



Select **Contents Insurance**

Policy wording





Welcome to your policy

Thank you for choosing NZI Insurance.

This policy wording, along with your policy schedule, contains all the information you need to know about your insurance cover. Please read these carefully and keep them on hand as you will find them useful if you need to make a claim.

How to contact us

If you have any questions about your policy or think it does not provide the cover you need, please contact your broker.

Contents

Your cover at a glance	2
Important information about your policy	4
Cover for contents	8
Automatic benefits	14
Optional benefit	21
Legal liability	22
Exclusions – what we do not cover	23
Claims – what you need to do	29
Conditions of your cover	30
Definitions	34
How we pay claims – some examples	36

Your cover at a glance

This table summarises the cover and does not form part of your policy. Your policy sets out full details about your cover and the limits, exclusions and conditions that apply.

What we cover	
Sudden and accidental loss or damage	✓
Legal liability	✓
Automatic cover and benefits	
Child car seats and baby capsules	✓
Contents in storage	✓
Contents in transit when you are moving house	✓
Contents with you or your family on overseas trips	✓
Cover when replacing a whiteware appliance with a more energy-efficient model	✓
Electronic data and programs	✓
Fatal injury	✓
Family at a rest home or care facility	✓
Food spoilage	✓
Hidden gradual damage	✓
Home office equipment	✓
Identity theft	✓
Lifestyle block contents	✓
Moving to a new home	✓
Pairs and sets	✓
Removal of unrepairable items	✓

Automatic cover and benefits (continued)	
Replacement of keys and locks	✓
Stress payment	✓
Students living away from home	✓
Temporary accommodation	✓
Tools of trade	✓
Visitor's effects	✓
Optional benefit	
Excess-free spectacles, dentures and hearing aids	Available to purchase

Important information about your policy

'You' and 'your' mean any person or entity shown as the Insured in your **policy schedule**. 'You' and 'your' include any **partner** of the Insured. 'We', 'us' and 'our' mean NZI, a business division of IAG New Zealand Limited (IAG).

What your policy is

Your policy is a contract between you and us, and has three parts:

- This policy wording. It explains what we cover and do not cover, your responsibilities, how to contact us and how to make a claim.
- Your **policy schedule**. This contains information specific to you, such as the type of insurance you have, who and what is insured, your sums insured, the **period of insurance** and the premium that applies.
- Any addendum, endorsement or warranty that we apply. This may add special terms and conditions to your policy. It may be a separate document or printed in your **policy schedule**.

How to read your policy

Words in **bold** have a special meaning. These words and what they mean are listed in the section 'Definitions'.

Headings, examples and comments are a guide only. They do not change the meaning of your policy. The headings help you find your way around this policy wording. The examples and comments in boxes help you understand how your policy works.

What we need to know about as soon as possible

You must let us or your broker know as soon as possible if any of the following applies:

- your circumstances change, and the change may affect the chance of a claim or the amount of a claim under your policy
- information in your **policy schedule** needs to be amended
- other insurance covers your contents
- your home will be vacant for more than 90 consecutive days
- something happens that could lead to a claim under your policy.

See also:

- 'Change in circumstances' and 'Duplicate insurance' in the section 'Conditions of your cover'
- 'Limited cover if your home is vacant for more than 90 days' in this section
- 'Claims – what you need to do' that explains what else you need to do for a claim.

If you are not sure whether we need to know about something, it is important that you check with us or your broker.

30-day cooling-off period for your new, renewed or amended policy

You have a 30-day cooling-off period when any of the following happens:

- You take out your new policy. The cooling-off period begins on the date your policy starts.
- Your policy renews. The cooling-off period begins on the renewal date.
- You amend your policy part way through the **period of insurance**. For example, you add an optional benefit or increase a sum insured. The cooling-off period begins on the date your policy amendment takes effect and only applies to the amendment.

If, for any reason, you change your mind about your policy or the amendment to your policy, we will refund the applicable premium you have paid if both the following apply:

- we are notified within the 30 days
- you have not made a claim under the cover that you have changed your mind about.

We then treat your policy or the amendment to your policy as if it never existed.

No cover for certain events for the first 72 hours

We do not cover **loss** that happens during the first 72 hours of your policy, caused by storm, flood, landslide, tsunami, wildfire or volcanic activity. This restriction only applies when you first take out your policy with us.

However, this restriction does not apply if your policy started immediately following another policy you had, that also insured the same property against the risks of storm, flood, landslide, tsunami, wildfire and volcanic activity.

Limited cover if your home is vacant for more than 90 days

Cover is limited if you or a person you authorise has not been living at your home for more than 90 consecutive days. In that situation, we do not cover any:

- **loss** caused by any deliberate or intentional act, including vandalism, theft or attempted theft, or an intentionally lit fire
- **loss** caused by water that leaks, overflows or is discharged from any water system, sanitary fixture or appliance installed at your home
- **hidden gradual damage**.

However, this restriction does not apply if either:

- We have been notified and have agreed in writing to cover the contents at your home while it is unoccupied. We may, at this time, change the terms of your policy.
- We have recorded your home as a holiday home and all the following apply:
 - your home and contents are inspected inside and outside by you or a nominated person at least every 90 days
 - your home and its grounds and contents are adequately maintained
 - mail is cleared regularly
 - the water supply is turned off
 - all doors are locked and all windows are secured.

This restriction ends as soon as you or a person you authorise lives in your home again.

In this clause, 'water system' means a system of pipes and associated fittings, tanks or other parts that supplies, stores or distributes water at your home.

You pay the excess

The excess is the first amount of your claim that you must pay. The applicable excess is deducted from each claim settlement or from the policy limit if that is less, unless stated otherwise in a benefit. Your **policy schedule** shows the different excesses that apply.

If one **incident** results in a claim under more than one benefit or sub-section of a benefit, we deduct only the highest applicable excess.

If one **incident** results in more than one claim under certain personal property policies you hold with us at the same address, we deduct only the highest excess of the policies you are claiming under. This applies to a boat, car, caravan, contents, home, landlord's, motorcycle, motorhome, residential contract works or trailer policy.

Examples of how we deduct the excess from your claim or the policy limit

Situation: We accept your claim under a benefit that has a limit of \$5,000. Your claim is \$2,500.

A \$250 excess applies.

Since your claim is less than the benefit limit, we deduct the excess from your claim.

Cover: We pay you \$2,250.

Situation: We accept your claim under a benefit that has a limit of \$2,000. Your claim is \$2,500.

A \$250 excess applies.

Since the benefit limit is less than your claim, we deduct the excess from the benefit limit.

Cover: We pay you \$1,750.

We provide cover if you pay the premium

When you take out your policy, you agree to pay us the premium. In return for paying the premium, we provide the cover outlined in your policy.

What happens if you do not pay on time

The premium must be paid by the due date to keep your policy active. If the premium remains unpaid, we will cancel your policy for non-payment. Cancellation will take effect from the date your policy was paid up to.

We will not pay any claim for anything that happens after the cancellation takes effect.

You may need to make a claim when the premium is overdue but before we cancel your policy for non-payment. If this happens, you must pay the overdue amount as part of the claim settlement process.

What happens when your policy is about to renew

You will receive notification before your policy expires. You should review any offer of renewal to ensure the insurance cover is still appropriate for you.

On renewal, we may change your **contents sum insured** to account for general factors that affect the repair or replacement cost of contents.

If you have **specified items**, your **specified sums insured** for these items will remain at the value you nominated. As we do not review or change your **specified sums insured** on renewal, you must ask us or your broker to update these sums insured if you want them changed.

You are responsible for checking that the sums insured are enough to cover **loss** to the contents. If you do not agree with the sums insured in your offer of renewal, please contact us or your broker.

How we collect and use your personal details

We collect and hold personal information in accordance with our privacy policy, which is available on our website. You should also refer to your broker's privacy policy.

We may share your personal information with our service providers and other parties that have a financial interest in the covered property.

You have the right to access and correct any information that we hold about you by contacting us or your broker.

Cover for contents

In this section, we explain how we cover contents, and the items that are included and not included as part of contents. We also set out what happens and what we pay following **loss** to different types of contents.

What we cover

We cover sudden and **accidental loss** to contents that happens during the **period of insurance** while they are in New Zealand in any of the following situations:

- at your home
- in your possession or in the possession of your **family** while in transit from the place where they were acquired to your home
- temporarily away from your home.

What we mean by ‘contents’

In your policy, ‘contents’ means household goods and personal effects that you or your **family** owns or is legally responsible for.

Contents also includes gifts another person owns that are being kept at your home, and contents your children own that are left with you while they live outside New Zealand.

What ‘contents’ includes, but only if your home policy does not provide cover

We only cover the following items that you or your **family** owns or is legally responsible for, if your home is insured by a policy that does not cover them:

- fixtures or fittings permanently attached to your home, including home appliances permanently fitted to the gas, plumbing or electrical supply
- fitted floor coverings of the dwelling or domestic outbuildings, including glued, smooth edge or tacked carpets, or tiles or floating floors
- kitchen ovens.

What ‘contents’ does not include

We do not cover any:

- Fixed spa pools or swimming pools.
- Items used at any time for business, trade or commercial purposes, except as provided under the ‘Home office equipment’, ‘Lifestyle block contents’ or ‘Tools of trade’ automatic benefits.
- Digital or virtual currency such as cryptocurrency, or non-fungible tokens (NFTs).
- Animals or other creatures.
- Live plants, except for pot plants.
- Prosthetics, implants or devices permanently attached to or inside the body of any person or animal, such as dental crowns, artificial hips or pacemakers.

- **Motor vehicles**, trailers or caravans, except for the following items and their parts and accessories:
 - domestic garden appliances
 - electric wheelchairs and mobility scooters
 - golf carts
 - children's motorbikes not exceeding 50cc used only off road
 - motorised personal transportation devices, such as electric scooters, motorised skateboards, e-roller skates or e-unicycles.
- Watercraft powered by motor or sail and their parts and accessories that are in them or attached to them with a replacement value of more than \$5,000. We do not cover jet skis, electric surfboards or e-foils and the like (regardless of their value). However, we cover kitesurfers and windsurfers.
- Parts and accessories of **motor vehicles**, trailers or caravans that are in them or attached to them, except:
 - your and your **family's motor vehicle** accessories that are in or attached to a **motor vehicle** that is not owned by you or your **family**
 - to the extent cover is provided under the 'Child car seats and baby capsules' automatic benefit.
- Aircraft or other aerial devices, including aerial recreational items such as hang gliders, parachutes, paragliders or parasails, and their parts and accessories that are in them or attached to them. However, we cover model or toy aircraft, or remotely piloted aircraft as defined by the Civil Aviation Authority.

What we mean by 'home'

In your policy, 'home' means the buildings and grounds at the property address shown in your **policy schedule**.

What we pay

The following clauses set out what we pay for **loss** to contents.

Contents covered for repair or present value

We cover the following items of contents for repair or **present value**:

- books
- clothing or footwear
- computer hardware such as desktop computers, laptops, tablets, smartwatches or mobile phones, that are over 5 years old
- audio, video or optical storage media, such as records, tapes, CDs, DVDs or Blu-ray discs
- licensed computer or gaming software, cartridges or programs
- digital data, including audio or video files
- parts and accessories of any of the following that are not in them or attached to them:
 - watercraft
 - **motor vehicle**, trailer or caravan
 - aircraft or other aerial device, including aerial recreational items such as hang gliders, parachutes, paragliders or parasails
- contents for which a **closest equivalent item** does not exist.

At our option we pay either:

- the cost to repair the item, as near as reasonably possible to the same condition it was in just before the damage, if we decide it is economic to repair the item
- the **present value**.

Example of how we settle a claim for present value

Situation: Your laptop gets stolen. You purchased it brand new 6 years ago for \$2,500.

Cover: As your laptop is over 5 years old we pay its present value of \$1,500, being the estimated cost in New Zealand of an equivalent laptop in a similar condition, less the excess.

Contents covered for repair or replacement

We cover contents for repair or replacement, except for the items listed above in 'Contents covered for repair or present value'.

At our option and using one of our preferred suppliers, we pay the cost to either:

- repair the item, as near as reasonably possible to the same condition it was in just before the damage, if we decide it is economic to repair the item
- replace the item with the **closest equivalent item**, if it is lost, stolen or cannot be repaired.

Alternatively, we may choose to pay you using cash, store credit or vouchers.

For consumable items, such as food, beverages, cosmetics or toiletries, we only pay the cost of the unused portion at the time of the **loss**.

For items that require a current prescription to be replaced, we pay the professional fees associated with dispensing the item, such as fitting fees for spectacles or hearing aids. We do not pay any costs associated with renewing an expired prescription, such as eye tests or hearing tests.

Example of how we settle a claim for spectacles

Situation: You lose your spectacles.

Cover: We pay for new spectacles and the cost of fitting them. We do not pay for the eye test you need before you can get the new spectacles.

Cover when replacing a whiteware appliance with a more energy-efficient model

For any whiteware appliance that we decide to replace, we may replace the appliance with a more energy-efficient model. We do this if better energy efficiency is the only significant difference to the **closest equivalent item**.

The most we pay for certain types of contents

The most we pay for certain types of contents for an **event** is set out below.

Type of contents	The most we pay	
Watercraft powered by motor or sail (except kitesurfers or windsurfers), including its parts and accessories that are in it or attached to it	Per item	\$5,000
Parts and accessories of any of the following that are not in them or attached to them: - watercraft powered by motor or sail (except kitesurfers or windsurfers) motor vehicle, trailer or caravan - aircraft or other aerial device, including an aerial recreational item such as a hang glider, parachute, paraglider or parasail	Total for all items	\$5,000
Your and your family's motor vehicle accessories that are in or attached to a motor vehicle that is not owned by you or your family	Total for all items	\$1,500
Money, stored-value cards and negotiable financial documents	Total for all items	\$2,000

Unless the item is shown as a **specified item**, the most we pay for certain types of contents for an **event** is set out below.

Type of contents	The most we pay	
Work of art	Per item	\$100,000
Watch, pair of earrings or other item of jewellery	Per item (or pair of earrings)	\$5,000
Bicycle or e-bike, including its standard accessories fitted when new	Per item	\$20,000
Bullion and unset precious stones	Total for all items	\$2,000
Cameras and remotely piloted aircraft, including their parts and accessories	Total for all items	\$7,500
Collections and collectibles	Total for all collections and collectibles	\$5,000

In this clause, some words have specific meanings:

- 'Collectible' means an item that is acquired or kept due to its origin, rarity, uniqueness, age, condition, monetary value, or historical or cultural significance, rather than for its intended practical use. This includes, for example, any stamp, medal, coin, collectible card, antique, memorabilia, toy, model, book, alcohol or militaria.
- 'Collection' means a group of collectibles that share a common theme.

The most we pay for all works of art that are not specified

The most we pay for all **works of art** for an **event**, if they are not **specified items**, is \$250,000 in total. However, if your **policy schedule** shows a different maximum payment, the most we pay is that amount.

Example of how we settle a claim for multiple works of art that are not specified

Situation: You lose 10 paintings in a burglary, each with a value of \$30,000. Your claim is \$300,000. You did not arrange a higher maximum payment amount for works of art.

Cover: We pay you a total of \$250,000, less the excess.

The most we pay for all items of jewellery and watches that are not specified

The most we pay for all items of jewellery and watches for an **event**, if they are not **specified items**, is \$50,000 in total. However, if your **policy schedule** shows a different maximum payment, the most we pay is that amount.

Example of how we settle a claim for multiple items of jewellery that are not specified

Situation: You lose 15 pieces of jewellery, each with a value of \$4,000. Your claim is \$60,000. You did not arrange a higher maximum payment amount for jewellery.

Cover: We pay you a total of \$50,000, less the excess.

The most we pay for burglary or theft of jewellery and watches in total for all specified and unspecified items

The most we pay for all **specified items** and unspecified items of jewellery and watches for an **event**, if the **loss** is caused by burglary or theft, is \$50,000 in total.

However, this limit does not apply if, at the time of the **loss**, the jewellery or watch was any of the following:

- locked in a safe that both:
 - meets the criteria outlined in the EN 1143-1:2019 standard, or other standard we have agreed to in writing
 - is permanently and securely attached to the structure of the occupied building, such as bolted to the floor, solid walls or wall studs, or encased in concrete
- stored in a safe deposit box at a bank or similar institution
- being worn or carried by you
- inside any residence, and you or a **family** member was physically inside the residence.

In this restriction, 'residence' means the internal areas of a residential dwelling. 'Residence' does not include any:

- decks or landings attached to the dwelling
- other outbuildings
- other areas within the general grounds or confines of that property.

The most we pay for specified items

The most we pay for a **specified item** for an **event** is its **specified sum insured**.

The most we pay for contents in total, excluding specified items

The most we pay for contents in total for an **event**, excluding **specified items**, is your **contents sum insured**. Your **contents sum insured** includes all benefits, unless stated otherwise in a benefit.

Automatic benefits

You automatically get the following benefits. The terms and conditions of your policy apply.

The amounts we pay under these benefits are included in the amounts payable under 'Cover for contents', unless stated otherwise in a benefit.

Child car seats and baby capsules

We cover sudden and **accidental loss** to your or your **family's** child car seats or baby capsules if there is no other insurance for the **loss**. This includes where the item has no visible damage but in our opinion its safety is compromised.

We pay the reasonable cost to replace your child car seat or baby capsule, or any part of it, with a new one.

You do not pay an excess if your claim is only for child car seats or baby capsules.

Child car seats and baby capsules are covered for replacement, and the policy limit for parts and accessories of a motor vehicle does not apply.

Contents in storage

We cover sudden and **accidental loss** to contents stored in a building, if any of the following applies:

- they are in storage in a safe deposit box at a bank or commercial vault in New Zealand
- you notified us of the storage arrangement and this arrangement is shown in your **policy schedule**, and the **loss** is caused by any:
 - fire, lightning or explosion
 - theft following forceful and violent entry to the storage building
 - storm or flood
 - water that leaks, overflows or is discharged from a water system installed at the storage building
 - **natural hazard**
 - impact by aircraft or other aerial or spatial device, or an item dropped from them
 - impact by **motor vehicle**.

Contents in transit when you are moving house

We cover sudden and **accidental loss** to contents in transit from your home to your new permanent residence in New Zealand.

This includes contents kept in a storage facility during the move, for up to 14 days, and while in transit to and from the storage facility.

The most we pay for an **event** is \$15,000.

However, we pay up to your **contents sum insured** if the **loss** is caused by any:

- fire, lightning or explosion
- theft following forceful and violent entry to a **motor vehicle** or building
- storm or flood
- **natural hazard**
- impact by aircraft or other aerial or spatial device, or an item dropped from them
- **motor vehicle** collision.

Contents with you or your family on overseas trips

We cover sudden and **accidental loss** to clothing, personal items, suitcases, bags, jewellery and watches that you or your **family** owns and takes overseas, if both the following apply:

- you and your **family** accompanying you are in transit to and from and travelling in Australia or the South Pacific Islands
- the whole trip is no longer than 60 days.

The most we pay for **loss** on a single trip is \$5,000.

In this benefit, 'personal items' means items that are personal in nature, or that are normally worn or carried by you or your **family**. This does not include personal transportation devices, or sporting or camping equipment.

Electronic data and programs

We cover sudden and **accidental loss** to:

- licensed computer software, including gaming software and programs in any format
- digital data, including audio and video files in any format.

However, all the following must apply:

- you legally owned the software, programs or digital data
- the software, programs or digital data were on your own storage device that sustained **loss** that we accept a claim for
- the software, programs or digital data were at your home, or temporarily away from your home for use anywhere else in New Zealand.

We pay the **present value** of the **loss**.

We do not cover any:

- cost to reinstall, reset, recreate, retrieve or transfer the software, programs or digital data
- **loss** caused by, or connected to, a computer virus
- loss to digital or virtual currency such as cryptocurrency, or non-fungible tokens (NFTs).

Family at a rest home or care facility

If a **family** member normally living with you stays at a New Zealand rest home or care facility, we cover their contents they have with them in the same way as we cover your contents.

Your home must be your main residence.

The most we pay for an **event** is \$10,000.

Fatal injury

If we accept a claim for **loss** from fire, burglary, theft or home invasion at your home resulting in you or your **family** being fatally injured, we pay your or their legal representative \$10,000.

The most we pay for an **event** is \$10,000. If more than one person is entitled to cover under this benefit, we divide that amount equally between the people.

The amount we pay is in addition to any payment under 'Cover for contents'.

If you have other fatal injury cover with us:

- we only pay one benefit under all policies in total for an **event**
- we pay the benefit most favourable to you.

Food spoilage

We cover **accidental loss** to contents of a refrigerator or freezer that suddenly stops or breaks down. We also cover the **loss** if the power supply was **accidentally** disconnected, including by an electricity supply company.

We pay the reasonable cost to:

- replace the perished items in your refrigerator or freezer, if they are not kept by you for any business, trade or commercial purposes
- repair **loss** to contents caused by the perished items.

We do not cover **loss** to contents if the power supply was disconnected because the power bill was not paid.

Hidden gradual damage

We cover **accidental hidden gradual damage** to contents that first happens, and is discovered, while you have contents insured with us.

We do not cover the cost to repair the cause of the **hidden gradual damage**. However, we cover any other contents that are not directly affected but must be damaged or destroyed to locate or repair the cause of the **hidden gradual damage**. We must approve this work first.

The most we pay during the **period of insurance** is \$7,500.

Home office equipment

We cover sudden and **accidental loss** to your office furniture and office equipment used for your own business, trade or commercial purposes.

The most we pay for an **event**:

- if the **loss** happens at your home is \$15,000
- if the **loss** happens while temporarily away from your home is \$3,000.

We cover your or your family's office furniture and office equipment used to work from home as an employee of another business, organisation or company in the same way as we cover your contents.

Identity theft

If your identity is stolen and used without consent for financial gain, we pay the following costs and fees you incur as a direct result, that we approve first:

- the reasonable legal costs you need to pay in New Zealand to do any of the following:
 - defend court proceedings wrongly brought against you by credit providers, retailers or collection agencies
 - attempt to set aside judgments wrongly made against you
 - prepare documents that confirm your identity was stolen
 - remove incorrect entries on credit referencing bureau lists
- the fees charged by New Zealand government organisations to replace any:
 - passport
 - driver licence
 - birth certificate
 - proof of age card
 - record of title on your home insured with us.

The most we pay for an **event** is \$5,000.

We do not cover any:

- identity theft that you cannot provide us with reasonable evidence of
- identity theft by any other person living with you or identity theft you arranged
- repayment of any debt resulting from the identity theft.

Lifestyle block contents

We cover sudden and **accidental loss** to the following items that you or your **family** owns or is legally responsible for, including if those items are used to earn an income:

- lifestyle block equipment, plant and machinery
- animal feed used to feed livestock on your lifestyle block at the property address shown in your **policy schedule**.

The most we pay for an **event** is \$10,000.

We do not cover fencing.

Moving to a new home

If you move to a new permanent residence in New Zealand, we cover contents at the current property address shown in your **policy schedule** and the new property address. We only cover contents at both addresses for up to 30 days from the day you start moving. Both the following must apply:

- both properties are secure and meet the terms and conditions of your policy
- you notify us and give us the details of the new property address within 30 days from the day you start moving.

Cover for contents at the current property address will end after 30 days from the day you start moving, unless we agree otherwise.

Your **contents sum insured** applies across both locations in total.

We do not cover contents in the course of removal or transit, except as provided under the 'Contents in transit when you are moving house' automatic benefit.

Pairs and sets

If you claim for part of a pair or set, at our option we either:

- pay the cost to repair the damaged part
- pay the difference between the cost to replace the complete pair or set and the value of the incomplete pair or set.

However, if the damaged part cannot be repaired and you let us keep the undamaged parts of the pair or set, we pay you the cost to replace the entire pair or set. We must approve this cost first.

Removal of unrepairable items

If we accept a claim for contents that we decide are not repairable, we pay the reasonable cost you incur to dispose of them from your home. We must approve this cost first.

Replacement of keys and locks

You do not pay an excess if your claim is only for any key, including any electronic key, swipe card or equivalent device (or combination), if the key is both:

- to access your home, or any safe or strongroom in your home
- lost, stolen or believed on reasonable grounds to have been duplicated without your permission.

We pay the cost you incur to:

- replace any key to your home and alter or replace the locks that the key was for
- open any safe or strongroom.

If you have other keys and locks cover with us:

- we only pay one benefit under all policies in total for an **event**
- we pay the benefit most favourable to you.

If any key to your home sustains sudden and **accidental** damage, we settle your claim according to the terms and conditions under 'Cover for contents'. We deduct the applicable excess from your claim settlement.

Stress payment

If we accept a claim for **loss** to contents and we pay your **contents sum insured**, we also pay you \$5,000 for the stress caused by the **loss**.

The amount we pay is in addition to any payment under 'Cover for contents'.

If you have other stress payment cover with us:

- we only pay one benefit under all policies in total for an **event**
- we pay the benefit most favourable to you.

Students living away from home

If your home is your main residence and a **family** member is a student living away from home, we cover their contents they have with them in the same way as we cover your contents. The student must be attending a school or tertiary institution in New Zealand.

However, if the student is not living in a hostel or other accommodation run by or for that school or tertiary institution:

- we do not cover contents that are either:
 - stolen, unless the theft follows forceful and violent entry to any building
 - lost or misplaced
- the most we pay for an **event** is \$7,500.

Temporary accommodation

If your home is your main residence, we pay:

- the reasonable additional cost you incur for temporary accommodation that is of a similar standard to your home for you, your **family** and your domestic pets
- the reasonable cost you incur to move contents to the temporary accommodation and return them to your home
- the reasonable cost you incur to move contents to a secure storage facility, for storage while you are in temporary accommodation, and to return them to your home.

We pay for either of the following reasons:

- Your home is unliveable because of **loss** to your home or to contents at the same home. The **loss** to your home must also happen during the **period of insurance**.
- Your home is liveable but a government or local authority order requires you to evacuate because of impending damage.

The **loss** or impending damage must be either:

- covered under any of the following:
 - your policy
 - any home policy
 - the **NHI Act**, but would have been covered under any home policy
- to your home where you are the tenant and that would have been covered under a home policy if we had insured that property, or would have been but is covered under the **NHI Act** instead.

Cover under this benefit ends when one of the following happens:

- When your tenancy agreement ends or when you move to another rental property, if you occupy your home as a tenant.
- When the evacuation order is lifted. However, cover may continue if the impending damage has caused **loss** to your home or to contents at the same home that leaves your home unliveable.

The most we pay for an **event** is \$50,000, unless your **policy schedule** shows a higher amount.

The amount we pay is in addition to any payment under 'Cover for contents'.

If you have other temporary accommodation cover with us:

- we only pay one benefit under all policies in total for each residential dwelling for an **event**
- we pay the benefit most favourable to you.

Example of what we pay under the 'Temporary accommodation' automatic benefit

Situation: You are ordered by a local authority to evacuate the home you are renting due to an impending cyclone that is expected to cause widespread flooding in your area. As the home is your main residence, you contact us and let us know that you have arranged temporary accommodation similar to the home. After the evacuation order is lifted, you discover the home is unliveable because of the flood damage caused by the cyclone.

Cover: We pay for your temporary accommodation until the evacuation order is lifted. We also pay for the cost of moving your contents to and from the temporary accommodation. As the cyclone has left the home unliveable we continue to pay for your temporary accommodation, up to \$50,000 in total. We do this until your tenancy agreement ends or you move to another rental property, whichever happens first.

Tools of trade

We cover sudden and **accidental loss** to tools of trade or business equipment that you or your **family** owns or is legally responsible for, except for items covered under the 'Home office equipment' automatic benefit.

The most we pay for an **event** is \$5,000.

Visitor's effects

We cover the personal effects of your visitors who are staying with you, while the items are at your home, if there is no other insurance for the **loss**. We cover these personal effects in the same way as we cover your contents.

The most we pay for an **event** is \$2,500.

Optional benefit

The following benefit is an optional benefit. Cover only applies if your **policy schedule** shows that you have purchased the benefit. The terms and conditions of your policy apply.

The amount we pay under this benefit is included in the amount payable under 'Cover for contents'.

Excess-free spectacles, dentures and hearing aids

You do not pay an excess if your claim is only for sudden and **accidental loss** to your or your **family's** spectacles, dentures or hearing aids.

Legal liability

In this section, we explain how we cover your or your **family's** legal liability for **loss** to another person's property or for **injury** to another person. We also set out the most we pay for legal liability.

What we cover

We cover your and your **family's** legal liability resulting from:

- **Accidental loss** to another person's property.
- **Injury** to another person.
- General average or salvage charges that you or your **family** is legally required to pay as a result of contents being carried by ship. The contents must be covered under the 'Contents in transit when you are moving house' automatic benefit.

The **loss** or **injury** must happen during the **period of insurance** in New Zealand.

Cover includes:

- defence and other legal costs and expenses incurred, that we approve first
- costs that a court orders you to pay
- **reparation**.

What we pay

Limits apply to what we pay for legal liability.

The most we pay for legal liability

The most we pay for an **event**, including legal liability, costs, expenses and **reparation**, is \$5,000,000.

The amount we pay is in addition to any other payment under your policy.

Full and final settlement for legal liability

We may pay the full amount under this section of your policy, or any lesser amount for which the legal liability can be settled. This payment will meet all our obligations under this section of your policy.

Exclusions – what we do not cover

This section explains what we do not cover. It has three parts – contents exclusions, liability exclusions and general exclusions.

Contents exclusions

The following exclusions apply to contents.

Causes of loss

We do not cover **loss** to contents caused by, or connected to, any:

- structural additions or structural alterations at the property address shown in your **policy schedule**, except if you notified us of the work beforehand and we agreed in writing to cover this
- water in any form (including hail and snow) entering your home because you or another person acting on your authority has removed any roofing material, exterior cladding, window or door
- insects, rodents, slugs or snails and the like, or vermin (but not possums).

However, this exclusion only applies to contents that are directly affected, not to resultant sudden and **accidental loss** to other contents.

Contents removed from your home

We do not cover contents in any of the following situations:

- permanently removed from your home
- removed from your home to any place for storage, sale or exhibition
- removed from your home during the course of moving house or household removal
- with your **family** who is a student living away from home and attending a school or tertiary institution
- with your **family** who is normally living with you but is staying at a rest home or care facility in New Zealand.

However, this exclusion does not apply to the extent cover is provided under the 'Contents in storage', 'Contents in transit when you are moving house', 'Family at a rest home or care facility', 'Moving to a new home' or 'Students living away from home' automatic benefits.

Remotely piloted aircraft and kitesurfing equipment

We do not cover anything caused by, or connected to, the use of a remotely piloted aircraft or kitesurfing equipment that breaches the Civil Aviation Authority rules.

Types of loss

We do not cover any:

- Repair or replacement of parts of a pair or set that have not sustained **loss**, unless **loss** to one item prevents the entire set from functioning. This does not apply to the extent cover is provided under the 'Pairs and sets' automatic benefit.
- **Loss** to fuses, protective devices, or lighting or heating elements caused by electricity.

- **Loss**, cost or expense arising from any fault, defect, error or omission in any:
 - design, plan or specification
 - work, construction or materials.

This only applies to contents that are directly affected, not to resultant sudden and **accidental loss** to other contents.

- Breakdown, failure or wearing out of mechanical, electrical or electronic equipment, or its parts, except **loss** sustained from burn out caused by an **accidental** and external force.

Liability exclusions

The following exclusions apply to legal liability.

We do not cover liability connected to any:

- Ownership of your home or its grounds, or any other building or permanent structure.
- Business, trade, profession, commercial enterprise or sponsorship.
- Contract or agreement, unless you would have been liable even without the contract or agreement.
- Ownership or use of any:
 - **Motor vehicle**, unless it is covered under your policy, trailer or caravan.
 - Watercraft, unless it is covered under your policy.
 - Aircraft or other aerial device, including an aerial recreational item such as a hang glider, parachute, paraglider or parasail. However, this does not apply to a model or toy aircraft, or remotely piloted aircraft as defined by the Civil Aviation Authority.
- Asbestos.
- Personal injury if cover is available under the Accident Compensation Act 2001. We also do not cover the injury if the Accident Compensation Corporation (ACC) would have covered a claim if one had been lodged or lodged on time.

We do not cover a claim that ACC has rejected.

General exclusions

The following exclusions apply to your policy.

Communicable disease

We do not cover anything connected to, or contributed to by, any:

- communicable disease contamination
- loss of value or loss of use of any property or its parts resulting directly or indirectly from communicable disease contamination
- actual or alleged transmission of any communicable disease or the threat or fear of such transmission.

We do not cover any costs or losses if you or any person or pet cannot remain in your home due to any communicable disease.

In this exclusion, some words have specific meanings:

- 'Communicable disease' means any:
 - disease stated to be a quarantinable disease under the Health Act 1956
 - disease in respect of which a state of emergency has been declared under the Civil Defence Emergency Management Act 2002
 - disease in respect of which a pandemic or epidemic has been declared by the World Health Organization or the New Zealand government or any New Zealand government agency or lawful authority
 - disease declared by the World Health Organization to be a Public Health Emergency of International Concern
- 'Communicable disease contamination' means the actual, suspected or potential presence, or the threat or fear of such presence, of any communicable disease at, in or on any property.

Computer systems

We do not cover anything caused by, or connected to, the unavailability or corruption of, or failure to access, process, use or operate, any computer or electronic system that forms part of contents covered under your policy.

It does not matter how the unavailability, corruption or failure happened. For example, the unavailability, corruption or failure may be connected to a breakdown, fault or defect, or an external source. An external source may be a computer virus or someone accessing any of your computer or electronic systems without your permission.

However, this exclusion does not apply to any:

- unavailability, corruption or failure that is a direct result of **accidental loss** that is otherwise covered under your policy
- sudden and **accidental loss** to other contents or to other property resulting from the unavailability, corruption or failure, if the **loss** and property are covered under your policy
- extent cover is provided under the 'Electronic data and programs', 'Identity theft', or 'Replacement of keys and locks' automatic benefits.

Confiscation

We do not cover anything caused by, or connected to, any:

- confiscation, nationalisation, requisition or acquisition under an order
- destruction of or damage to property under an order.

By 'order', we mean a government order, public or local authority order, or an order under an Act of Parliament or Regulation.

However, this exclusion does not apply if that order is required to prevent or control **loss** that would otherwise have been covered under your policy.

Consequential loss

We do not cover any consequential loss, except as provided under the 'Food spoilage' or 'Temporary accommodation' automatic benefits.

Example of consequential loss we do not cover

Situation: Your home is broken into and some of your valuable items are stolen. You need to take time off work to organise reasonable proof of their value and file a police report. We accept your claim.

Cover: We cover the items that are stolen. We do not cover your lost wages from taking time off work.

Criminal acts

We do not cover anything caused by, or connected to, any:

- criminal act by you, your **partner**, or any other person covered under your policy
- disregard for, or failure to comply with, any provision, notice or order under any Act of Parliament, by you, your **partner**, or any other person covered under your policy.

Earth movements

We do not cover anything caused by, or connected to, any:

- subsidence, or erosion, such as coastal erosion, bank erosion or sheet erosion
- settling, shrinkage, expansion, warping or cracking caused by earth or other movements, except for sudden and **accidental loss** to contents caused by a **natural hazard**.

Electronic data and programs

We do not cover lost electronic data, or anything caused by, or connected to, lost electronic data.

This exclusion includes loss of use, reduced functionality, or any other loss or expense caused by, or connected to, lost electronic data, including if the lost electronic data is caused by a computer virus.

However, this exclusion does not apply to any:

- sudden and **accidental loss** to other property directly resulting from lost electronic data, if the **loss** and property are covered under your policy
- extent cover is provided under the 'Electronic data and programs' or 'Replacement of keys and locks' automatic benefits.

In this exclusion, 'electronic data' means information changed to a form usable for communications, processing or controlling. This includes, for example, software, programs and other coded instructions for data processing or controlling electronic equipment.

Fines and damages

We do not cover any fine, penalty, or punitive or exemplary damages.

Gradual damage

We do not cover any:

- wear and tear, depreciation, corrosion or rust
- rot, mould or mildew, or gradual deterioration, except as provided under the 'Hidden gradual damage' automatic benefit.

Incidents outside New Zealand

We do not cover anything that happens outside New Zealand.

However, this exclusion does not apply to the extent cover is provided under the 'Contents with you or your family on overseas trips' automatic benefit.

Incidents outside the period of insurance

We do not cover anything that happens outside the **period of insurance**.

However, this exclusion does not apply to the extent cover is provided under the 'Hidden gradual damage' automatic benefit.

Intentional or reckless acts

We do not cover anything caused by, or connected to, any intentional or reckless act or failure to act, by any of the following:

- you or any other person covered under your policy
- a tenant
- a guest of a tenant
- a person who occupies your home.

However, this exclusion does not apply to **loss** resulting from fire or explosion, if the fire or explosion was not intentionally caused by you or your **partner**.

Nuclear contamination and activity

We do not cover anything caused by, or connected to, any:

- ionising radiation or contamination by radioactivity from any nuclear fuel
- ionising radiation or contamination by radioactivity from any nuclear waste from the combustion or fission of nuclear fuel
- nuclear weapons material
- nuclear power plants, including the use or escape of any nuclear fuel, material or waste.

Sanctions

We do not provide any cover or benefit, or pay anything in connection with your policy, including any premium refund, if doing so may breach or risk exposure to any:

- sanctions, prohibitions or restrictions under United Nations resolutions
- trade or economic sanctions, laws or regulations of New Zealand, Australia, Singapore, the United Kingdom, the United States of America or the European Union.

Seepage, pollution or contamination

We do not cover anything caused by, or connected to, seepage, pollution or contamination, including the cost to clean up.

However, this exclusion does not apply to any **incident** caused by a sudden and **accidental event**, if the **incident** is otherwise covered under your policy.

Terrorism

We do not cover anything connected to, or contributed to by, any:

- terrorism that involves any biological, electromagnetic, chemical, radioactive or nuclear pollution, contamination or explosion
- controlling, preventing, suppressing, retaliating against or responding to terrorism as described in the point above.

In this exclusion, 'terrorism' includes any act, threat of action or preparation for action, by a person or group acting alone or in connection with any organisation or government, which is any of the following:

- designed to influence any rightful or actual government or intimidate the public
- in pursuit of political, religious, ideological, or similar purposes.

The act, threat or preparation involves any of the following:

- violence against any person
- damage to property
- endangering of life, except that of the person committing the action
- risk to the health or safety of any person
- anything designed to interfere with or disrupt an electronic system.

Unlawful substances

We do not cover anything caused by, or connected to, contamination from any 'controlled drug' as defined in the Misuse of Drugs Act 1975.

However, this exclusion does not apply to **loss** caused by the **accidental** spread of fire or explosion.

War

We do not cover anything caused by, or connected to (including controlling, preventing or suppressing), any:

- war
- invasion
- act of foreign enemy
- hostilities (whether war is declared or not)
- civil war
- insurrection
- rebellion
- revolution
- military or usurped power.

Weapons

We do not cover anything caused by, or connected to, any chemical, biological, biochemical or electromagnetic weapon.

Claims – what you need to do

This section explains your responsibilities, what you must get our agreement to first and what we may do as part of a claim.

What you must do

If anything happens that may lead to a claim, you must take all the following steps:

- do what you can to take care of the covered property and prevent any further loss, expense or liability
- let us know as soon as possible
- file a police report as soon as possible if you think an illegal act is involved
- keep anything that is or could be part of a claim
- let us or anyone acting on our behalf assess the covered property before any repairs are started
- send us as soon as possible anything you receive from another person about a claim or possible claim against you
- let us know as soon as possible if you are charged with any offence that resulted in **loss** to another person's property or **injury** to another person
- provide any information or documents we require as soon as possible
- attend any meetings, or court hearings to give evidence, if we require this
- give us any help we ask for.

What you must get our agreement to first

As part of a claim, you must get our agreement before you do any of the following:

- incur any expenses connected to a claim under your policy
- negotiate, pay, settle, admit or deny a claim against you
- do anything that may affect our rights of recovery
- negotiate, offer to pay, or pay any **reparation**, such as make an offer as part of a pre-trial conference or sentencing hearing.

What we may do

As part of a claim, we may decide to act on your behalf to do any of the following:

- Negotiate, defend or settle a claim against you that is covered under your policy. We cover the reasonable legal costs of these actions.
- Recover anything covered under your policy from another person. If we do this, we may also recover any uninsured loss you sustain in the same **event**.

We deduct the recovery costs we incurred from any amount recovered and share the remaining amount with you on a proportional basis.

You must co-operate fully with any action we take on your behalf.

See also 'How we pay claims – some examples' at the end of this document.

Conditions of your cover

This section explains the conditions you must meet to have cover under your policy. Some of these conditions also apply to any other person covered under your policy.

Breach of any condition

If you or any other person covered under your policy, or anyone acting on your or their behalf, breaches any of the conditions of your policy, we may do one or both of the following:

- decline your claim, either in whole or in part
- decline any claim connected to the same **event** that you make on any other policies you have with us.

Dishonest or fraudulent act or omission

If you commit a dishonest or fraudulent act or omission, we may avoid your policy and any other policy you have with us. This means we treat your policy or all insurance you have with us as if it no longer exists. The avoidance will take effect from the date of the dishonest or fraudulent act or omission.

This condition also applies to:

- anyone acting on your behalf
- anyone covered under your policy and anyone acting on their behalf.

True statements and answers

You must give true statements and answers in all communications with us, and so must any other person covered under your policy.

Giving true statements and answers includes being truthful when you:

- apply for your policy
- make a change to your policy
- make a claim
- let us know about any change in circumstances.

Cancelling your policy

Your policy can be cancelled in several ways.

By you

You may cancel your policy at any time by letting us or your broker know. Cancellation will take effect once we are notified, or from another date we both agree on.

We refund any premium paid for the period you have no cover. You pay any premium owing for the period you had cover.

By us

We may cancel your policy at any time by sending you or your broker notice in writing or electronically at your or your broker's last known address. Unless stated otherwise in your policy, cancellation will take effect from the 30th day after the date of the notice.

We refund any premium paid for the period you have no cover.

Automatically

If we settle your claim by paying your **contents sum insured** and any **specified sums insured**, your policy will be automatically cancelled. The cancellation will take effect from the end of the day of the **loss**.

We do not refund or credit any premium paid.

As your policy will be automatically cancelled, you will need to make new insurance arrangements on any replacement contents.

Change in circumstances

You must let us or your broker know as soon as possible if your circumstances change, and the change may affect any of the following:

- the chance of a claim under your policy
- the amount of a claim under your policy
- the information in your **policy schedule**.

If the change in circumstances affects any of these, we may cancel or change the terms of your policy. Any cancellation or change of terms will take effect from the date of the change in circumstances.

Examples of a change in circumstances that we need to know about:

- you change the address where you keep your contents
- you are convicted of a criminal offence.

If you are not sure whether we need to know about something, it is important that you check with us or your broker.

Change of terms

We may change the terms of your policy (including the excess) at any time by sending you or your broker notice in writing or electronically at your or your broker's last known address. Unless stated otherwise in your policy, the change in terms will take effect from the 30th day after the date of the notice.

Changes to Crown entities

Any reference to any Crown entity includes any new name given to that entity, and any replacement entity that is responsible for the same or similar functions.

Changes to legislation

Any reference to any Act of Parliament or related regulations or rules your policy refers to includes any amendments made or replacements to that law.

Currency

All amounts shown in your policy are in New Zealand dollars.

Duplicate insurance

You must let us know as soon as possible if any other insurance covers you for any risks covered under your policy. We do not cover **loss** or liability that is insured to any extent under any other insurance. We also do not contribute towards any claim under any other insurance.

However, this condition does not apply to the extent cover is provided under the 'Contents with you or your family on overseas trips' or 'Fatal injury' automatic benefits.

Goods and Services Tax (GST)

All amounts shown in your policy include Goods and Services Tax, unless stated otherwise.

Governing law and jurisdiction

The law of New Zealand applies to your policy and the New Zealand courts have sole jurisdiction.

Insurance Claims Register

We may put details of any claims you make on the Insurance Claims Register. This is a database of insurance claims that participating insurers can access. We may get personal information and details of insurance claims you have made from the Insurance Claims Register.

Joint insurance

If your policy covers more than one person, everyone is jointly covered and must meet your policy terms and conditions. If any person does not meet your policy terms and conditions, we may decline a claim or treat your policy as if it never existed.

Other parties with a financial interest

If any other party has a financial interest over the covered property, we may do any of the following:

- Pay part or all of any claim settlement to that other party. This payment will go towards meeting the obligations we have under your policy.
- Give information about your policy and any claim to that other party.

Any other party who has a financial interest over the covered property is not covered under and cannot claim under your policy.

Reasonable care

You must take reasonable care to avoid situations that could result in a claim. We will not accept a claim resulting from you or any other person covered under your policy being reckless or grossly irresponsible.

We must approve any assignment of your insurance

You must get our written approval before assigning or transferring any of the entitlements or benefits of your policy to another person or entity.

Definitions

The definitions apply to the plural and any other form of the words. For example, the definition of 'accidental' also applies to the words 'accident', 'accidents' and 'accidentally'.

accidental means unexpected and unintended by you or any other person covered under your policy.

closest equivalent item means an item of contents that is both:

- as near as reasonably possible or equal to the specifications and features of the original item when it was new
- readily available from a supplier based in New Zealand.

The brand, price, method of manufacturing or specifications and features may differ from the original item.

contents sum insured means the amount shown in your **policy schedule** for contents, excluding **specified items**. Your contents sum insured includes all benefits, unless stated otherwise in a benefit.

event means any one or more occurrences of covered **loss** or liability during the **period of insurance** arising from one source or original cause or related causes.

family means any member of your family who is any of the following:

- permanently living with you
- a student living away from home while attending a school or tertiary institution
- normally living with you but is staying at a rest home or care facility in New Zealand.

hidden gradual damage means hidden rot, hidden mould, hidden mildew or hidden gradual deterioration, caused by water leaking from any of the following installed at your home:

- an internal tank plumbed into the water reticulation system of your home and permanently used to store water
- an internal water pipe
- an internal waste disposal pipe
- a bath, shower, basin, sink, toilet, cistern or bidet.

incident means something that happens at a particular point in time, at a particular place and in a particular way.

injury means the **accidental** death of or **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

loss means physical loss or physical damage.

motor vehicle means any type of machine on wheels or caterpillar tracks that is made to be or intended to be propelled by its own power, and anything that the machine tows.

natural hazard means damage caused by earthquake, hydrothermal activity, landslide, tsunami, volcanic activity, or **natural hazard fire**.

natural hazard fire means fire caused by, or connected to, any other **natural hazard**.

NHI Act means the Natural Hazards Insurance Act 2023.

partner means your husband or wife, or the person living with you in the nature of marriage.

period of insurance means the period of insurance shown in your **policy schedule** that specifies the start and end dates of your policy.

policy schedule means the latest version of your policy schedule outlining the details of your cover.

present value means the estimated reasonable cost to replace an item with one from a supplier based in New Zealand, that is of equivalent age, quality and capability, and in the same general condition.

reparation means an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.

specified item means an item that is listed in your **policy schedule** as a specified item.

specified sum insured means the amount shown in your **policy schedule** for the **specified item**.

work of art means any painting, picture or ornament, including a sculpture, photographic print or figurine.

How we pay claims – some examples

The following examples show how a claim payment might be calculated and what amount you may be required to pay. These examples do not cover all scenarios or benefits and do not form part of your policy.

Claim example 1 – replacing your contents

Your home is burgled and your 18-carat white gold diamond engagement ring, television and 2-year-old laptop are stolen, and some money.

Contents sum insured	\$150,000
Specified sum insured	\$10,000 for your specified white gold diamond engagement ring
Standard excess	\$250

You make a claim and provide details of the incident. You also provide a full description of the stolen items, including reasonable proof of their value and that you own them. We accept your claim.

What the costs are

One of our electronic goods suppliers can replace your television with the closest equivalent item at a cost of \$2,700. They can also replace your laptop with the closest equivalent item at a cost of \$2,300.

One of our jewellery suppliers can replace your ring with a ring of a similar type and quality at a cost of \$9,500.

The amount of money stolen is \$3,000.

How we settle your claim

We pay the electronic goods supplier \$5,000, being the cost of the replacement television and laptop.

We pay the jewellery supplier \$9,500, being the cost of the replacement ring.

We pay you \$1,750 for the stolen money, being the maximum amount of \$2,000 we pay for money less the standard excess of \$250.

Claim example 2 – your contents are destroyed

Your contents are destroyed by flood.

Contents sum insured	\$200,000
Standard excess	\$250

You make a claim and provide details of the incident and damage. We accept your claim.

What the costs are

The cost you would incur to replace your contents is more than your contents sum insured. You do not have any specified items with specified sums insured.

How we settle your claim

We decide to pay you directly for the damage to your contents.

We also pay you \$5,000 for the stress caused by the loss.

We pay you \$204,750 in total to settle your claim, calculated as:

Loss to contents	\$200,000
Stress payment automatic benefit	\$5,000
Less the standard excess	- \$250
Total	\$204,750

What happens next

As we have settled your claim by paying your contents sum insured, we automatically cancel your policy from the end of the day of the loss.

Claim example 3 – liability claim

While visiting your friend's house, you accidentally spill a bowl of tomato sauce that leaves a large stain on their \$5,000 Persian rug.

Liability limit	\$5,000,000
Standard excess	\$250

Your friend makes a claim with their insurer for the damage to their rug. Your friend's insurer considers you legally liable for the damage and seeks to recover the cost from you. You make a claim for legal liability. We agree you are liable for the claim made against you and accept your claim.

What the costs are

Your friend's insurer assesses that you are liable to pay \$900.

How we settle your claim

We act on your behalf.

You pay us the standard excess of \$250, which we include in the settlement we pay to your friend's insurer.

We pay your friend's insurer \$900, the cost we agree is reasonable for the work required to remove the stain.

