

Protecting Your Income!

Preferred Policy



REAL Landlord
Insurance for REAL
Property Managers

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WELCOME TO REAL LANDLORD INSURANCE NZ LTD

Welcome to REAL Landlord Insurance NZ Ltd. This policy booklet contains all 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 P O Box 1167, Whangarei 0140.

In 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 PTY Ltd.

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 insurance.

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 approved property management companies using this policy, to ensure the best possible results for their landlords.

Visit our website: www.rlinz.co.nz

ABOUT THIS POLICY

Your Landlord Preferred Policy consists of:

1. this policy document, and
2. the **schedule**.

YOUR DUTY OF DISCLOSURE

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

1. to accept or decline **your** insurance, or
2. the cost or terms of the insurance, including the **excess**.

You also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** breach this duty, **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.

CHANGING YOUR MIND

If **you** are not happy with **your** Landlord Preferred Policy, **you** can change **your** mind, provided **you** tell **us** within 30 days of the date **your** Landlord Preferred Policy started. **We** will treat **your** Landlord Preferred Policy as if it had never existed and refund in full any premium **you** have paid.

This does not apply if a claim has been made.

EXAMPLES

We have sometimes used examples and comments to make the parts of this policy document easier to understand. These examples and comments, *which are printed in italics*, do not affect or limit the meaning of the section they refer to.

HEADINGS

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

DEFINED WORDS

If a word is shown in **bold**, it has a special meaning. There is a list of these words and what they mean at the back of this policy document in the section 'DEFINITIONS'.

OUR AGREEMENT

You agree to pay **us** the premium. In exchange, **we** promise to cover **you** as set out in this policy document.

VACANT RENTAL PROPERTY

Your Landlord Preferred Policy is automatically suspended if **you** or a person authorised by **you** has not resided at the **rental property** overnight on at least one occasion for a period of more than 90 consecutive days.

Your Landlord Preferred Policy may be continued, if **you** tell **us** that no one will be residing at the **rental property** and **we** agree that cover will continue. **We** may, at this time, change the terms of the policy.

WHAT YOU ARE COVERED FOR

You are covered for loss of **rent** that **you** receive from the **rental property** arising out of the following events:

1. Untenantable house

You are covered for loss of **rent** due to the **rental property** being left **untenantable** for a minimum period of 7 days as a result of:

- (a) intentional damage, vandalism or theft by:
 - (i) a **tenant**, or
 - (ii) any guest of a **tenant**, or
 - (iii) any person who lives at the **rental property**, or
- (b) murder or suicide or attempted murder or attempted suicide at the **rental property**, or
- (c) **loss** to your **landlord contents** covered by SECTION 2 – COVER FOR LANDLORD CONTENTS, happening during the **period of cover**.

For each **event we** will pay the lesser of:

- (a) the **rent** lost until the **rental property** becomes tenantable again, allowing within this period up to two weeks to re-let it, and
- (b) 52-weeks **rent** lost for (a) or (b) above and 6 weeks **rent** lost for (c) above.

2. Prevention of access

You are covered for loss of **rent** for the period the **tenant** can legally stop paying the **rent** under the tenancy agreement because of:

- (a) prevention of access, or
 - (b) failure of public utilities,
- to the **rental property** during the **period of cover** due to any of the insured events listed in SECTION TWO – COVER FOR LANDLORD CONTENTS.

The most **we** will pay for any **event** is up to 52-weeks **rent**.

3. Tenant vacating without notice

You are covered for loss of **rent** following the **tenant** vacating the **rental property** without giving the required notice during the **period of cover** until the **rental property** is re-tenanted.

The most **we** will pay for any **event** is up to 6-weeks **rent**.

4. Default of rent by the tenant

You are covered for loss of **rent** until the **rental property** is re-tenanted following:

- (a) the **tenant** vacating the **rental property** after receiving a notice under Section 56(1)(b)(i) of the **Act**, or
 - (b) eviction of the **tenant** for non-payment of **rent** if an order of the Tribunal terminating the tenancy is required in order to obtain vacant possession of the **rental property**, provided **your property manager** enforces the order of the Tenancy Tribunal within 5 working days of the Tribunal's order,
- during the **period of cover**,

The most **we** will pay for any **event** is up to 6-weeks **rent** for (a) or up to 14 weeks **rent** for (b) above.

We will not pay more than **you** would be legally entitled to recover from the **tenant** under the tenancy agreement.

5. Failure to surrender vacant possession

You are covered for loss of **rent** until the **tenant** vacates the **rental property**, if:

- (a) the **tenant** has refused to pay the **rent**, and
- (b) the **tenant** has resisted all attempts by **you** or **your property manager** to gain vacant possession of the **rental property**,

during the **period of cover** following service of the Tribunal order for possession or eviction upon the **tenant**.

The most **we** will pay for any **event** is up to 18-weeks **rent**.

6. Death of the tenant under a sole tenancy

You are covered for loss of **rent** until the **rental property** is re-tenanted following the death of the **tenant** under a sole tenancy during the **period of cover**.

The most **we** will pay for any **event** is up to 6-weeks **rent**.

7. Court awarding release from a fixed term lease

You are covered for loss of **rent** until the **rental property** is re-tenanted due to the Tenancy Tribunal awarding the **tenant** a release from a fixed term lease obligation due to hardship that is over and above the amount of the bond.

The most **we** will pay for any **event** is up to 4-weeks **rent**.

WHAT YOU ARE NOT COVERED FOR

Excess

An **excess** equivalent to 1-weeks **rent** per **event** applies to any claim under SECTION ONE - LOSS OF RENT.

Market conditions

There is no cover under SECTION ONE – LOSS OF RENT for **rent** lost during any part of the period that the **rental property** cannot be re-tenanted, primarily due to prevailing unfavourable market conditions for landlords finding tenants.

IMPORTANT: Please also read POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY on *page 16*.

MAXIMUM AMOUNT PAYABLE

The most **we** will pay for loss of **rent** under this policy is \$1,000 per week.

CONDITIONS THAT APPLY TO THIS SECTION

1. Failure to take steps

If **you** or **your property manager** fails to take steps available 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 re-let the **rental property** as soon as possible after the departure of the **tenant** or **loss** 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 **rental 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.

Bond

When **we** pay a claim for loss of **rent**, **we** will not deduct from **our** payment the bond money **you** receive. However, **you** or **your property manager** must use the bond money towards the cost of re-letting the **rental property** including but not limited to cleaning, removal of rubbish and changing of locks.

WHAT YOU ARE COVERED FOR

You are covered for sudden **loss** during the **period of cover** to **landlord contents** at the **rental property**, but only if it is caused by any of the following:

1. theft or damage due to theft,
2. fire, lightning or explosion,
3. storm or flood, but not if:
 - (a) the water originates from inside the **rental property**, or
 - (b) the **loss** occurs during the first 48-hours of this policy.

However, this exclusion 3(b) does not apply where:

- i. this policy started immediately following another policy that also insured the same property against the risks of storm or flood, or
 - ii. this policy was taken out at the time **you** purchased the **rental property** and its **landlord contents**.
4. earthquake, volcanic eruption, geothermal activity, landslip or tsunami,
 5. riot or labour disturbance,
 6. vandalism or intentional damage,
 7. oil that overflows or is discharged from any heating system installed at the **rental property**,
 8. water, effluent or soil mixed with water, that bursts, overflows or is discharged from any:
 - (a) rainwater pipes, roof guttering or drains, or
 - (b) water tank, aquarium or hot water system, or
 - (c) road, pathway or gutter, or
 - (d) part of the rental property designed to contain or carry water, such as a sink, basin, bath, cistern or washing machine,at the **rental property**, but excluding **loss** arising from the gradual escape of water at the **rental property**, over a period of time,
 9. **accidental** breakage of glass in free standing furniture such as table tops, dressing table mirrors, wall units,

10. impact by:

- (a) any **vehicle** or watercraft, or
- (b) aircraft or other aerial or spatial device or articles dropped from them, or
- (c) falling trees and branches, or
- (d) TV antennas, TV dishes or radio masts.

But **we** will not pay for:

- i. damage caused by tree lopping or felling carried out by **you** or at **your** request, or
- ii. removal of the fallen tree or branch except where damage has occurred,

and the **loss** is unexpected and unintended by **you**.

WHAT YOU ARE NOT COVERED FOR

Floor Coverings and Curtains

You are not covered for repairing or replacing floor coverings or curtains that are not in the room(s) where the **loss** happened.

Excess

An **excess** of \$500 per **event** applies for any claim under SECTION TWO – COVER FOR LANDLORD CONTENTS for Vandalism and/or Intentional Damage. An **excess** of \$150 per **event** applies otherwise.

Please read POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY on page 16.

WHAT WE WILL PAY:

For **landlord contents** that are under 10-years of age, **we** will pay the lesser of the cost:

- 1. to replace the item, or
- 2. to repair it to the same condition it was in immediately before the **loss** occurred.

For:

- 1. **landlord contents** that are 10-years of age or over, and
- 2. manchester and linen, and
- 3. any item **you** choose not to repair or replace,

we will pay the lesser of:

- (a) the cost to repair the item to the condition it was in immediately before the **loss** occurred, or
- (b) its **indemnity value**.

Contents in the open air at the situation – Maximum Amount Payable.

The most **we** will pay for **loss** to **landlord contents** while in the **open air** within the boundary of the **rental property** caused by insured events 1 and 6 is \$300 for all **landlord contents** affected per **event**.

Furniture Coverings

We will only pay to replace furniture coverings if:

- (a) more than 25% of the covering of an item of furniture is damaged, and
- (b) the item of furniture is less than 10-years old, and
- (c) restoration or repair has been unsuccessful.

Otherwise **we** will pay the **indemnity value** of the furniture coverings.

If the item of furniture cannot be successfully repaired or restored and it forms part of a set (or suite), **we** will treat the entire set as a total loss. If **we** do this, the set will become **our** property.

MAXIMUM AMOUNT PAYABLE

The maximum combined amount **we** will pay under SECTION 2 – COVER FOR LANDLORD CONTENTS and SECTION 3 – INTENTIONAL DAMAGE COVER FOR THE RENTAL PROPERTY, during the **period of cover** is \$25,000.

SECTION THREE – INTENTIONAL DAMAGE COVER FOR THE RENTAL PROPERTY (LIMITED COVER)

WHAT YOU ARE COVERED FOR

You are covered for sudden **loss** during the **period of cover** to the **rental property** if it is as a result of **intentional damage**, vandalism or theft by:

1. a **tenant**, or
2. any guest of the **tenant**, or
3. any **tenant's** family members,

and the **loss** is unintended and unexpected by **you**.

WHAT YOU ARE NOT COVERED FOR

You are not covered for **loss** to the **rental property** from fire or explosion.

Please ensure your Rental Property Building Insurance Policy provides this cover.

Excess

An **excess** of \$500 per **event** applies for any claim under SECTION THREE – INTENTIONAL DAMAGE COVER FOR THE RENTAL PROPERTY for Vandalism and/or Intentional Damage. An **excess** of \$150 per **event** applies otherwise.

Please read POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY on *page 16*.

WHAT WE WILL PAY

Settlement of your loss

Repair or rebuilding costs

If **you** repair or rebuild the **rental property**, following a **loss** covered by Section 3 of **your** Landlord Preferred Policy, **we** will pay either:

1. the repair cost for the damaged part of the **rental property**, using current materials and methods, where in **our** opinion it is able to be economically repaired, or
2. the rebuilding cost, using current materials and methods, to a condition as similar as possible to when it was new, where in **our** opinion the **rental property** cannot be repaired.

If **you** do not repair or rebuild the **rental property**, **we** will pay the value of the **loss**, based on the **present value** of the **rental property**.

Compliance and other costs

Compliance costs covered

Following a **loss** covered by Section 3 of **your** Landlord Preferred Policy, if **we** pay the cost to repair or rebuild the **rental property**, **we** will also pay any cost of compliance with Government or local authority bylaws or regulations, provided that:

1. **we** pay the cost of compliance for only that part of the **rental property** that has suffered **loss** covered by this policy, and
2. the **rental property** complied with all requirements that existed at the time it was originally built and at the time of any alteration, and
3. providing no other contract of insurance covers this (such as a **rental property** building insurance policy).

We will not pay these costs if notice of non-compliance has already been given to **you** before the **loss**.

Compliance costs not covered

You are not covered for compliance costs that must be incurred for:

1. any part of the **rental property** that is not damaged, and/or
2. stabilising, supporting or restoring land, earth or fill.

We won't pay these costs. **You** will have to meet these.

Other costs covered

If **we** pay the cost to repair or rebuild the **rental property**, **we** will also pay the following costs as long as they are necessarily and reasonably incurred in relation to the part of the **rental property** that suffered the **loss**:

1. architects', engineers', surveyors', building consultants', legal and council fees, and
2. costs of demolition and of removing debris and contents, providing no other contract of insurance covers this (such as a **rental property** building insurance policy).

MAXIMUM AMOUNT PAYABLE

The maximum combined amount **we** will pay under SECTION 2 – COVER FOR LANDLORD CONTENTS and SECTION 3 – INTENTIONAL DAMAGE COVER FOR THE RENTAL PROPERTY, during the **period of cover** is \$25,000.

SECTION FOUR – LANDLORD'S LIABILITY AND DEFENCE COSTS

WHAT YOU ARE COVERED FOR

You are covered for **your** legal liability for:

1. **accidental loss** to any property in New Zealand, or
2. **accidental bodily injury** to anyone in New Zealand, or
3. costs and losses recoverable from **you** under Section 43 of the Forest and Rural Fires Act 1977 for a fire, or threat of fire, or
4. levies imposed on **you** by a fire authority under Sections 46 or 46A of the Forest and Rural Fires Act 1977 for a fire, or threat of fire,

occurring during the **period of cover**, caused by or through or in connection with **your** ownership of the **rental property** and/or its grounds and/or its **landlord contents**.

DEFENCE COSTS

You are also covered for defence costs, incurred by **you**, with **our** approval for liability arising under the items above.

WHAT YOU ARE NOT COVERED FOR

You are not covered for liability connected in any way with:

1. any business (other than renting the **rental property**), trade, profession or sponsorship, or
2. any contract or agreement (except where **you** would have been liable even without a contract or an agreement), or
3. the ownership or use of any **vehicle** (other than any domestic garden appliance), trailer, caravan, watercraft, aircraft or other aerial device, or
4. 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 cover** and is caused by a sudden and **accidental event** that happens during the **period of cover**.

You are not covered for punitive or exemplary damages or fines.

*IMPORTANT: Please also read **POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY** on page 16.*

WHAT WE WILL PAY

LEGAL LIABILITY

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

DEFENCE COSTS

Defence costs covered by this policy will be paid in addition to the Legal Liability limit (above).

SETTLEMENT OF ANY CLAIM

An **excess** does not apply to this section.

We may pay the full amount under this part of **your** Landlord Preferred Policy, or any lesser amount for which the liability can be settled plus defence costs incurred, and this will meet all **our** obligations under this part of **your** Landlord Preferred Policy.

POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY

CAUSES OF LOSS NOT COVERED

You are not covered for **loss**:

1. caused by structural additions or structural alterations to the **rental property**, unless **we** have been notified of the additions or alterations beforehand and **we** have agreed in writing to cover this, or
2. caused by water entering the **rental property** because any roofing material, exterior cladding, window or door has been removed by:
 - (a) **you**, or
 - (b) any other person (other than any **tenant**), who is legally on the property, or
3. caused by insects, rodents or vermin (other than opossums). However, this exclusion 3 applies only to the property first affected. It does not apply to any resultant **loss** to **landlord contents**, or
4. caused by any domestic pet, or
5. to fuses, protective devices or lighting or heating elements caused by electricity, or
6. caused by the failure to control children, or
7. occurring as a result of keys being provided to prospective tenants for the purpose of inspecting the **rental property** and/or the **landlord contents**, or
8. to any property undergoing a process necessarily involving the application of heat, or
9. caused by cleaning with detergents, chemicals, steam or any other cleaning agent.

TYPES OF LOSS NOT COVERED

You are not covered for:

1. fault, defect, error or omission in design or construction, However, this exclusion 1. applies only to the property first affected. It does not apply to any resultant **loss** to **landlord contents**, or
2. the breakdown, failure or wearing out of any part of any mechanical or electrical equipment, unless burning out occurs, or
3. 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, or
4. scratching or denting unless maliciously caused.

ASBESTOS

You are not covered for loss or liability connected with:

1. the mining, processing, transporting, distributing or storing of asbestos, or
2. the manufacturing or processing of materials that contain asbestos, or
3. any process of decontamination, treatment or control of asbestos, or
4. the presence of asbestos in the **rental property** or structure, or
5. pollution or contamination by asbestos.

CONFISCATION

You are not covered for loss connected in any way with confiscation, nationalisation, requisition, acquisition or destruction of or damage to property by order of government, public or local authority or under any statute or regulation.

CONSEQUENTIAL LOSS

You are not covered for any kind of consequential loss unless stated otherwise in **your** Landlord Preferred Policy.

For example, having to hire a washing machine because yours was stolen.

EARTH MOVEMENTS

You are not covered for **loss** or liability connected in any way with:

1. subsidence or erosion, or
2. settling, warping or cracking caused by earth or other movements. This exclusion 2. does not apply to sudden and **accidental loss** caused by earthquake, volcanic eruption, geothermal activity, landslip or tsunami.

EARTHQUAKE COMMISSION

You are not covered for **loss** to the extent it is covered by the Earthquake Commission Act or that would have been covered but for:

1. the deduction of the Earthquake Commission's excess, or
2. the Earthquake Commission exercising its power to decline a claim for that **loss**.

Where the Earthquake Commission agrees to cover it, but **your loss** exceeds the Earthquake Commission payment, the most **we** will pay is the difference between what the Earthquake Commission pays, or would have covered, and **your** maximum entitlement under **your** Landlord Preferred Policy.

ELECTRONIC DATA AND PROGRAMS

You are not covered for any liability or loss of or damage to **electronic data** from any cause whatsoever including, but not limited to, a **computer virus**.

This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

However, this exclusion does not apply to physical damage to other insured property that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.

EXCESS

For each **event**, the **excess** will be deducted from the amount **we** would otherwise pay for **your** claim unless stated otherwise.

Where an **event** occurs that results in a claim under more than one benefit (or sub-section of a benefit) of the policy, only one **excess** will apply, being the highest applicable **excess**.

The **excess** is deducted after any policy limits have been applied.

For example, if a limit of \$1,000 applies, and an excess of \$500 is payable by you, the amount we will pay is \$500.

GRADUAL DAMAGE

You are not covered for:

1. wear and tear, depreciation, corrosion, rust, or
2. rot, mildew, or
3. gradual deterioration.

NUCLEAR

You are not covered for any loss, liability, prosecution or expense of any type in connection with:

1. ionising radiation or contamination by radioactivity from:
 - (a) any nuclear fuel, or
 - (b) any nuclear waste from the combustion or fission of nuclear fuel.
2. nuclear weapons material.

TERRORISM

You are not covered for any loss, liability, prosecution or expense of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

UNLAWFUL SUBSTANCES

You are not covered for loss or liability in connection with the manufacture, storage, or distribution at the **rental property**, of any 'controlled drug' as defined in the Misuse of Drugs Act 1975, unless **you**, or **your property manager** has complied with the POLICY CONDITION – LANDLORD OBLIGATIONS.

If **you** have, the most **we** will pay for any **event** is \$25,000 for **loss** to the **rental property** and/or **landlord contents**.

WAR

You are not covered for any loss, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

WHAT YOU MUST DO

If anything happens that may lead to a claim under **your** Landlord Preferred Policy, **you** and/or **your property manager** must:

1. do what **you** can to take care of the **rental property** and/or **landlord contents** and to prevent any further **loss** or liability, and
2. tell **us** as soon as possible, and
3. notify the police as soon as possible if **you** think any **loss** was caused by an illegal act (including intentional damage or theft), and
4. allow **us** to examine the **rental property** and/or **landlord contents** before any repairs are started, and
5. send to **us** as soon as possible anything **you** receive from anyone about a claim or possible claim against **you**, and
6. give **us** any information or help that **we** ask for, including:
 - (a) a copy of the **tenant's** rental history records if the claim involves loss of **rent**, and
 - (b) any court issued documents or notices issued under the **Act**, and
 - (c) copies of all property inspection reports if **your** claim involves intentional damage, vandalism or theft, and
 - (d) proof of the allocation of all monies deducted from the bond as re-letting expenses, and
 - (e) a copy of any order issued by the Tenancy Tribunal as to the allocation of bond monies, and
 - (f) any court issued documents or any correspondence **you** receive about the claim, and
 - (g) accurate descriptions and specifications to enable **us** and **our** suppliers to replace items as necessary, and
7. demonstrate that all reasonable steps have been taken to repair and re-let the property as soon as possible after the departure of the **tenant** or after **loss** is discovered, and
8. take all steps available to **you** under the **Act** to prevent **rent arrears** up to the time the **tenant** departs the **rental property**, and
9. consent to **your** personal information, in connection with the claim, being:
 - (a) disclosed to **us**, and
 - (b) transferred to the Insurance Claims Register Limited, and

10. not destroy or dispose of anything that is or could be part of a claim.

We recommend that **you** do the above as soon as possible, to ensure that full claims entitlements are able to be paid.

WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO

You must obtain **our** agreement before **you**:

1. incur any expenses in connection with any claim under **your** Landlord Preferred Policy, or
2. negotiate, pay, settle, admit or deny any claim against **you**, or
3. do anything that may prejudice **our** rights of recovery.

ACTIONS WE MAY TAKE

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

1. examine the circumstances to see if the loss is covered, and
2. tell **you** if the loss is covered.

If the loss is covered, **we** will

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

We may take action in **your** name to:

1. negotiate, defend or settle any claim against **you** covered by **your** Landlord Preferred Policy, and
2. make a recovery from any other person for anything covered by **your** Landlord Preferred Policy.

You must assist **us** with these actions. **We** will pay the reasonable legal costs of these actions.

DISHONESTY

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

1. decline **your** claim either in whole or in part, and/or
2. declare either **your** Landlord Preferred Policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

ARREARS

If:

1. cover is not placed at the beginning of the tenancy, and
2. at any time during the two calendar months prior to cover being requested, the **tenant's** rental payments were in **arrears** for 10 days or more, excluding statutory holidays,

we will only provide cover under Section Two - Cover For Landlord Contents (but excluding Intentional Damage by Tenants) and Section Four – Landlord's Liability And Defence Costs, 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 a time.

BREACH OF ANY CONDITION

If:

1. **you**, or
 2. any other person **we** cover under **your** Landlord Preferred Policy, or
 3. anyone acting on **your** behalf,
- breaches any of the conditions of **your** Landlord Preferred Policy, **we** may:
- (a) decline **your** claim either in whole or in part, and/or
 - (b) declare either **your** Landlord Preferred Policy or all insurance **you** have with **us** to be of no effect and to no longer exist, from the date of the breach.

This is at **our** sole discretion.

CLAIMANT AUTHORISATION

Where **your property manager** manages this insurance on **your** behalf:

1. **you** authorise **your property manager** to be **your** agent, and
2. **you** authorise **your property manager** to negotiate and settle the claim, and
3. **we** may deal with **your property manager** directly, and
4. **our** payment to **your property manager** will represent payment to **you**.

CURRENT HOUSE INSURANCE POLICY

As **your** Landlord Preferred Policy only provides limited cover for the **rental property**, **you** are recommended to have a current insurance policy covering the **rental property**.

LANDLORD OBLIGATIONS

You, and/or **your property manager**, must:

1. exercise reasonable care in the selection of **tenant(s)** by at least obtaining satisfactory written or verbal references, and
2. complete an internal and external inspection of the **rental property** at a minimum of 6-monthly intervals and upon every change of **tenant(s)**, or in compliance with the terms of the house building policy if less than 6-monthly, and
3. keep a written record of the outcome of each inspection, and provide to **us** a copy of the record if **we** request it.

TRUE STATEMENTS AND ANSWERS

True statements and answers must be given (whether by **you** or any other person) when:

1. this insurance is applied for or renewed, and/or
2. **we** are notified about any change in circumstances, and/or
3. **we** are given information relating to a claim.

REASONABLE CARE

You must take reasonable care at all times to avoid circumstances that could result in a claim.

Your claim will not be covered if **you** are reckless or grossly irresponsible.

OTHER INSURANCE

You must tell **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under **your** Landlord Preferred Policy. If **you** can claim under that insurance, **we** will only pay over and above the limit payable by the other insurance.

CHANGES IN CIRCUMSTANCES

You must notify **us** immediately if, after the start of **your** Landlord Preferred Policy, there is a material:

1. increase in the risk covered, or
2. alteration in the risk covered.

We may change the terms of this policy in response to any material change in circumstances advised to **us** by **you** or anyone else. The change in terms will be effective from the date of the change in circumstances.

Information is 'material' where we would have made different decisions about either:

(a) accepting your insurance, or (b) setting the terms of your insurance, including the premium and excess, if we had known that information. If in any doubt, notify us anyway.

The 'risk covered' refers to both: (a) the actual property or liabilities insured (known as physical hazard), and (b) you or other persons covered by this Landlord Preferred Policy (known as moral hazard).

CANCELLATION

BY YOU

You may cancel **your** Landlord Preferred Policy at any time. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of cover**.

BY US

We may cancel **your** Landlord Preferred Policy by giving **you**, **your** broker or **your property manager** notice in writing or by electronic means at **your** or **your** broker's or **your property manager's** last known address. **Your** Landlord Preferred Policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of cover**.

CHANGE OF TERMS

We may change the terms of **your** Landlord Preferred Policy (including the **excess**) by giving **you**, **your** broker, or **your property manager** notice in writing or by electronic means.

Unless otherwise specified, **your** Landlord Preferred Policy will be changed from 4 pm on the 30th day after the date of the notice.

LIMITATION OF COVER

From the point in time:

1. **your rental 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 **property manager**, or
 2. **your rental property** is vacant and advertised for sale, or
 3. 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) Cover For Landlord Contents and Section (4) Landlord's Liability And Defence Costs when the **rental property** is advertised for sale.

CURRENCY

Any amounts shown in **your** Landlord Preferred Policy and in the **schedule** are in New Zealand Dollars.

GOODS AND SERVICES TAX

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

1. all sums insured exclude GST, and
2. all limits and sub limits include GST, and
3. all **excesses** include GST, and
4. GST will be added, where applicable, to claim payments.

GOVERNING LAW AND JURISDICTION

The law of New Zealand applies to **your** Landlord Preferred Policy and the New Zealand courts have exclusive jurisdiction.

JOINT INSURANCE

If **your** Landlord Preferred Policy covers more than one person, then all persons are jointly covered.

This means that a breach of your Landlord Preferred Policy by any one person affects everyone's ability to claim under this policy.

OTHER PARTIES WITH A FINANCIAL INTEREST

If **we** know of any financial interest over the **rental property** and/or **landlord contents**, **we** may pay part or all of any claim proceeds to the holder of that interest.

This payment will go towards meeting the obligations **we** have under this policy for the **loss**.

We are authorised by **you** to disclose personal information about **you** to any holder of a financial interest.

Any party, who is recorded as having a financial interest under this policy, is not covered by this policy and does not have rights to claim under this policy.

The definitions apply to the plural and any derivatives of the words.

For example, the definition of 'accident' also applies to the words 'accidentally', 'accidental' and 'accidents.'

accident

unexpected and unintended by **you**.

Act

The Residential Tenancies Act 1986, including any amendment or replacement thereof

act of terrorism

includes any act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation 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) de jure or de facto, and that:

- involves violence against one or more persons, or
- involves damage to property, or
- endangers life other than that of the person committing the action, or
- creates a risk to health or safety of the public or a section of the public, or
- is designed to interfere with or disrupt an electronic system.

arrears

the **rent** which was not paid in full on or before the tenth working day after the due date

bodily injury

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

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'.

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.

event

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

excess

this is the amount of the claim that **you** must pay. The amount of the excess will be shown in either the **schedule** or in this policy wording.

The excess is deducted after any policy limits have been applied. *For example, if a limit of \$1,000 applies, and an excess of \$500 is payable by you, the amount we will pay is \$500.*

indemnity value

the estimated reasonable cost to replace the item in New Zealand with one that is of comparable age, quality and capability, and is in the same general condition.

intentional damage

deliberate and wilful damage caused by any person(s), committed on the **rental 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.

landlord contents

any of the following:

- fixture or fitting including drapes and light fittings,
- household goods such as *washing machines, dryers, refrigerators, freezers, dishwashers and heaters*,
- floor covering (including carpet) that is not glued to the floor,
- domestic garden appliance (including their parts and accessories),
- portable swimming pool or portable spa pool,

that are owned by or hired to **you** (provided that **you** are legally liable under the hire agreement), and provided by **you** for use by the **tenants**.

It does not include any:

- personal effects, or
- livestock, domestic pet or other creature, or
- floor covering (including carpet) that is glued to the floor, or
- watercraft or outboard motor and their parts or accessories that are in them or attached to them, or
- **vehicle**, trailer or caravan and their parts or accessories that are in them or attached to them, or
- aircraft or other aerial device and their parts or accessories that are in them or attached to them.

loss

physical loss or physical damage.

open air

means:

- in or under any part of the **rental 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.

It does not mean common or shared areas of home units, flats, villas and the like.

period of cover

the Period of Cover shown in the **schedule**.

present value

the market value of the property less the value of the land.

property manager

the Approved Property Management Company named in the **schedule** as The Property Manager acting as the manager of **your rental property** who has effected this insurance on **your** behalf

rent

the amount that was payable by the **tenant** as rent under the tenancy agreement immediately before the event that entitled **you** to cover under section 1 of this policy.

rental property

the rental dwelling or flat(s) including any of the following:

- garage, carport, domestic glasshouse or domestic outbuilding, as long as they are on, or within the residential boundaries of the situation on which the rental dwelling or flat is situated,
- wall (including garden and retaining walls), deck, gate or fence, as long as they are on, or within the residential boundaries of the situation on which the rental dwelling or flat is situated,
- driveway or bridge, which is of permanent construction and provides sole and immediate access to the rental dwelling or flat(s),
- patio, path, paving, tennis court or other permanent domestic structure,
- floor covering (including carpet) permanently glued to the floor,
- kitchen stove and hob, range hood and any other permanently wired or plumbed rental property appliance,
- water tank, septic tank, heating oil tank, swimming pool or spa pool permanently installed,

that **you** own at the situation shown in the **schedule**.

It also includes: underground service or overhead electricity line, telephone or data cable at the situation shown in the **schedule**.

It does not include any of the following:

- any common property if **your** rental property is part of a Body Corporate,

- any part of the rental property that is used for business purposes or commercial purposes, unless it is used as a home office,
- any part of the rental property (other than the rental dwelling or flat) that is used for farming purposes (whether commercial or not),
- structure or property not at the situation shown in the **schedule**,
- any part of the rental property that is partly constructed and not suitable for permanent residential use or occupation,
- temporary structure,
- fixture or fitting that is not permanently attached,
- portable aerials or portable satellite dishes,
- portable swimming pool or portable spa pool,
- tree, shrub or hedge,
- bridge, which is not of permanent construction and does not provide sole and immediate access to the private dwelling or flat(s),
- wharf, pier, landing or jetty,
- land or earth or fill.

schedule

the latest version of the Schedule **we** issued to **you** for **your** Landlord Preferred Policy.

tenant

the person or persons renting the **rental property** from **you** under a tenancy agreement.

untenantable

a state in which the **property manager** cannot reasonably re-let the **rental property** but does not include period of elective maintenance or improvement.

vehicle

any type of machine on wheels, or caterpillar tracks, that is made or intended to be propelled by its own power, as well as anything towed by the machine.

we

NZI, a business division of IAG New Zealand Limited.

you

the person(s), or entity shown as the insured in the **schedule**

NZI, is a business division of IAG New Zealand Limited, a wholly owned subsidiary of Insurance Australia Group, Australasia's largest general insurer. Established in 1859, it is today one of the country's largest and longest-serving fire and general insurance brands, protecting tens of thousands of New Zealanders every year.

Through our broad range of commercial, personal, marine, professional risks and rural insurance products, we pride ourselves on helping people to achieve the best protection for their assets.

We partner with a network of skilled and experienced brokers and other insurance intermediaries who distribute our products. We pay remuneration to our brokers and intermediaries when they issue our policies, and when these policies are renewed or varied.

REAL LANDLORD PREFERRED INSURANCE POLICY

Underwritten by NZI, a business division of
IAG New Zealand Limited

IMPORTANT: PLEASE EXAMINE THIS POLICY AND IF IT DOES NOT MEET YOUR REQUIREMENTS, KINDLY RETURN IT AT ONCE TO YOUR PROPERTY MANAGER OR REAL LANDLORD INSURANCE NZ LTD.

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