car is stolen or involved in an accident you will have several immediate worries:

- transport - a taxi home or to your destination;
- alternative accommodation - if you are away from home;
- call out of a tow truck and where to take your car following an accident;
- urgent message relay to friends and relatives; and
- how to start the claim procedure.

HELP provides free access to a service that will advise and act on all of these concerns.

HELP also offers to arrange a host of other services for you even when no insurance claim is involved:

1. emergency call out service - for problems like flat batteries or keys locked in your car;
2. medical referral service - if you are away and want the name of a recommended local doctor, out of hours;
3. travel support service - rearranging bookings due to an unforeseen event;
4. replacement of personal effects following loss or theft away from home.

Remember, HELP is always available whether you are at home or miles away.

HELP - a valuable addition to your policy from Vero.

## Fair Insurance Code

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We belong to the Insurance Council of New Zealand and have made a commitment to the Council's Fair Insurance Code.

The Fair Insurance Code requires our company to:

1. provide insurance contracts which are understandable and show the legal rights and obligations of both the insurance company and the policyholder;
2. explain the meaning of legal or technical words or phrases;
3. explain the special meanings of particular words or phrases as they apply in the policy;
4. settle all valid claims fairly and promptly;
5. clearly explain the reason(s) why a claim has been declined;
6. provide policyholders with a written summary of the company's complaints procedure as soon as disputes arise and advise them how to lodge a complaint;
7. advertise the company's complaints procedure and the Insurance and Savings Ombudsman Scheme to policyholders and make these readily available in all branch offices of the company;
8. be financially sound as measured by the Council's solvency test, which means we have reserves equal to at least 20% of our premium income.

## 30-day money back guarantee

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If you are not satisfied with the cover provided by the policy you may return the policy within 30 days of receiving it.

If you have not made any claims during that 30 days you will be given a full refund of any premium paid.

If you have made a claim you will receive a pro-rata refund of premium paid.

## Privacy Act and the Insurance Claims Register (ICR)

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The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to you conditional upon you

authorising us to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect. You also authorise us to obtain from ICR Ltd personal information about you that is (in our view) relevant to this policy or any claim made against it. You have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

## DEFINITIONS

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*Definitions explain words frequently used in the policy. Defined words are shown in this type style.*

*Home* means each dwelling (including residential flat or holiday *home*) within the residential boundaries of the property on which the *home* is situated.

It also includes:

- domestic outbuildings and garages
- permanent decks and built in furniture
- fixed floor coverings
- aerials forming part of the building
- coverings fixed to the ceiling or wall but not curtains, drapes or blinds
- fixed light fittings, and appliances permanently attached to a gas, plumbing or electricity service
- letter boxes, exterior blinds and awnings, fixed clotheslines and built in barbecues
- septic tanks, oil heating tanks, service tanks and water tanks including their fixed pumps
- permanent spa or inground swimming pools, including their fixtures, pipes and fixed pumps
- walls, fences, gates
- gas pipes, fresh-water pipes, electricity and telephone cables
- any driveways, paths, footpaths and tennis courts

**but does not include:**

- retaining walls
- planted hedges, trees, shrubs, lawns and plants
- landlords fixtures and fittings, unless the Landlords Option is shown on the *schedule*
- wharves, piers, jetties or the like
- culverts, dams, slipways
- bridges or anything on them
- adjacent property owners' share in walls, fences, gates, retaining walls, pipes, cables or driveways where those things are jointly owned by *you* and other property owners
- the land itself.

*Indemnity value* is the amount needed to put *you* back in the same financial position *you* were in immediately before the loss occurred. This is either:

- a. the market value of the *home* at the time of loss or damage; or
- b. the cost of rebuilding or repairing the damaged portion of the *home* to a condition no better, or more extensive than it was when new, less an allowance for depreciation and wear and tear; or
- c. the market value of the Landlords furnishings at the time of loss or damage (where the Landlords Option is shown on *your schedule*).

*Period of cover* means the "period" or "period of insurance" specified in the *schedule*.

*Premium* is the consideration for this contract. This may mean the first *premium* or any subsequent *premium*.

*Schedule* is the latest current policy *schedule*, expiry notice or insurance renewal issued to *you*.

*We, us* or *our* means Vero Insurance New Zealand Limited.

*You* or *your* means the insured person or persons named in the *schedule*, and their partner. Partner means a marriage partner, or de facto partner as defined in the Property (Relationships) Act 1976 (or any replacement Act) and any subsequent amendments.

## INTRODUCTION

We will provide the cover set out in this policy during the *period of cover* shown in *your schedule* provided *you* have paid the *premium* and subject to the policy's terms, limits, conditions and exclusions. *Your* insurance contract consists of three parts:

1. this pre-printed policy document;
2. the personalised *schedule* with details of the cover which applies to *you*; and
3. the information in the proposal, application or declaration.

## WHAT YOU ARE INSURED FOR

We will insure *you* for loss, damage or destruction to *your home* at the situation shown in the *schedule* during the *period of cover* for which we accept a *premium* resulting from:

1. fire explosion or lightning;
2. storm or flood;

3. burglary or theft;
4. riot, civil commotion, strikes or labour disturbance;
5. malicious damage or vandalism;
6. escape of water or oil from any domestic water or heating equipment or reticulation installed in the *home*;
7. opossums entering the *home*;
8. collision or impact by vehicle or animal;
9. burning out by electrical current;
10. the freezing of any plumbing installation in the *home* other than installations outside or in any outbuilding or detached garage;
11. accidental breakage of any pipes cables and underground tanks providing service to or from the *home*; and
12. accidental breakage of fixed glass or sanitaryware forming part of the *home*.

### What we will pay - at our option:

1. where the *home* is insured for *indemnity value* the *indemnity value* of the *home* but in no case more than the indemnity sum insured; or
2. where the *home* is insured for **replacement**:
  - a. the **cost incurred in rebuilding or repairing the damaged portion of the property** using currently equivalent building materials and techniques to a condition no more extensive, nor better than its condition when new, but limited to the sum insured in the *schedule*; or
  - b. the *indemnity value* should *you* not rebuild or repair within a reasonable time but limited to the sum insured in the *schedule*.

### Limits on what we will pay for:

- i. where the *home* is insured for replacement value the maximum payable for electric motors over 10 years of age is the *indemnity value* of the motor;
- ii. for swimming and spa pool liners the maximum payable is the *indemnity value*; and
- iii. in all claims for floor and wall coverings cover is limited to the room or rooms in which the loss or damage occurs.

## **ADDITIONAL BENEFITS -**

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### **We will also pay for:**

#### **1. Fees and Clearance Costs**

We will pay:

1. within the sum insured costs of clearing the building site or demolition of the damaged portion of the *home* and the removal of debris of contents from the *home* and; in addition
2. within the sum insured architects, surveyors, consultants, legal and council fees to rein state or repair the *home*, incurred with *our* prior consent following any loss insured by this policy.

#### **2. Statutory Requirements**

If we pay to rebuild or repair *your home*, we will pay within the sum insured the extra costs to rebuild or repair the damaged portion of the *home* needed solely to comply with any statute or local body regulation. Provided that:

1. notice of such had not been served on *you* before the damage occurred; or
2. there is not an entry on *your* Certificate of Title;

unless we have agreed in writing to provide cover.

#### **3. Automatic Reinstatement of Cover**

We will not reduce cover by the amount of any claim provided *you* pay any additional *premium* that may be required.

#### **4. Authorities Damage**

We will within the sum insured pay for damage to the *home* caused by government or local authorities in order to prevent loss or damage covered by this policy.

#### **5. Inflation Protection**

Where cover under this policy is limited to a sum insured, that sum insured will be increased at each renewal in accordance with the estimated increase in consumer costs. We may alter the *premium* each year to allow for changes in building costs.

#### **6. Goods and Services Tax-GST**

The Total Replacement option is GST inclusive. Otherwise (provided the GST is recoverable by *us*), the sum insured under this policy is exclusive of GST. This means that we will pay up to a maximum of the sum insured plus GST to a maximum of the current rate of GST applied to that sum insured.

All limits amounts or excesses shown are GST inclusive.

#### **7. Sale and Purchase**

If *you* have contracted to sell *your* interest in the *home*, section 13 of the Insurance Law Reform Act 1985 provides the purchaser with cover under this policy, provided the purchaser is not otherwise insured. The terms, conditions and exclusions apply to *you* and the purchaser as if *you* are insured jointly.

#### **8. Property Owners' Liability**

We will pay *you* up to a maximum of \$1,000,000 (plus legal costs and expenses incurred with *our* consent), for *your* legal liability for *accidental* damage to property caused by negligence and arising out of any one event occurring in New Zealand. In order for this benefit to apply *your* liability in negligence must arise out of *your* ownership of the *home*. But we will not pay for:

1. liability for damage to property belonging to *you* or under *your* control; and
2. liability arising out of:
  - a. any business, profession or employment; or
  - b. the ownership, possession or use of any mechanically propelled vehicle, trailer, aircraft or watercraft; or
  - c. liability assumed by agreement (unless *you* would have been liable anyway), except liability normally agreed to by a Landlord under a tenancy or lease agreement.

We will not cover *you* for any punitive or exemplary damages awarded against *you*.

**If *you* have home, contents, motor or boat insurance with *us*, *you* can only claim this benefit under one policy.**

#### **9. loss of rent**

Should the *home* be let by *you* to a tenant and it become uninhabitable due to an insured cause we will pay *you* for the loss of rent for the time the *home* is uninhabitable but not exceeding an amount equal to 15% of the sum insured, provided the *home* is made habitable within reasonable time.

#### **10. Natural Disaster Insurance**

In the event of the *home* suffering damage caused by earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami, or fire resulting from any of these, we will pay:

1. the difference between the cost of reinstatement and the amount received by *you* under the Earthquake Commission Act 1993 and its amendments (but limited to the additional natural disaster sum insured shown on the *schedule*) provided that:
  - a. the Earthquake Commission has accepted liability under the Act for the loss or damage;
  - b. we shall not be liable for any excess imposed by the Act; and
  - c. the total amount paid by *us* with the addition of the amount recoverable from the Earthquake Commission shall not exceed the amount that would be paid under the policy if the cause of loss was other than natural disaster;
2. for loss or damage to any permanently installed swimming or spa pools, drains, pipes and cables, paths, driveways, garden walls (other than retaining walls) and tennis courts. Any payment for these items will be limited to a maximum of \$25,000 in any one period of insurance.

The basis for settling claims and all other policy terms and conditions will apply.

## **EXCLUSIONS - We will not pay for:**

### **1. Any Excess**

*You* must contribute the amount shown in the *schedule* as the excess for the first amount of any claim.

If the *home* is let to tenants other than *you* an additional excess of \$250 applies.

All excesses are cumulative.

Where a single event causes loss or damage to property or items insured by *you* with *us* under more than one policy, only one policy excess shall apply. The amount of the excess shall be the highest excess that we could apply under any of the policies affected.

### **2. We will not pay for:**

- a. any loss of use or consequential loss;
- b. any loss of electronic data;
- c. damage to swimming and spa pools caused by hydrostatic pressure.

### **3. Loss caused by:**

- a. mechanical or electrical breakdown or failure unless actual burning out occurs but always excluding lighting or heating element fuses or protective devices or electrical

contacts where arcing occurs in ordinary working; or

- b. defect in design or inherent fault.

However this policy will cover any resulting loss or damage provided it is not also excluded.

### **4. Loss or damage caused by:**

- a. wear and tear;
- b. corrosion or rust;
- c. action of micro-organisms, mould, mildew, rot, fungi or gradual deterioration (unless covered under the gradual damage additional benefit);
- d. any other gradually operating cause;
- e. insects or vermin (except opossums);
- f. defect in workmanship or any process of cleaning, renovation, repair or restoration but only in respect of the article or property that has undergone such process;
- g. lifting or moving the *home* or as a result of structural additions or structural alterations to the *home* unless we have been notified and agreed in writing;
- h. vibration or removal of support;
- i. burglary, theft, malicious or deliberate damage (unless the loss or damage results from fire or explosion) by anybody renting, living or staying in *your home*;
- j. earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or fire resulting from any of these (except where cover is provided by the natural disaster insurance additional benefit), subsidence, settling, ground heave, shrinkage or erosion.

### **5. Any loss or damage:**

to *your home* where that loss or damage arises from, is consequent upon or in connection with the failure of *your home* to contain materials, a design, a system, or a standard of workmanship which effectively prevents or manages the presence of moisture or water to which *your home* might reasonably be subjected.

### **6. Loss, destruction, damage or liability directly or indirectly caused by:**

- a. war, invasion, act of foreign enemy, act of terrorism, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, destruction or acquisition by government or local authorities;
- b. nuclear weapons, ionising radiations or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel;
- c. any act of terrorism including but not limited

to loss, destruction, damage or liability that arises from, is consequent upon or arises in connection with biological, chemical, radioactive, or nuclear:

- pollution
- contamination, or
- explosion.

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

### 7. Unoccupancy

- a. Any loss or damage to the *home* if unoccupied (which means that no authorised person has slept there overnight), for more than 60 consecutive days unless we have been notified and have agreed in writing, or the *home* is occupied as a holiday *home* or weekend *home*.
- b. Any loss or damage to the *home* while unattended if normally used as a holiday-*home* or weekend *home* unless:
  - i. the *home* is kept in a tidy condition; and
  - ii. all external doors and windows are kept locked; and
  - iii. all papers and mail are collected regularly; and
  - iv. the *home* is under regular supervision.

8. Costs which can be recovered under the provisions of the Injury Prevention, Rehabilitation and Compensation Act 2001 (or any replacement Act) and any subsequent amendments.

## POLICY CONDITIONS

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These conditions give *you* information about *your* and *our* obligations arising from this policy.

### 1. Assignment

*You* must not assign or attempt to assign this policy or *your* interest in this policy to any other person or party without *our* written consent.

### 2. Breach of Policy Terms and Conditions

No claim shall be payable where any person entitled to indemnity under this policy breaches any of the policy terms and conditions. However, nothing in this policy affects the common law rights of either party, including the right to avoid the policy for non-disclosure.

### 3. Cancellation

We may cancel this policy at any time by sending a letter to this effect to *you* at *your* last known postal address. The cancellation will take effect at 4.00 pm on the 7th day after the letter has been sent. We will refund the unused part of *your* paid *premium*. *You* may cancel this policy by giving written notice to *us*. We will refund 80% of the unused part of *your* paid *premium*.

### 4. Care of Insured Property

*You* must take all reasonable steps to prevent loss or damage and maintain the insured property in good repair.

### 5. Claims

- a. On the happening of any event that may give rise to a claim under this policy *you* must:
  - i. immediately notify *us* of such event;
  - ii. take all reasonable steps to minimise the extent of loss or damage;
  - iii. immediately send *us* any communications which *you* receive in relation to an event which may give rise to a claim;
  - iv. obtain *our* consent before proceeding with repairs (other than for replacement or repair of window glass);
  - v. provide all proofs, information and other evidence, and otherwise give all possible assistance that *we* may require; and
  - vi. in the case of loss, theft, burglary or vandalism advise the Police immediately.
- b. *You* shall not without *our* written consent incur any expense or negotiate, pay, settle, admit, repudiate or make any agreement in relation to any claim;
- c. We shall be entitled at *our* expense and in *your* name to take any proceedings necessary to obtain relief from any other party and to take over and conduct the defence and settlement of any claim. *You* must provide all reasonable assistance and co-operation.

### 6. Correctness of Statements and Fraud

The proposal, application or declaration form is the basis of this contract. All statements made by *you* or on *your* behalf either on the proposal form or otherwise in support of this policy or any claim must be complete and correct in all respects. If any claim under this policy is supported by any incorrect information or statement all benefits will be forfeited.

### 7. Duty of Disclosure/Change of Circumstances

*You* must tell *us* everything that may be relevant to *our* decision to issue, renew or alter

the policy and *you* must tell *us* of any changes to any circumstances relevant to this policy as soon as *you* know about them.

#### **8. Instalment premiums**

Where *we* have agreed to accept payment of *premium* by instalments:

- a. *we* reserve the right in the event of a claim being made to require immediate payment of the balance of any annual *premium*; and
- b. all benefits under this policy will be forfeited from the date the first unpaid instalment was due and *your* policy automatically cancelled if:
  - i. any three consecutive fortnightly instalments remain unpaid; or
  - ii. any two consecutive monthly instalments remain unpaid; or
  - iii. any quarterly or half yearly payments remain unpaid 14 days after the due date of the instalment.

Where any instalment is overdue and the policy has not been cancelled, all benefits under this policy will be forfeited from the date the first unpaid instalment was due until the date *we* receive all the overdue instalment *premiums*. Any claim proceeds payable to *you* under this policy will be withheld by *us* until *you* have brought all instalments up to date.

#### **9. Joint Insureds**

Where this policy is issued in joint names, then this policy is a joint policy. This means that if one of *you* does or fails to do anything so that there is no cover, there will be no cover for any of *you*, not just the person responsible.

#### **10. Jurisdiction**

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

#### **11. Other Insurance**

This policy does not cover loss or liability where cover is already provided by other insurance. *We* will not contribute towards any claim under any other policy.

#### **12. Other Interests**

If *your home* is mortgaged or secured by any other financial agreement, *we* may make payment for any loss direct to the interested party. This will meet *our* obligations under this policy.

#### **13. Contents of rented homes**

If the *home* is leased or rented to anyone but *you* any permanently fixed carpets, blinds and

drapes where not otherwise insured will be covered within the sum insured for their *indemnity value* up to a maximum of \$5,000 in total, subject to an additional excess of \$100. In all claims for carpets, wall coverings, blinds and drapes cover shall be limited to the room or rooms in which the loss or damage occurs.

#### **14. Landlords contents**

When shown on the *schedule* this policy extends to insure landlords furniture and appliances for their *indemnity value* up to the sum insured shown.

