

# Single Risk Contract Works Policy



**cactus**



# Thank you for choosing Ando Single Risk Contract Works Insurance

## Find out what your insurance does and doesn't cover

This document explains how the insurance works, your responsibilities, and how to make a claim. Please read it carefully, as it's really important you understand it. While there's a lot of information, if you take time to read it now, you'll know what the insurance covers. Just as important – you'll also know what it doesn't cover.

This Single Risk Contract Works Insurance policy document sets out the policy's benefits, what's not covered, and the main terms and conditions of the insurance agreement.

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**If you are viewing this digitally, I'm interactive.** Click the section you'd like in the Table of Contents and go directly there.

Looking for something specific? Search key words by pressing **Ctrl + F (PC)** or **Command + F (Mac)** on your computer.

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# Important information about this policy

## Our promise to you

In return for **you** having paid or promised to pay the required premium **we** agree to insure **you** as set out in this **policy**.

## Your policy

**Your policy** with **us** consists of:

- > any information provided to **us** by **you** or on **your** behalf including **your** proposal,
- > this **policy** document,
- > any endorsements or clauses that **we** apply to **your policy**, and
- > the **schedule**.

## Duty of disclosure

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** or anyone applying on **your** behalf must tell **us** everything **you** know (or could be reasonably expected to know) that might affect **our** decision when deciding:

- > to accept **your** insurance, and/or
- > the cost or terms of the insurance, including the excess.

In particular, **you** should tell **us** anything which may increase the chance of a claim under this **policy**, or the amount of a claim under this **policy**.

**You** also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** or anyone on **your** behalf breaches this duty of disclosure, **we** may treat this **policy** as being of no effect and to have never existed.

Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

## Changes to facts or circumstances during the policy

**You** must tell **us** of any material change to any of the facts or circumstances existing at the beginning of the **period of insurance**.

If **you** do notify **us** of a change, **we** may alter the premium, the terms of **your** insurance or cancel the insurance with effect from the date on which the change first occurred.

## Changing your mind

If **you** change **your** mind **you** can cancel **your policy** within 30 days of it starting provided **you** have not made a claim.

**We** will then cancel the **policy** from its commencement and refund in full any premium **you** have paid.

## Reading this policy

There are words in bold that have specific meaning(s) and are explained in the 'Definitions' section at the end of this **policy** document.

The headings that **we** have used in this **policy** document are intended to help **you** find **your** way through it more easily. They are not intended to be used for interpreting the contents of the **policy** document.

## Privacy Act and the Insurance Claims Register

By entering into this insurance contract with **us**, **you** consent to **your** personal information being collected by **us** and being shared by **us** with other insurance companies, claims supply partners and brokers, for the purposes of entering into this **policy** with **you** and any claim in connection with this **policy**.

**You** also consent to any personal information **we** hold in connection with any claim that **you** make being transferred to the Insurance Claims Register, a register operated by Insurance Claims Register Limited for use by participant insurers, including **us**.

This information may be accessed by participant insurers for the purpose of managing claims.

## Fair Insurance Code

**We** are committed to complying with the Fair Insurance Code as published by the Insurance Council of New Zealand. This means **we'll**:

- > provide insurance contracts which are understandable and show the legal rights and obligations of both **us** and **you**;
- > explain the meaning of legal or technical words or phrases;
- > explain the special meanings of words or phrases as they apply in the **policy**;
- > manage claims quickly, fairly and transparently;
- > clearly explain the reason(s) why a claim has been declined;
- > provide **you** with a written summary of **our** complaints procedure as soon as disputes arise and advise **you** how to lodge a complaint and tell **you** about the Insurance and Financial Services Ombudsman Scheme.

## Concern or complaint

**We** aim to provide a great standard of service in everything **we** do.

If **you** have a concern or complaint, **we** want to hear from **you** so that **we** have the opportunity to make it right. **You** can contact **us** on the details below or see [www.ando.co.nz](http://www.ando.co.nz) for information on **our** complaints and dispute resolution process.

Complaints Officer  
Ando Insurance Group Limited  
PO Box 6649  
Wellesley Street  
Auckland 1141  
New Zealand

**p** 09 377 1432  
**e** [complaints@ando.co.nz](mailto:complaints@ando.co.nz)

Complaints that cannot be resolved by the Complaints team may be referred to the Insurance and Financial Service Ombudsman. Further details will be provided at the appropriate stage of the complaints process.

# Section 1. What we agree to cover

**You** are insured for **damage** to the **property insured** during the period of insurance in accord with the terms and conditions of this **policy**.

## 1.1 Period of insurance

The period for which this **policy** is in force. The period of insurance will commence on the date of the commencement of the **contract works** at the **contract site** and will end automatically on the earlier of:

- a) the expiry date as set out in the **schedule**; or
- b) **practical completion** of the **contract**; or
- c) any other such date as agreed by **us** in writing in accordance with clause 1.5 (Period of insurance extension).

The period of insurance is followed by the **defects liability period** as specified in the **schedule**.

## 1.2 Defects liability period cover

**We** will indemnify the **contractor** for their legal liability to rectify **damage** to the **contract works** provided that:

- a) the **damage** is not otherwise excluded by the **policy**; and
- b) the **damage** is first discovered during the **defects liability period**; and
- c) the **damage** was caused by the **contractor** during the period of insurance; or
- d) the **damage** was caused by the **contractor** during the course of the **contractor** carrying out any repair work to the **contract works** during the **defects liability period**.

The **defects liability period** shall default to 90 days unless a different period is specified in the **contract** or the **schedule**.

## 1.3 Basis of settlement

The basis of any settlement will be:

- a) for **damage** which can be economically repaired which **you** elect to repair – **we** will at **our** option either pay the reasonable cost of repairs to the **property insured**, using the same materials and construction methods originally used in its construction, necessary to restore the **property insured** to its condition immediately prior to the **damage** occurring (less any salvage), or arrange for the repairs to be carried out.
- b) for **damage** which can be economically repaired which **you** elect not to repair – the estimated reasonable costs of repairs to the **property insured** up to a maximum of the **actual value** of the **property insured**, less any salvage.
- c) for a **total loss** – the **actual value** of the **property insured**.

## 1.4 Excess

All applicable excesses are GST inclusive. The applicable excess shown in the **schedule** will be deducted from the amount payable for **damage** caused during an **event**. In all circumstances the applicable excess will be deducted from the relevant sum insured and/or sub-limit so that **we** are only ever obligated to pay the sum insured or sub-limit, less the applicable excess.

Where an **event** occurs over a period of more than 72 consecutive hours, one excess will be deducted for each 72 consecutive hour period.

## 1.5 Period of insurance extension

At **our** sole discretion, the period of insurance may be extended if:

- a) the extension sought by **you** is for the sole purpose of completing the **contract works**; and
- b) **we** have agreed to the extension in writing; and
- c) **you** pay any additional premium **we** require.

## Section 2. Additional policy benefits

The following additional policy benefits are included automatically. Each additional policy benefit is subject to the terms and conditions of this **policy** (unless otherwise stated). The sub-limits specified in the additional policy benefits apply unless there is a different sub-limit shown in the **schedule**. The sub-limits are included in, not in addition to, and may be less than, the **total sum insured**.

### 2.1 Demolition and other costs

**We** will cover reasonable costs necessarily incurred for any of the following purposes in consequence of **damage** to the **property insured**:

- a) Demolishing, dismantling, shoring or propping up undamaged portion(s) of the **property insured** to enable construction to continue;
- b) Removing and disposal of debris of that portion(s) of the **property insured** which has **damage**.

The maximum amount **we** will pay under this clause is 10% of the **contract price** unless a different amount is specified in the **schedule**.

### 2.2 Professional fees

**We** will cover reasonable professional and clerk of works fees, and costs including council fees (excluding fines and/or penalties), necessarily incurred by **you** to affect the repair of the **property insured**.

This additional policy benefit does not cover fees for preparing claims made under this **policy**.

The maximum amount **we** will pay under this clause is 5% of the **contract price** unless a different amount is specified in the **schedule**.

### 2.3 Increase in costs during construction

**We** will cover reasonable costs necessarily incurred for fluctuations and variations in the **contract price** and increases in the cost of labour goods and materials during the period of insurance and **defects liability period**, provided that such payment is required to ensure that the **property insured** is repaired or rebuilt without delay.

The maximum amount **we** will pay under this clause is 5% of the **contract price** unless a different amount is specified in the **schedule**.

### 2.4 Escalation of costs during reconstruction

**We** will cover reasonable increases in the cost of construction from the original **contract price** for the repair or reinstatement of the **property insured** provided that such payment is necessarily incurred to ensure the **property insured** is repaired or reinstated without delay.

The maximum amount **we** will pay under this clause is 5% of the **contract price** unless a different amount is specified in the **schedule**.

### 2.5 Expediting expenses

**We** will cover costs and expenses for:

- a) the reasonable cost of express delivery of replacement materials within New Zealand, including domestic airfreight within New Zealand by licensed operators on a regular scheduled service but excluding chartered services unless **you** obtain **our** prior written agreement.
- b) the reasonable cost of overseas airfreight of replacement materials by licensed operators on a regular scheduled service but excluding chartered services unless **you** obtain **our** prior written agreement.
- c) any overtime wage payments reasonably required to repair or reinstate the **property insured**.
- d) any other additional costs reasonably incurred with **our** prior written agreement.

The maximum amount **we** will pay under this clause is 5% of the **contract price** unless a different amount is specified in the **schedule**.

## 2.6 Offsite storage

**We** will cover reasonable costs of repair to or replacement of materials or goods **damaged** whilst in secure storage in New Zealand and not at the **contract site** provided that the materials or goods:

- a) belong to **you** (including, but not limited to, **principal supplied materials**); and
- b) were to be incorporated into the **contract works**.

The maximum amount **we** will pay under this clause is \$250,000 unless a different amount is specified in the **schedule**.

Cover will only apply to offsite materials or goods stored for less than 6 months prior to **damage** unless the offsite storage situation is specified in the **schedule**.

## 2.7 Transit of materials

**We** will cover reasonable costs of repair to or replacement of materials or goods (excluding buildings and structures) damaged whilst in transit within New Zealand, including loading and unloading, provided that the materials or goods:

- a) belong to **you** (including, but not limited to, **principal supplied materials**); and
- b) were to be incorporated into the **contract works**.

The maximum amount **we** will pay under this clause is \$250,000 unless a different amount is specified in the **schedule**.

## 2.8 Protection costs

Following **damage** to the **property insured**, **we** will cover the reasonable costs or expenses **you** necessarily incur to prevent or minimise any additional **damage** to the **property insured**, provided that the additional **damage** would be covered under this **policy** if it did occur.

The maximum amount **we** will pay under this clause is \$50,000 unless a different amount is specified in the **schedule**.

## 2.9 Plans and drawings

**We** will cover reasonable costs necessarily incurred as a result of **damage** to **plans and drawings** up to a maximum amount of \$25,000 unless a different amount is specified in the **schedule**.

## 2.10 Temporary buildings

**We** will cover reasonable costs necessarily incurred as a result of **damage** to hoardings, site huts and portalooos owned or hired by the **principal** or the **contractor** while at the **contract site** during the **construction period**. This cover does not extend to any sub-contractor's property.

The maximum amount **we** will pay under this clause is \$5,000 unless a different amount is specified in the **schedule**.

## 2.11 Landslip and subsidence

**We** will cover the reasonable costs or expenses necessarily incurred as a result of **damage** to the **property insured** caused by landslip or subsidence up to a maximum amount of \$250,000 unless a different amount is specified in the **schedule**.

## Section 3. Optional policy benefits

The following optional policy benefit may be added to **your** policy for an additional premium. If **you** have selected (and **we** have agreed to provide) an optional policy benefit and paid the extra premium it will be shown on **your schedule**. They extend the coverage of this **policy** provided always that each optional policy benefit is subject to the terms, conditions and exclusions of this **policy** (unless otherwise stated). The maximum amount **we** will pay under each clause is the amount specified in the **schedule**. The optional policy benefits are all included in, not in addition to, and may be less than, the **total sum insured**.

### 3.1 Natural disaster

**We** will cover reasonable costs necessarily incurred to repair or reinstate the **property insured** if the **damage** was caused by natural disaster. The applicable **natural disaster** excess will be deducted from the amount payable for **damage** caused by an **event**.

The maximum amount **we** will pay under this clause is the **total sum insured**.

### 3.2 Principal supplied materials

**We** will cover the reasonable costs necessarily incurred for **damage** to **principal supplied materials** only whilst at the **contract site**.

The maximum amount **we** will pay under this clause is 10% of the **contract price** unless a different amount is specified in the **schedule**.

### 3.3 Existing structures

We will cover the cost of repair to and reinstatement of the existing structures if:

- a) the **damage** is directly caused by **your** performance of the **contract**, unless **you** have elected to have 'Full cover' as shown in the **schedule**, and
- b) the **damage** occurred during the period of insurance, and
- c) the **existing structures** were in **your** care, custody and control at the time of the **damage** occurring.

Where the **schedule** shows that **existing structures** are covered for 'Full cover', **we** will cover the cost of repair to and reinstatement to the **existing structures** which are:

- d) noted in the **schedule**, and
- e) in connection with the **property insured** and located at the **contract site**, and
- f) in **your** care, custody and control, and
- g) provided that such **damage** occurs during the period of insurance.

If **we** request it, **you** must provide **us** with a professional property valuation certificate.

For the purpose of this clause, reinstatement of the existing structure means where property is lost or **damaged**, its replacement by an equivalent building or structure which is nearly as practicable as the building or structure lost or **damaged**, using equivalent materials and techniques.

If the **existing structures** are a **total loss** then **you**, with **our** consent, may reinstate at an alternative site in the same country as the **contract site**.



**We** will also cover reasonable costs and expenses necessarily incurred in complying with **regulations** that are in force on the date when the **damage** occurred but excluding the following:

- h) costs and expenses associated with work which had already been required of **you** by notice served before the **damage**; or
- i) in respect of undamaged portions of the **existing structures**, or
- j) costs and expenses arising because the **damaged existing structures** are earthquake-prone buildings as described in the Building Act 2004 (or any replacement Act or **regulation**), or
- k) any rate, tax, duty, development charge, or any other charge or assessment arising out of capital appreciation.

If **you** do not reinstate the **existing structures** within a reasonable period of time, **we** will only pay **you** the lesser of:

- l) the indemnity value of the **existing structures**, or
- m) the sum insured specified in the **schedule** for **existing structures**.

The maximum amount **we** will pay under this clause is the sum insured in the **schedule** for **existing structures**.

'What we won't cover' clause 4.1 (Existing structures) does not apply to this extension.

### 3.4 Employees' tools

**We** will cover the reasonable cost of reinstatement of **damage** to employees' tools occurring during the **construction period** at the **contract site** provided they are not otherwise insured. This cover does not include cover for:

- a) theft of employees' tools unless it is accompanied by violence, or threat of violence, or is as a result of violent and forcible entry to and/or exit from a locked building, or
- b) any subcontractors and their employees' tools.

This cover does not cover personal communication devices such as mobile phones, laptops, tablets or GPS equipment.

'What we won't cover' clause 4.2 (Second-hand plant and machinery) does not apply to this cover.

The maximum amount **we** will pay under this clause is the sum insured in the **schedule** for employees' tools.

### 3.5 Land

**We** will cover the reasonable cost necessarily incurred of reinstatement for **damage** to land occurring during the **construction period** provided that:

- a) the **damage** was not caused by fire; and
- b) the land belongs to **you**; and
- c) the land is part of the **contract site**; and
- d) the **damage** is not otherwise excluded by this **policy**.

The maximum amount **we** will pay under this clause is \$25,000 unless a different amount is specified in the **schedule**.

### 3.6 Testing and commissioning

**We** will cover **you** for **damage** occurring during the period of insurance caused by electrical or mechanical breakdown or explosion during testing, test loading or commissioning of electrical or mechanical plant forming part of the **contract works** at the **contract site**, provided that:

- a) the testing and commissioning period does not exceed 14 days for any single item of plant, unless a different period is specified in the **schedule**, and
- b) the machinery is not second-hand, prototypical and/or experimental.

'What we won't cover' clause 4.5(i) (Types of damage not covered) does not apply to this cover.

### 3.7 Practical completion extension cover

**We** will cover **damage** to the **property insured** occurring within the period up to 30 days following **practical completion** of the **contract** or issuance of the Code of Compliance Certificate, whichever is the sooner.

This extension will not cover **damage** if it is insured to any extent under any other insurance **policy**, and **we** will not contribute towards any claim under any other insurance **policy**.

## Section 4. What we won't cover

These exclusions apply to all sections of this **policy**, including the cover provided in the additional policy benefits and the optional policy benefits, unless this **policy** expressly states otherwise.

### 4.1 Existing structures

This **policy** does not cover **damage** to any **existing structures** unless **existing structures** is specified as applying in the **schedule**.

### 4.2 Second-hand plant and machinery

This **policy** does not cover **damage** to any previously used and/or operated, or second-hand, plant or machinery unless specifically agreed to by **us** prior to the **damage**.

### 4.3 Consequential loss

This **policy** does not cover any kind of consequential loss, including loss of use, loss due to delay, loss due to non-compliance with the **contract**, loss of **contract**, lack of performance, penalties, fines, liquidated damages, aggravated, punitive or exemplary damages, or liability of any nature whatsoever.

### 4.4 Electronic data

This **policy** does not cover **damage** caused by or in connection with **electronic data or software**, being facts, concepts or information converted to a useable form for communications, display, distribution, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment.

### 4.5 Types of damage not covered

This **policy** does not cover **damage** caused directly or indirectly by:

- a) **gradual damage**.
- b) a change in artificially controlled temperature or atmosphere.
- c) spontaneous combustion or fermentation. This exclusion only applies to that part of the **property insured** directly affected. It does not apply to any resultant **damage** to separate parts of the **property insured**.
- d) unexplained disappearances; shortages revealed only by the taking of an inventory; and shortages resulting from clerical or accounting errors.
- e) marring or scratching of surfaces whilst being cleaned.
- f) theft or fraud by **you** or **your** employee(s).
- g) exposure to weather conditions unless reasonable precautions have been taken to protect the **property insured** from those conditions.
- h) erosion, settling, cracking or movement of the land unless caused by landslip or subsidence, normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements.
- i) the operation, or mechanical or electrical failure, derangement, breakdown, or pressure explosion to any mechanical or electrical items incorporated in the **contract works**.
- j) the use, consumption, storage or manufacture of any **controlled drug**.

### 4.6 Cessation of work

This **policy** does not cover **damage** caused directly or indirectly by or in any way connected with cessation of work the **contract site**, whether total or partial, which exceeds 90 days in duration unless **we** confirm acceptance of cover in writing prior to work ceasing.

#### 4.7 Money

This **policy** does not cover **damage** to **money**.

#### 4.8 Occupation

This **policy** does not cover **damage** caused as a result of the total or partial occupation of the **contract site** by the **principal** or anyone else with the **principal's** authority unless **we** confirm acceptance of cover in writing prior to occupation.

#### 4.9 Seismic strengthening

This **policy** does not cover additional costs incurred for seismic strengthening to the **contract works** (and/or any **existing structures** if **existing structures** are specified as applying in the **schedule**), to a level greater than its level prior to the **damage** occurring.

#### 4.10 Workmanship and design

This **policy** does not cover **damage** caused directly or indirectly by erroneous or defective design, erroneous or defective plan, erroneous or defective specification, erroneous or defective materials or erroneous or defective workmanship.

This exclusion applies only to that part of the **contract works** directly affected.

For the purpose of the **policy** and not merely this exclusion, the **contract works** shall not be regarded as lost or **damaged** solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in the **contract works** or any part thereof.

#### 4.11 Governmental actions

This **policy** does not insure **damage** directly or indirectly caused by or in any way connected with confiscation, nationalisation or requisition by the order of any Government or local authority unless the order is given to control any immediate and imminent threat of **damage** provided that the **damage** would be covered by this **policy** if it did occur.

#### 4.12 Natural disaster

This **policy** does not cover **damage** caused by or in connection with **natural disaster** unless the optional policy benefit '3.1 Natural disaster' is shown as applying in the **schedule**.

#### 4.13 Nuclear risks

This **policy** does not insure **damage** caused by:

- a) ionising radiation or contamination by radioactivity from:
  - (i) any nuclear fuel;
  - (ii) any nuclear waste from the combustion or fission of nuclear fuel;
- b) nuclear weapons materials.

#### 4.14 Pollution

This **policy** does not cover **damage** caused by or in connection with seepage, pollution or contamination, except if the seepage, pollution or contamination results from a sudden, unexpected and unintended accidental **event** that would give rise to a valid claim under this **policy**.

#### 4.15 Terrorism

This **policy** does not insure **damage** caused by or in connection with controlling, preventing, suppressing, retaliating against or responding to an act of terrorism.

For the purpose of this exclusion, 'act of terrorism' means an act including but not limited to the use or threat of force or violence by any person or group(s) of persons, whether acting alone or on behalf of or, in connection with any organisation(s) or government(s) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

#### 4.16 War

This **policy** does not insure **damage** resulting from or directly or indirectly caused by or arising in connection with: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, martial law, military rising, mutiny, rebellion revolution, insurrection, military or usurped power.

#### 4.17 Land

This **policy** does not cover **damage** to land unless the optional policy benefit '3.5 Land' is shown as applying in the **schedule**.

# Section 5. Our terms and conditions

## 5.1 Compliance with policy terms

**You** must comply with the terms of this **policy** at all times.

## 5.2 Breach of any condition

If **you**, or any other person or entity **we** cover under this **policy**, or anyone acting on **your** behalf, breaches any of the terms of this **policy**, **we** may decline **your** claim either in whole or in part, and/or declare either this **policy** or all insurance **you** have with **us** to be of no effect and to no longer exist.

## 5.3 Alteration of Risk

**You** must immediately notify **us** in writing, if at any time there is any material alteration of risk to the **property insured**.

If **you** fail to tell **us** of a change in the risk, **we** may declare this **policy** unenforceable and/or decline any subsequent claim either in whole or in part.

Upon receipt of written notification of alteration of risk, **we** will be entitled to (including retrospectively to the date of change) cancel the **policy**, change the terms of the **policy** or charge an additional premium.

## 5.4 Cancellation

- a) **You** may cancel this **policy** at any time by giving notice to **us** unless **you** have made a claim for a **total loss**. **We** will refund to **you** on a pro rata basis the amount of the unexpired premium already paid, subject to any applicable minimum premium.
- b) **We** may cancel this **policy** after sending at least thirty (30) days' notice to **you**, in accordance with 'Our terms and conditions' clause 5.17 (Notices by us). **We** will refund on a pro rata basis the amount of any unexpired premium already paid.

Regardless of cancellation or non-renewal of this **policy**, cover shall continue for all **contracts** where cover under this **policy** has commenced prior to the date of cancellation or non-renewal until expiry of any **defects liability period**, provided that:

- > all such **contracts** where cover is to continue shall be declared to **us** at the time of cancellation or non-renewal of this **policy**, and
- > **you** shall pay any premium adjustments required and any additional statutory charges required by **us**.

## 5.5 Reasonable care

**You** must take reasonable care at all times to prevent **damage** to the **property insured**. **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

**You** will at **your** own expense take all reasonable precautions to prevent **damage** and comply with statutory requirements and manufacturers' recommendations.

## 5.6 Change of terms

**We** may change the terms of this **policy** or cancel it. **We** will email **you** either at **your** last known email address, or to **your** insurance broker's email address if **we** change the terms of this **policy**. The change(s) will take effect 14 days after the date of **our** email.

## 5.7 No assignment

Unless **you** have **our** written consent, **you** must not assign or transfer to anyone else this **policy**, **your** interest in this **policy**, the benefit of any claim **you** have made, or any claim payments made under this **policy**.

## 5.8 Fraud and misstatements

If **you** make any claim which:

- a) is fraudulent or exaggerated in any respect, or
- b) is supported by any incorrect or incomplete statements made by **you**, or someone on **your** behalf,

**we** will decline **your** claim and/or declare either this **policy** or all insurance **you** have with **us** to be of no effect and to no longer exist.

## 5.9 Claims obligations

As soon as **you** are aware of any **event** or circumstance that might give rise to a claim under this **policy**, **you** must:

- a) immediately notify **us** indicating the nature of **damage**; and
- b) take prompt steps to minimise the **damage** and to protect the **property insured** from additional **damage**; and
- c) preserve those parts of the **property insured** affected and make them available for inspection by **our** representative; and
- d) provide **us** with all information and documentary evidence **we** may require; and
- e) lay a complaint with the police if **you** suspect criminal activity.

Once **you** have provided **us** with notice in accordance with this condition, **we**, or **our** representative, will advise **you** either to complete the repairs or reinstatement (if only minor **damage**) or allow for inspection of the **damage**.

If **you** are advised to complete the repairs or reinstatement, **you** must do so without delay.

If **you** are advised to allow for inspection of the **damage**, **you** must allow **us**, or **our** representative, an opportunity to inspect the **damage** before any repairs or reinstatement is effected.

**We** will not cover **you** for **damage** which is not repaired or reinstated without delay in accordance with this condition.

## 5.10 Comply with directions

**You** must at **your** expense comply with all directions that **we** give **you** to prevent loss or to repair or reinstate **damage**.

## 5.11 Currency

Any amounts shown in this **policy** are in New Zealand dollars.

## 5.12 Goods and Services Tax (GST)

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985 all sums insured and sub-limits exclude GST. GST will be added, where applicable, to claim payments.

## 5.13 Hot work

If **you** carry out **hot work** **you** must;

- a) comply with the 'New Zealand Standard 4781:1973 Code of practice for safety in welding and cutting' or any substitute; and
- b) comply with the conditions of any specific **hot work** permit.

## 5.14 Inspection

**We** are entitled to inspect the **contract site** or any offsite storage at any time subject to **us** providing **you** with reasonable notice of such inspection.

### 5.15 Laws and Acts that govern this policy

The law of New Zealand applies to this **policy** and the New Zealand Courts have exclusive jurisdiction.

### 5.16 Misdescription

This **policy** is based on your correct and complete description of the **contract** and facts relating to the **property insured**.

**We** will not cover **you** for any claim arising out of any misdescription or misrepresentation and may declare this **policy** or all insurance **you** have with **us** to be of no effect and to no longer exist.

### 5.17 Notices by us

- a) Any notice given in writing by **us** to the first named insured in the **schedule**, or to the broker through which **you** arranged this **policy** with **us**, will be deemed to be notice to each insured.
- b) Any notices by **us** may be affected by sending an email or letter to **your** last known contact address.
- c) Any such notice will be deemed to have been received, if sent by email, at the time of transmission, and if sent by post, five business days after the date of posting.

### 5.18 Other insurance

**You** must notify **us** as soon as **you** know of any other insurance **policy** that covers **you** for any of the risks covered under this **policy**.

This **policy** does not cover **you** for **damage** or liability if it is insured to any extent under any other insurance **policy**. **We** will pay the amount of any **damage** in excess of that recoverable under the other insurance **policy**.

### 5.19 Reinstatement of amount of insurance

When an **event** occurs that results in a claim under this **policy**, the **total sum insured** shall automatically and immediately reduce by the amount **we** ultimately have to pay for the claim. The reduced **total sum insured** will be automatically reinstated from the date the **property insured** has been fully repaired, replaced or reinstated.

**You** must pay **us** the further premium required by **us** for the reinstated cover.

However, if the claim is for **natural disaster damage**, there will be no automatic reinstatement of the **total sum insured** unless specifically agreed in writing by **us**.

### 5.20 Subrogation

Once **we** have accepted any part of **your** claim under this **policy**, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery, **we** will include **your** excess and any other uninsured losses suffered by **you**. Where **we** do this, **you** must pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

### 5.21 Severally insured

Where **you** are comprised of more than one person or entity as named on the **schedule**, the term '**you**' will be considered as applying to each person or entity separately (as though a separate insurance **policy** had been issued to each person).

The maximum combined amount **we** will pay to all parties, is the amount stated in each part of this **policy** for any **event**. Nothing in this condition will increase **our** liability over and above the **total sum insured**.



# What happens if you need to claim

When you need to make a claim, we'll be here to help you. However, there are some things that you must do.

## What you must do

If you become aware of a claim against or a circumstance that could give rise to a claim against you which is or could be covered you must:

> immediately provide written notice to:

Ando Insurance Group Limited  
e [claims@ando.co.nz](mailto:claims@ando.co.nz)

- > take all reasonable steps to prevent further loss;
- > as soon as possible, send us everything you receive from anyone about the claim or possible claim against you;
- > not admit liability without our consent;
- > not incur any expense without our consent;
- > not negotiate with the claimant or make payment to the claimant or make any agreement in relation to any claim.

If you make a claim on this policy, you must be honest and truthful.

If your claim is dishonest or fraudulent in any way, we may:

- > decline your whole claim or part of it, and/or
- > recover from you anything that we have already paid you in respect of your claim or the event, and/or
- > declare that this policy and any other policy you have with us, to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

# Definitions

## Actual value

The cost of the **property insured** as at the time immediately before **damage**, less any salvage.

## Contract

The **contract** between the **principal** and **contractor** to perform the **contract works** at the **contract site**.

## Contract price

The value of the **contract works** as specified in the **schedule**.

## Contract site

The address or site stated in the **schedule** at which the **contract works** are to be performed.

## Contract works

All permanent and temporary works to be executed at the **contract site** in performance of the **contract** including **principal supplied materials** but this does not include site huts, portaloo's, hoardings, signs, scaffolding, reusable formwork or false work.

## Contractor

The main **contractor** named in the **schedule**, and any named subcontractors specified in the **contract**, contracted to complete the **contract works** under the **contract**.

## Controlled drug

As defined in the Misuse of Drugs Act 1975.

## Damage

Sudden, unexpected and unintended physical loss of or physical **damage** to **property insured** but not including **gradual damage** or any loss or **damage** arising out of a defect in design, plan, specification, materials or workmanship.

## Defects liability period

The period commencing at **practical completion** of the **contract works** and up to but not exceeding the maintenance or **defects liability period** specified in the **contract** documents or the period shown in the **schedule**, whichever is the earlier.

## Electronic data or software

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

## Event

Any one **event** or series of **events** arising from one source or original cause.

## Existing structures

Structures and/or property which existed at the **contract site** prior to the commencement of the **contract works**.

## Gradual damage

**Damage** directly or indirectly caused by:

- > fumes, gas, dust, smoke or soot (unless caused by a sudden single identifiable **event**); or
- > corrosion, rust, rot, mould, mildew, fungi, action of micro-organisms, vermin or pests; or
- > wear and tear, deterioration due to lack of use, slowly developing deformation or distortion, aesthetic defects, the inherent nature of the property, or the action of light; or
- > any other gradually operating cause or gradual deterioration.

## Hot work

Any work involving:

- > the application of heat, a naked flame or open heat source; or work that produces sparks; or
- > cutting involving the use of rotary disc or grinding equipment; or
- > the use of gas welding, arc welding, oxyacetylene welding equipment including cutting with such equipment; or
- > soldering, brazing, or the use of heat guns.

## Money

Bills, bonds, cash, cheques, credit cards, vouchers, deeds, evidence(s) of debt, promissory notes, securities, stamps or **money** of any other type.

## Natural disaster

**Damage** that results directly or indirectly from earthquake, subterranean fire, volcanic activity, tsunami, geothermal activity, hydrothermal activity or fire caused by any of these.

## Plans and drawings

Plans, drawings, specifications and other related site documents prepared for the completion of the **contract**.

## Policy

The insurance **contract** which consists of any information **you** have provided in **your** application for insurance, this **policy** document, any endorsements or warranties that **we** apply to **your policy** and the **schedule**.

## Practical completion

- > The time a **practical completion** certificate is issued, or
- > The time the **contract works** are occupied, taken over or put into use by the **principal** or anyone authorised or acting on behalf of the **principal**;
- > The time when everything has been done to execute the **contract works** except for minor omissions and defects which do not prevent the **contract works** from being used for its intended purpose,

whichever is the earliest.

## Principal

The owner of the **contract works** who awarded the **contract** to the **contractor** and is noted as **principal** in the **schedule**.

## Principal supplied materials

Material or goods to be included in the work performed under the **contract** which are not included in the **contract price** but which have been supplied by the **principal** to the **contractor**.

## Property insured

The **contract works** and, if **you** have elected to take any optional policy benefits, and they are specified as applying in the **schedule**, the cover provided by the optional policy benefits.

## Regulation

Any Act of Parliament or **regulation** made under or framed in accordance with any Act of Parliament, or **regulation** or bylaw of any local authority.

## Schedule

The current version of the **schedule** issued by **us** for this **policy**.

## Total loss

**Damage** which in **our** opinion cannot be economically repaired due to the cost of repair exceeding the **total sum insured**.

## Total sum insured

The total amount for which the **contract** is insured under this **policy**, as shown in the **schedule**. All benefits payable under the additional policy benefits and the optional policy benefits are included in, not in addition to, the **total sum insured**. The **total sum insured** is the maximum amount **we** will pay under this **policy** for all claims for **damage**.

## We, us, our

Ando Insurance Group Limited on behalf of the underwriter(s) noted in the **schedule**.

## You, your

The entities insured under this **policy** including the **principal** and the **contractor**.

**cactus**

