

# Protecting Your Income!

Preferred Policy



REAL Landlord  
Insurance for REAL  
Property Managers

# LANDLORD PREFERRED POLICY

CONTENTS	PAGE
<b>Introduction</b>	<b>2</b>
If You Have Not Yet Arranged Cover	3
After You Have Applied For This Insurance	3
Important Information & Provisions	4
Definitions	5
General Policy Conditions	9
<b>Section 1 – Rent</b>	<b>11</b>
Insured Events	11
Basis On Which Claims Are Paid	13
Conditions Applicable To This Section	13
<b>Section 2 – Contents</b>	<b>14</b>
Insured Events	15
Exclusions To This Section	16
Basis On Which Claims Are Paid	17
Conditions Applicable To This Section	18
Additional Benefits	18
<b>Section 3 – Building (Limited Cover Only)</b>	<b>20</b>
Definition	20
Insured Events	21
Basis On Which Claims Are Paid	21
Conditions Applicable To This Section	21
<b>Section 4 – Liability To Others</b>	<b>22</b>
Insured Events	22
Exclusions To This Section	22
<b>General Exclusions</b>	<b>24</b>
<b>Making A Claim</b>	<b>27</b>
<b>Claims</b>	<b>28</b>

## WELCOME TO REAL LANDLORD INSURANCE NZ LTD

This policy booklet contains all of the insurance cover available under your Landlord Preferred Policy.

It is divided into 4 Sections for your convenience. Each Section provides a different type of cover, but you will be automatically covered for each.

The registered address of Real Landlord Insurance NZ Ltd is PO Box 1167, Whangarei.

If effecting this insurance, Real Landlord Insurance NZ Ltd, is acting under an authority given to it by NZI, a business division of IAG New Zealand Limited.

## ABOUT REAL LANDLORD INSURANCE NZ LTD

Real Landlord Insurance NZ Ltd (formerly known as Terri Scheer Insurance Ltd) was established in New Zealand in 2004 as the New Zealand branch of Terri Scheer Insurance Brokers.

In October 2006 Diane Nelson obtained the business and has continued to provide the landlord preferred policy. The Company is unique in that it is the only insurance brokerage in New Zealand to specialise solely in landlord insurances.

Recognising that insurance can be confusing, REAL Landlord Insurance NZ Ltd has a product that is easy to use and understand plus they provide personalised training for real estate agents using their policies, to ensure the best possible results for their landlords.

Visit our website: [www.rlinz.co.nz](http://www.rlinz.co.nz)

## HEADINGS

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

## DEFINITIONS

Certain words in this policy, shown in **bold**, have a specific meaning, listed later in the policy. The definitions also apply to the plural and derivatives of the words.

## IF YOU HAVE NOT YET ARRANGED COVER

Before taking out this **policy** please read it carefully and make sure that **you** are satisfied with the coverage and conditions. If **you** wish to take out this **policy**, please apply directly to **your property manager** who will arrange cover on **your** behalf with **REAL Landlord Insurance NZ Ltd**.

## AFTER YOU HAVE APPLIED FOR THIS INSURANCE

Please keep the **policy** in a safe place so that **you** can read it when **you** wish to.

Unless **you** have arranged for an interim contract, the cover will only begin when the agent or **we** have received and accepted an application from **you** and **you** have paid the premium due.

After cover begins **we** will send **you** a **certificate of insurance**. When **you** receive this and future certificates of insurance, please keep them with **your policy**.

# IMPORTANT INFORMATION & PROVISIONS

## 1. Information About Your Policy

This **policy** is divided into four Sections:

Section 1 – Rent and Legal Expenses

Section 2 – Contents

Section 3 – Building, (Limited Cover)

Section 4 – Liability to Others

This **policy** wording and the current **certificate of insurance** are the insurance contract between **you** and **us**. They tell **you** what **you** are covered for, the amounts **you** are covered for and what **you** are NOT covered for.

## 2. Please Check Certificate Of Insurance Details

Please check that the **certificate of insurance** accurately states **your** name and the **property** that **you** have insured. Tell **your property manager** immediately if any change is required.

## 3. Your Duty of Disclosure

The law requires **you** to tell **us** everything **you** know (or could reasonably be expected to know in the circumstances) which a prudent underwriter would want to take into account in deciding whether to insure **you** and on what terms on which **we** insure **you**. This duty applies before **you** enter into a contract with **us**, that is, before **we** accept **your** proposal and also each time before **you** alter or renew the **policy**. Each person named as the insured has the same duty.

**You don't need to tell us anything which:**

- reduces the risk, or
- is common knowledge, or
- **we** already know, or ought to know in the ordinary course of **our** business, or
- **we** indicate **we** do not want to know.

If **you** are not sure that something is relevant, it is best to disclose it anyway.

## 4. Cancellation

**You** may cancel this **policy** at any time by requesting cancellation in writing. When the **policy** is cancelled,

any refund of premium due will be paid to **you**. However, when **you** cancel the **policy we** reserve the right to charge short-term premium for the period **we** have insured **you**.

## 5. Preventing our Right of Recovery

If **you** have agreed not to seek compensation from another person who is liable to compensate **you** for any loss, damage or liability that is covered by this policy, **we** will not cover **you** under this policy for that loss, damage or liability.

## 6. Goods & Services Tax

Where **we** pay a claim and **you** are liable to pay an amount for GST in respect of goods or services relevant to that claim, **we** will cover **you** for the cost of that GST. **We** will pay this amount in addition to the sum insured/the limit of indemnity shown in the certificate of this policy. If **your** sum insured/limit of indemnity is not sufficient to cover **your** loss, **we** will only pay GST that related to the proportion of **your loss** that **we** pay.

## DEFINITIONS

**accident/accidental** means unexpected and unintended by **you**.

**above ground pool** means a pool which has most of its water volume above the average ground level.

**absconding** means the **tenant** vacating the **property** without having given the notice required under the lease. It includes a **tenant** breaching the lease terms by not satisfying any legal obligations such as payment for reletting, advertising and **rent**.

**Act** means the Residential Tenancies Act 1986.

**act of terrorism** an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s), whether acting alone or on behalf of or in connection with any organisation(s) or government(s) that from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**arrears** means the **rent** which was not paid in full by the due date. However, for the purpose of general **policy**

condition 10, it means the **rent** was not paid in full by at least the 10th day after the due date.

**bond monies** means those monies paid by the **tenant** and held as security against damage or outstanding **rent**.

**building** is defined in Section 3 – Building, (Limited Cover) of this **policy**.

**certificate of insurance** means the current attachment to the **policy** that specifies the **policy** number, **your** name, the agent, the **period of insurance**, the **policy** covers, the **situation** of the **property** insured, the **maximum amount** and the **excesses** payable.

**computer virus** a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to trojan horses, worms and time or logic bombs.

**contents** is defined in Section 2 – Contents of this **policy**.

**electronic data** facts, concepts and information converted to a form usable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

**excess** means the first amount of any claim which **you** contribute. **We** will deduct the amount of the **excess** before the application of the maximum sum insured limits.

**flood** means the inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir.

**in-ground swimming pool** is a pool which has most of its water volume below the average ground level.

**legal expenses** any of these if they arise from legal action threatened or taken against **you** in connection with the liability:

- a. the reasonable cost of professional legal advice or representation to defend the action;
- b. costs or expenses awarded against **you** following legal proceedings.

If **you** are told that **you** are being held responsible for the results of any **accident we** must be told immediately.

Contact **us** before **you** obtain or agree to pay for any legal advice.

**loss** physical loss or physical damage.

**malicious damage** means deliberate and wilful damage caused by any person(s), committed on the **property**, but does not mean damage caused by untidy, unclean or unhygienic living habits, lack of care, failure to control children or domestic pets, nor **accidental** damage.

**maximum amount** means the maximum **we** will pay (inclusive of all **legal expenses**) for any one occurrence arising from an insured event.

**occurrence** includes continuous or repeated exposure to substantially the same general conditions. **We** regard all death, bodily injury or **loss** of or damage to **property** arising from the original source or cause as one occurrence.

**open air** means:

- in or under any part of the **property** which is not fully enclosed by walls and a roof, such as a veranda, carport, gazebo or outdoor living area within the land boundaries.
- in or on a motor vehicle, motor cycle, trailer or caravan, whether those vehicles are locked or not. **Open air** does not mean in common or shared areas of home units, flats, villas and the like.

**period of insurance** is the period during which this **policy** provides cover, as stated in the **certificate of insurance**.

**policy** means this document and the current **certificate of insurance**.

**property** means the residential property and its **contents** owned by **you**, for use by the **tenant**, as specified in the **certificate of insurance**.

**property manager** means the real estate management company named in the **certificate of insurance** acting as the manager of **your property** who has effected this insurance on **your** behalf.

**rainwater** means rain which falls naturally from the sky. It includes rainwater run-off over the surface of the land but not flood.

**re-letting expenses** means re-letting expenses as specified in the current lease agreement for **your property** that the **tenant** is responsible for.



**rent** means rent applying under the lease at the time of **loss** or damage.

**situation** is the address at which the **property** is located.

**storm** means violent wind, cyclone or tornado which may also include rain, hail or snow.

**storm surge** means a rise in the sea level due to the meteorological conditions above the predicted astronomical tide level of a particular day.

**tenant(s)** means the person or persons named in the current lease to rent the **property**.

**tenant's family** means these people if they normally reside in the **property** – the **tenant's** spouse (legal or defacto), or partner, parents, parents-in-law, siblings or siblings of the **tenant's** spouse, children or the children of the **tenant's** spouse.

**tenantable** means the **property** could be reasonably and safely re-let in its current condition without adversely affecting the amount of **rent** being sought.

**tsunami** means a sea wave caused by a disturbance of the ocean floor or by seismic movement.

**uninhabited** means that in the 90 day period before **loss** or damage no person resided in the insured **building** overnight on at least one occasion.

**untenantable** means the agent could not reasonably attempt to re-let the **property** until **loss** or damage, has been repaired, replaced or reinstated but does not include periods of elective maintenance or improvement.

**watercraft** means any vessel, machine or object designed to be used on or in water.

**we/our/us** means the underwriter, NZI a business division of IAG New Zealand Limited.

**you/your** means the person, persons or company named in the **certificate of insurance** as the insured.

**your family** means these people if they normally reside in **your** home – **your** spouse (legal or defacto) or partner, parents, parents-in-law, siblings, children and the children of **your** spouse.

# GENERAL POLICY CONDITIONS

## 1. Fraudulent Claims and Deliberate Damage

If **you**, or someone acting on behalf of **you**, make a fraudulent claim or cause **loss** or damage deliberately, **we** may:

- refuse to pay a claim or reduce the amount **we** pay; or
- cancel this **policy**; or
- take legal action against **you**.

## 2. Uninhabited Properties

The policy will not provide Section 2 – Contents or Section 3 – Building, (Limited Cover only) when the **property** is uninhabited (see definition of uninhabited on this page) unless **you** obtain our prior written agreement to provide the cover.

## 3. Legal Action and Negotiations

**We** may refuse to pay any claim if **you** make any admission, settle or attempt to settle, or defend any claims without our prior agreement in writing.

**We** also have the right to:

- make admissions, settle or defend claims on **your** behalf; and
- take legal action in **your** name against another person, partnership or company to recover any payment **we** have made for a claim. **We** will do this at our own expense. **You** are required to provide **us** with reasonable assistance in **our** endeavours to prosecute or settle any such action; and
- obtain **your** full assistance in the prosecution or settlement of any such action.

If **we** make any recovery **you** may recover from **us** any amount that exceeds the amount of **our** legal, adjusting and investigative expenses and the amount paid to **you** by **us** in relation to the **loss**, until **you** are fully indemnified for **your** loss.

## 4. Evidence of Value and Proof of Ownership

It is important that **you** retain evidence of the value and ownership of all property/items covered by this **policy**. These may include receipts, valuations, photographs, warranties, instruction manuals and the like. **We** will

usually insist on seeing evidence of value and/or proof of ownership before **we** pay a claim.

## 5. Inspection and Salvage

If **you** make a claim **we** may inspect the property/item. While **we** are under no obligation to take possession of insured damaged property/item, **we** reserve the right to do this when **we** wish to.

## 6. Other Important Obligations

**You** must:

- take reasonable care to avoid the risk of injury to **tenants** and others;
- ensure that **your property** does not have defects that may cause injury to any person at the time a **tenant** takes possession or that such defects identified at any other time are rectified immediately that they are brought to **your** attention;
- maintain the **property** in a good state of repair;
- ensure that all **building**, maintenance or repairs to the **property** are undertaken by appropriately licensed and qualified person(s); comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or **property**.

If **you** do not comply with these obligations and **loss**, damage, death or bodily injury occurs **we** may reduce or refuse to pay a claim, to the extent **your** noncompliance caused or contributed towards this.

## 7. Advice to Your Property Manager

Any notification, advice or discovery made to or by **your property manager** is considered to have been made to or by **you**.

## 8. Actions by Your Property Manager

Any action taken or that should have been taken by **your property manager** is considered to be an act or omission by **you**.

## 9. Contribution/Other Insurance

If at the time of any claim under this **policy you** have other insurance covering **you** for the same **loss**, damage or liability, **we** will only pay in excess of that other insurance. **You** must give **us** all information and assistance **we** may reasonably require.

## 10. Arrears

When cover is not placed at the beginning of the tenancy the following condition applies: If at any time during the two calendar months prior to cover being requested, the **tenants** rental payments were in **arrears** for 10 days or more, excluding statutory holidays, then **we** will only provide cover under Section 2 – Contents (but excluding **malicious damage**) and Section 4 Legal Liability of this **policy** until such time as the **tenant** has maintained rental payments for two consecutive months without again falling into **arrears** of more than 10 days at any time.

## 11. Application of Excesses

If **loss** or damage results from more than one insured event, then the **excesses** that apply under each applicable section of the **policy** will apply separately. If a single insured event results in a claim under more than one section of this **policy** then only one **excess** will apply and that will be the largest amount applicable to any section under which a claim is made.

## 12. Malicious Damage

**Malicious damage** occurring at the end of a tenancy will be considered to be one event and subject to one **excess**.

# SECTION 1 – RENT

## INSURED EVENTS

### What you are covered for

If any of the following events occur during the **period of insurance** and **your property** becomes **untenantable** **we** will pay **your** loss of **rent**:

**We** will not pay more than **you** would be legally entitled to recover from the **tenant** due to non compliance with the tenancy requirements.

The maximum weekly **rent** recoverable under this **policy** is \$1,000 unless otherwise agreed by **us** and additional premium is paid.

### 1. Where your property becomes untenable for a minimum period of 7 days:

- because of **loss** or damage to **your building** and/or **contents** caused by the insured event of **malicious damage**, by **your tenants** or their family or **your tenants'** guests

**We** will pay **your** loss of **rent** for a period of 52 weeks or until **your property** becomes **tenantable**, whichever is the lesser; or

- because of murder or suicide or attempted murder or suicide at the **property**. **We** will pay **your** loss of **rent** for a period of up to 52 weeks, or until **your property** becomes **tenantable**, whichever is the lesser, allowing within this period, two weeks to re-let; or
- because **your contents** only have been damaged by any of the other insured events covered by Section 2 of this **policy**. **We** will pay **your** loss of **rent** for a period of up to 6 weeks or until **your property** becomes **tenantable**, whichever is the lesser.

## **2. Due to the tenant absconding from the property:**

**We** will pay **your** loss of **rent** for a period of up to 6 weeks or until **your** property is re-let, whichever is the lesser. **We** will not pay more than **you** would be **legally** entitled to recover from the **tenant** due to non compliance with the tenancy requirements.

## **3. Due to default of payment of rent by the tenant:**

**We** will pay **your** loss of **rent**:

- for a period of up to 6 weeks if the **tenant** vacates **your property** after receiving a notice under section 56(1)(b)(i) of the **Act** without the need for an order by the Tribunal terminating the tenancy, or
- for a period of up to 14 weeks if an order of the Tribunal terminating the tenancy is required in order to obtain vacant possession of **your property**, or
- until **your property** is re-let, whichever occurs first.

**We** will not pay more than **you** would be **legally** entitled to recover from the **tenant** due to non compliance with the tenancy requirements.

## **4. Due to prevention of access:**

- to **your property** following damage to it or other **property** in its immediate vicinity caused by any of the insured events listed in Section 2 of this **policy** (except **malicious damage**). **We** will pay **your** loss of **rent** for a period of up to 52 weeks.

## **5. Failure to surrender vacant possession:**

- to **your property** where the **tenant** has refused to pay **rent** and has resisted all attempts by **you** or **your**

agents to gain vacant possession following service of the Tribunal order for possession or eviction.

**We** will pay **your** loss of **rent** for a period of up to 18 weeks.

**We** will not pay more than **you** would be **legally** entitled to recover from the **tenant** due to non compliance with the tenancy requirements.

**6. Due to the death of the tenant under a sole tenancy:**

**We** will pay **your** loss of **rent** for a period of up to 6 weeks or until the **property** is re-let, whichever is the earlier.

**7. Due to a court awarding a tenant a release from a fixed term lease obligation over and above the bond due to hardship:**

**We** will pay **your** loss of **rent** for a period of up to 4 weeks or until the **property** is re-let, whichever is the earlier.

## **BASIS ON WHICH CLAIMS ARE PAID**

### **Bond Monies**

All loss of **rent** claims are subject to a 7 day **excess**. When a claim is paid for loss of **rent**, **bond monies** will not be taken into account and remain for the benefit of the insured (or his or her **property manager**) to cover reletting expenses.

**We** will not pay more than **you** would be **legally** entitled to recover from the **tenant** due to non compliance with the tenancy requirements.

### **Premium Reinstatement**

If there is more than one claim in a **policy** period the underwriter at their option may require a reinstatement premium, equivalent to a full annual premium.

### **Excess**

All loss of **rent** claims are subject to a 7 day **excess**. The **excess** will be deducted from the amount of the loss of **rent** for each claims event.

## **CONDITIONS APPLICABLE TO THIS SECTION**

### **1. Failure to take steps**

If **you** or **your property manager** fails to take steps available to **you** under the **Act** without good reason, then the **policy** will not pay for **arrears** that have accrued up to the time the **tenant** departs the **property**.

## 2. Reasonable steps to repair and re-let

**You** or **your property manager** must demonstrate that all reasonable steps have been taken to repair and relet the **property** as soon as possible after the departure of the **tenant** or damage is discovered. If **you** fail to do so **we** will commence the loss of **rent** claim from the point in time that it would have been reasonable to have repaired any damage and attempted to re-let the **property**.

## 3. Claims for more than one insured event

Where a claim is possible under more than one of the insured events above, **you** may only claim under one of those events.

# SECTION 2 – CONTENTS

## DEFINITION

**Contents** Means:

- household goods and appliances, household furnishings, curtains, carpets, rugs, internal blinds, light fittings, manchester and linen.
- **above ground pools** and portable spas (including their fixed accessories); as defined in the **property** condition report or inventory, owned by **you** (or for which **you** are legally responsible) and that **you** provide specifically for the use of the **tenant**.

## **Contents does not include**

- computers, **electronic data**, computer tapes, or discs;
- photographic equipment, images on films, negatives or photographs;
- tools of trade, commercial or retail stock;
- pets, animals, birds, reptiles or insects;
- plants, hedges, trees or shrubs, except those in pots or tubs;
- soil or bark (mulch), gravel, stones, shale or clay on or in paths, gardens, driveways or tennis courts;
- any **property** which is illegally in **your** possession;
- clothing, jewellery, furs, watches or other personal effects;
- cash, coins, transaction cards or any other negotiable instruments;
- unset precious stones;

- antiques (except furniture);
- gold or silver objects or furnishings of any kind;
- sporting goods or equipment;
- stamps, coins or medals;
- wills, share certificates, manuscripts, plans and documents of any kind;
- pictures or works of art valued at more than \$200 each item;
- hand woven rugs or hand woven carpets;
- **watercraft**, bicycles, wheel chairs, motor vehicles, trailers, caravans, motorised toys,
- motor cycles, all-terrain vehicles, aircraft, or contents stored in any of these;
- accessories or spare parts of **watercraft**, bicycles, wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, allterrain vehicles or aircraft;
- **property** whilst in storage in the residence or stored anywhere else in New Zealand;
- goods contained within the **property** which are owned by **you** but not intended by **you** to be used by the **tenant**.

## INSURED EVENTS

### What the contents are covered for

**Your contents** are insured while they are inside the **property** for the **loss** or damage which occurs during the **period of insurance** and is caused by any of the following insured events:

1. **Fire or explosion**
2. **Lightning** striking the **property** and power surge damage caused by lightning striking power supplies away from the **property**, but only when **you** can show **us** reasonable meteorological evidence that lightning was the most likely causes of power surge.
3. **Riot or civil commotion**
4. **Malicious damage** carried out by persons including **your tenant's** or their family or **your tenant's** guests.
5. **Theft or damage** due to theft carried out by persons including **your tenant's** or their family or **your tenant's** guests.



- 6. Water damage** caused by bursting, leaking or overflowing of water from:
- **rainwater** pipes, roof guttering and drains;
  - water tanks, aquariums and hot water systems;
  - roads, pathways, gutters; and other parts of the **property** which are designed to contain or carry water or liquid, such as sinks, basins, baths, cisterns and washing machines but excluding **loss** or damage caused as a result of the gradual escape of liquid over a period of time. For the purpose of this event, effluent or soil mixed with leaking water will be regarded as water damage.
- 7. Leakage of oil from any heater**
- 8. Accidental breakage of glass** in free standing furniture such as table tops, dressing table mirrors, wall units.
- 9. Impact by:**
- motor vehicles or **watercraft**; or
  - aircraft, space debris or satellites; or
  - falling trees and branches; or
  - TV antennas, TV dishes or radio masts.
- But **we** will not pay for:
- damage caused by tree lopping or felling carried out by **you** or at **your** request; or
  - removal of the fallen tree or branch except where damage has occurred.
- 10. Storm and rainwater**

## EXCLUSIONS TO THIS SECTION

There is no cover for **loss** or damage:

- caused by the action of the sea, high water, high tide, **storm surge**, tidal wave or tsunami; or
- due to erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water, but this exclusion will not apply to the cover provided under insured events and 6. Water damage; or
- caused by wind, **rainwater**, hail or snow penetration into **your** building as a result of faulty design of **your** building or faulty workmanship in its construction; or

- caused by wind, **rainwater**, hail or snow penetrating into **your** building unless it enters as a result of structural damage made by the storm; or
- to swimming pool or spa covers or liners; or
- due to rust, corrosion, wear, tear or gradual deterioration; or
- resulting from **your** failure, or failure by **your property manager**, to maintain the **property** in a good state of repair or failure to fix a **building**; or
- due to a defect that **you** or **your property manager** was aware of or should reasonably have been aware of. Under no circumstances will **we** pay the cost of rectifying the defect itself.

## BASIS ON WHICH CLAIMS ARE PAID

When **loss** or damage is covered under this **policy we** may choose to:

- replace **contents** with new items of the same replacement value; or
- repair **contents** using new materials; or
- pay **you** the replacement value or repair cost.

If **you** ask **us** to pay **you** the amount it would cost to repair or replace, **we** will not pay **you** more than the indemnity value. Also, **we** will only pay the indemnity value for any **contents** that are over 10 years old.

### Indemnity value

for the purposes of this section means the new replacement cost less an allowance for age, wear, tear and depreciation, at the time of the **loss** or damage.

### Replacement value

for the purposes of this section means the new replacement cost of new items or materials with the same (or, if the same is not available, substantially the same) specifications from outlets within New Zealand.

### The following special conditions apply:

#### Carpets and Curtains

**We** will only pay for repair or replacement of damaged carpet or curtains in the room, hallway or passageway where damage occurs.

## Furniture Coverings

When more than 25% of the covering of an item of furniture is damaged, **we** will pay the replacement value, provided the item is less than 10 years old, if restoration or repair is unsuccessful. When less than 25% of the covering of an item of furniture is damaged, **we** will pay the indemnity value if restoration or repair is unsuccessful. If the covering of an item of furniture cannot successfully be repaired or replaced and it forms a part of a set (or suite), **we** will treat the entire set as a total loss and pay **you** the replacement or indemnity value, depending on its age and whether more or less than 25% of the covering was damaged. If **we** do, this set becomes **our** property.

## Manchester and Linen

**We** will pay **you** the indemnity value.

## CONDITIONS APPLICABLE TO THIS SECTION

### No Deduction from Bond Monies

**We** will not pay for **loss** or damage to **contents** items that could have, but were not, deducted from the **bond monies** prior to making a refund to the **tenant**.

### Premium Reinstatement

If there is more than one claim in a **policy** period the underwriter at their option may require a reinstatement premium, equivalent to a full annual premium.

### Excess

**You** must contribute the amount stated in the **certificate of insurance** for each claim under this section.

### Limit of Amount Payable

The maximum combined amount **we** will pay under Section 2 – Contents and Section 3 – Building during any one **period of insurance** is \$20,000 (twenty thousand dollars).

## ADDITIONAL BENEFITS

### Fusion

**We** will pay up to \$2,000 for the cost of repair or replacement of an electric motor of an appliance forming part of **contents** which has been burnt out by an electric current. If the motor forms part of a sealed refrigeration unit, **we** will also pay for the replacement of the unit, plus the cost of replacing gas. If the motor in a sealed

unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant (as new gas is required to be used by regulation) then **we** will only pay the cost that would have been incurred in repairing a sealed unit. If an equivalent modern day appliance is not available, then as close as possibly equivalent will be the basis of any claim. However, **you** must contribute towards the cost of replacement parts as follows:

- where the age of the motor is less than 5 years, no contribution is required;
- where the age of the motor is 5 years or more the depreciation deduction will be on a reducing balance of 8% of the cost of the replacement parts for each year of age from new.

**Your** contribution indicated above is in addition to the **excess** applicable under this section of the **policy**. **We** will not pay for:

- any electrical appliance or component which is not an electric motor;
- mechanical parts which do not carry an electric current such as a pump;
- **loss** of or damage to computer software or data stored on a computer;
- lighting or heating elements, fuses or switches of any kind;
- damage to swimming pools, spas or their water as a result of fusion;
- any amount recoverable under a manufacturer's guarantee or warranty.

### **Contents in the open air at the situation**

**We** will cover **contents** in the **open air** within the boundary of the **property**, but only as a result of insured events (4) **Malicious damage**, or (5) Theft, (subject to a limit of \$300).

## SECTION 3 – BUILDING (LIMITED COVER ONLY)

### DEFINITION

#### **Building**

means the **property** owned by **you** at the **situation** shown in the **certificate of insurance**, used principally and primarily as a residential **building**, and includes:

- domestic fixtures and fittings such as, built in air conditioners and heaters, plumbed-in dishwashers, garbage disposal systems;
- structural domestic improvements such as paths, driveways, garden borders, **your** proportion of fencing, **in-ground swimming pools** and spas (including attachments which fit into their filter systems), awnings, pergolas, TV antenna, satellite dishes and letter boxes;
- fixed floor coverings, such as linoleum, floor tiles and parquetry but NOT carpets;
- tennis courts and inclinators;
- underground services such as plumbing, sewerage, water and electrical.

**Building** does not include:

- common **property** if the **building** is part of a strata title;
- carpets or carpet underlay (these are insured under **contents**);
- any **building** or part of a **building** that is used for trade or manufacturing other than a home office or surgery;
- plants, hedges, trees or shrubs;
- soil or bark (mulch) in the gardens;
- **above-ground pools**;
- **contents** as defined in Section 2 of this **policy**;
- any jetty or other marine structure;
- caravans trailers or vehicles of any kind;
- gravel, stones, shale, or soil on paths, driveways or tennis courts.

## INSURED EVENTS

### What the building is covered for

The **building** is insured for **loss** or damage which occurs during the **period of insurance** and is caused by the following insured events:

- **Malicious damage** carried out by your **tenants** or their family or **your tenants'** guests;
- Theft or damage due to theft carried out by **your tenants** or their family or **your tenant's** guests.

## BASIS ON WHICH CLAIM IS PAID

**We** will pay **your** claim on the basis of replacement value.

Replacement value for the purpose of this section means the reasonable and necessary cost of rebuilding, replacing or repairing the **building** to a condition which is equivalent to, but not more extensive than when it was new.

However if **you** cause unreasonable delays in commencing or carrying out the rebuilding work, **you** must pay any extra costs that result from **your** delay.

**We** may choose to either:

- replace or repair any damaged materials with new materials, or
- pay the amount it would have cost to repair or replace.

If **you** ask **us** to pay cash in lieu of the amount it would cost to repair or replace, **we** will not pay **you** more than the indemnity value.

Indemnity value for the purpose of this section means the replacement cost less an allowance for the age, wear and tear and depreciation of **your building** at the time of the **loss** or damage.

## CONDITIONS APPLICABLE TO THIS SECTION

### Premium Reinstatement

If there is more than one claim in a **policy** period the underwriter at their option may require a reinstatement premium, equivalent to a full annual premium.

### Excess

**You** must contribute the amount shown in the **certificate of insurance** for each claim under this section.

## Limit of Amount Payable

The maximum combined amount **we** will pay under Section 3 – Building and Section 2 – Contents during any one **period of insurance** is \$20,000 (twenty thousand dollars).

## SECTION 4 – LIABILITY TO OTHERS

### INSURED EVENTS

This section insures **your** legal liability as the landlord and owner of the **property** in respect of an **occurrence** happening during the **period of insurance** in or about the **property** which **you** did not expect or intend to happen and which causes:

- death or bodily injury to other people; or
- damage to other people's property.

The **maximum amount we** will pay for any one claim or series of claims arising out of any occurrence is \$1,000,000.

The **maximum amount** includes all **legal expenses**:

- incurred by **us**; or
- incurred by **you** with our prior written consent; or
- which are recoverable from **you** by a claimant when our lawyer is acting on **your** behalf.

### EXCLUSIONS TO THIS SECTION

**We** will not indemnify **you** for any claim:

- In respect of death or bodily injury to **you** or **your family**;
- In respect of damage to property:
  - owned by **you**, or anyone employed by **you**; or
  - not owned by **you** but in **your** custody care and control;
- For any liability to pay benefits under any workers compensation or **accident** compensation legislation;
- For liability connected in any way with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination happens during the **period of insurance** and is caused by a sudden **accidental** event that happens during the **period of insurance**.

- For death of or bodily injury to anyone employed by **you** or someone who lives with **you** if the death or injury arises out of their employment;
- Arising under the terms of any agreement unless liability would have attached to **you** in the absence of such agreement;
  - Caused by the ownership possession or use of any:
  - motorised or mechanically propelled vehicle or motorcycle; or
  - trailer or caravan; or
  - aircraft, aerial device or **watercraft**; or
  - any vehicle or craft.

But this exclusion will not apply to any motorised garden appliance;

- In connection with **your** trade, profession or employment other than as landlord and owner of the **property**;
- Arising out of alterations, renovations or **building** works at the **property**, where the cost of **building** or contract works, including labour and materials, exceeds \$50,000;
- Arising out of any unlawful or criminal act;
- Arising out of the transmission or spread of any infectious disease or virus;
- For any fine, penalty, punitive, exemplary, aggravated or multiple damages;
- Arising from demolition, vibration or interference with support of land, buildings or other property;
- Arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquid or gasses, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution.



## GENERAL EXCLUSIONS

**We** will not pay a claim under any section of this **policy** (unless stated otherwise) when the claim is caused by or arises directly out of:

- the action of the sea, high water or high tide, **storm surge**, tidal wave or **tsunami**; or
- erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, or any other earth movement, or underground water but this exclusion will not apply to the cover provided under **policy** Section 2 Insured Events 6. Water damage; or
- consequential **loss**, such as having to hire a washing machine because **yours** was stolen; or
- any intentional act committed by **you, your family** or by any person acting with **your** express or implied consent; or
- rust, wear, tear, mould or mildew, oxidation, change of colour, the action of light, atmospheric conditions or vibration unless caused by an insured event; or
- heat damage, or scorching where there is no actual fire damage such as scorching or marking of bench tops from hot cooking pots or pans. For the purpose of this exclusion fire damage means actual ignition, heat and flames; or
- any **property** undergoing a process necessarily involving the application of heat; or
- damage caused by cleaning with detergents, chemicals, steam or any other cleaning agent; or
- damage caused by insects or vermin (such as termites, rats, mice or wildlife), but **we** will pay for resulting fire damage to insured **property**; or
- poor housekeeping by **your tenants** or a member of **your tenant's** family or **your tenant's** guests; or
- any **loss** or damage occurring as a result of keys being provided for the purpose of **property** inspections; or
- tree roots; or
- scratching or denting unless maliciously caused; or
- mechanical or electrical breakdown or electrical power surge, other than the burning out of electric motors; or
- the actions of domestic pets.

There is no cover under any section of this **policy** (unless stated otherwise) for:

- **loss** or liability and defence costs connected in any way with:
  - any operations employing the process of nuclear fission or fusion, or handling of radioactive material. This includes, but is not limited to the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, or the use, handling or transportation of any radioactive material, or the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion or war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, or civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.
- **loss** connected in any way with confiscation, acquisition, **loss** or damage by order of Government or Local Bodies.
- **loss**, damage, death, injury, illness, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:
  - an **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**, damage, death, injury, illness, liability, cost or expense.
  - any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.
- **loss** or liability connected in any way with **loss** of or damage to **electronic data** and any liability arising from this, directly or indirectly caused by, or in connection with a **computer virus**. This includes loss of use, reduction in functionality or any other associated **loss** or expense in connection with the **electronic data**.

- **loss**, damage, liability, prosecution or expense of any type connected in any way with an internal part of a **building** or structure being wet, damp, or moist that is caused directly or indirectly by:
  - faulty design or faulty specification, including faulty sequence, procedure or programme, or
  - faulty materials, or
  - faulty workmanship, when it was constructed or altered.
- liability connected with:
  - mining, processing, transporting, distributing or storing of asbestos, or
  - the manufacture or processing of material that contain asbestos, or
  - any process of decontamination, treatment or control of asbestos, or
  - the presence of asbestos in any **building** or structure, or
  - pollution or contamination by asbestos.
- **loss** or damage to water in swimming pools, spas or water tanks unless maliciously caused.

From the point in time:

- **your property** is removed from the rental market, and ceases to become available for rental as per the landlord's written or verbal instructions to the real estate agent/**property manager**; or
- **your property** is vacant and advertised for sale; or
- no effort is made to replace the **tenant**,

**we** will not pay any claim under any section of this **policy**. However **we** will not exclude cover provided by Section 2 – Contents and Section 4 – Liability To Others when the **property** is advertised for sale.

# MAKING A CLAIM

## 1. Action by you or your property manager

If something happens which causes **loss**, damage or liability which could lead to a claim, **you** must:

- take all reasonable precautions to prevent any further **loss** or damage; and
- inform the Police immediately if **property** is lost, stolen or if **malicious damage** is suspected; and
- not carry out repairs, except to prevent any further **loss** or damage, until **we** have had the opportunity to examine the damage and have authorised repairs; and
- give **us** full details of any **loss**, damage or liability as soon as possible.

Within 30 days after the **loss**, damage or liability **you** must give **us** full written details of **your** claim. **You** must also give **us**:

- any receipts, proof of ownership or quotes that we require to settle the claim; and
- a copy of the **tenant's** rental history records if the claim involves loss of **rent**; and
- any court issued documents or notices issued under the **Act**; and
- copies of all **property** inspection reports if **your** claim involves **malicious damage** or theft, or that **we** request in support of any other claim; and
- proof of the allocation of all monies deducted from the bond as **re-letting** expenses; and
- a copy of any order issued by the tenancy tribunal as to the allocation of **bond monies**; and
- immediately, any court issued documents or any correspondence **you** receive about the claim.

If **we** choose to replace items **you** must assist **us** by giving accurate descriptions and specifications to **us** and suppliers and replace items as requested.

If **you** do not do this, **we** may be entitled to reduce the amount payable to **you** or refuse to pay a claim.

## 2. Delays with repairs.

**We** will not pay any increased costs or expenses which result from **your** unreasonable delay in carrying out repairs or replacements.

## 3. Action by us

When **we** receive a claim from **you we** will:

- examine the circumstances to see if the event is insured; and
- tell **you** if it is covered.

If the event is covered **we** will:

- tell **you** how the claim will be assessed, examined and paid; and
- either deduct any **excess** from **your loss** or ask **you** to pay it to a repairer or supplier.

If **we** choose to replace items and **you** do not wish **us** to replace items from suppliers **we** nominate, **you** may nominate another supplier but **you** must pay any additional costs incurred by **us** as a result.

## CLAIMS

If **you** have a concern **we** will do everything possible to provide a quality service to **you, our** customer. However, **we** recognise that occasionally there may be some aspect of **our** service or a decision **we** have made that **you** wish to query or draw to **our** attention.

The underwriter staff at each branch are always available to listen to **you** and to help where they can.

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