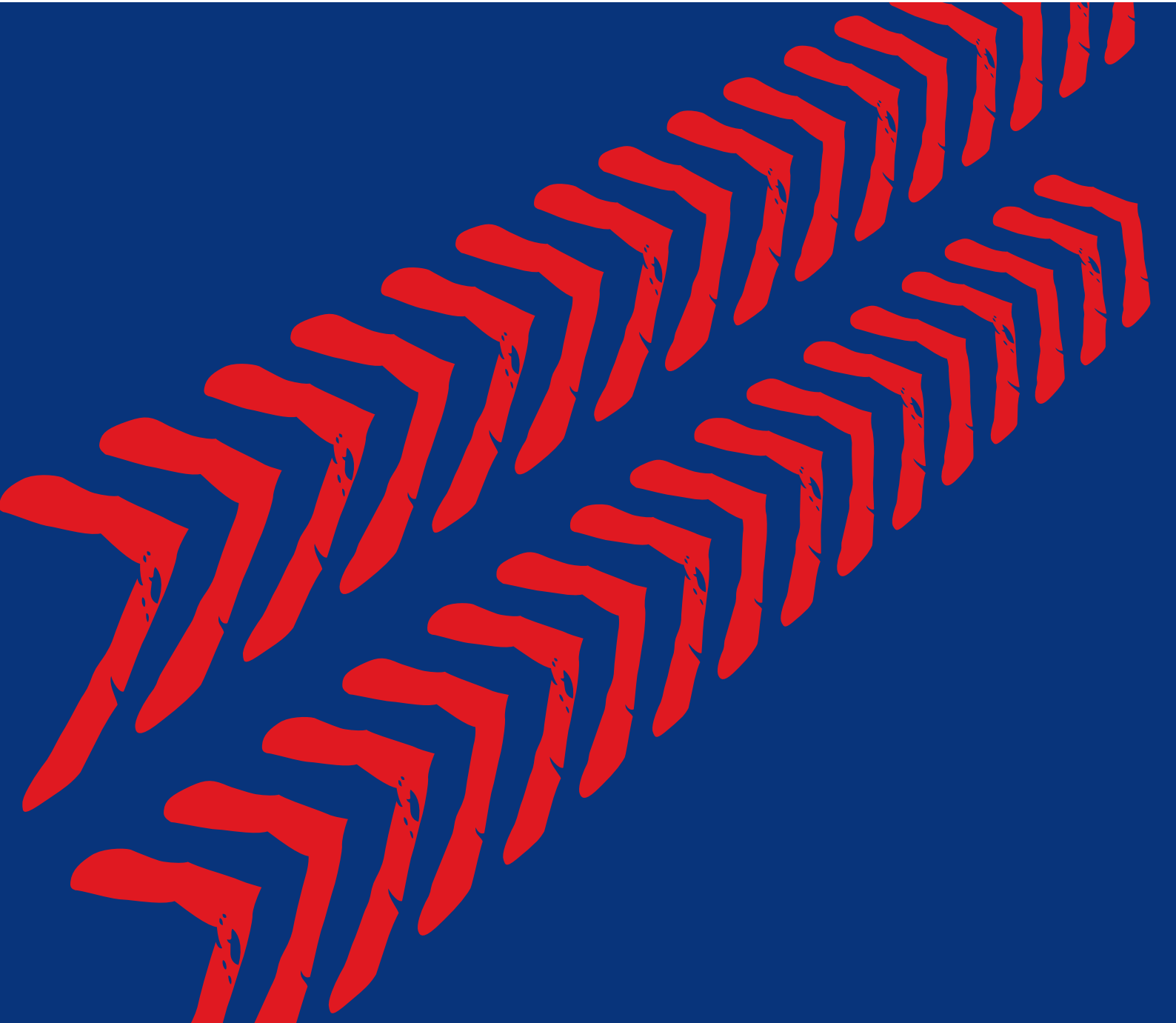




CONTRACTORS INSURANCE
MAKING BETTER TRACKS

Contractors Mobile Plant Policy



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welcome to Contractors Mobile Plant Policy

Welcome

Thank *you* for choosing *us* to provide *you* with *your* insurance cover. Arranging insurance means *you* are making a legal contract under which *you* promise to meet certain obligations and conditions and in return *we* promise to provide specified insurance cover.

The obligations, exclusions, extensions and conditions in this contract are subject to *your* rights under the Insurance Law Reform Acts 1977 and 1985.

Words shown in *italics* are words that have had their meaning defined. These meanings are found under the definitions section of this policy. Any word or expression to which a specific meaning has been given will have the same meaning wherever it appears.

Please examine this document, including the *schedule*, to ensure the insurance protection is in accordance with *your* requirements. If it does not meet *your* requirements, or *you* wish to make changes to the insurance cover, please contact *your* insurance broker or *us*.

Introduction

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

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

Fair Insurance Code

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

The Fair Insurance Code requires *us* to:

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

Privacy Act and the Insurance Claims Register (ICR)

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

This policy is issued to *you* conditional upon *you* authorising *us* to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect.

You also authorise *us* to obtain from ICR Ltd personal information about *you* that is (in *our* view) relevant to this policy or any claim made against it. *You* have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

General Obligations

These are the general obligations that apply to this policy:

You must comply with all the obligations and conditions of this policy. If *you* do not in some instances *your* claim will not be paid.

Some parts of this policy may cover other people or companies or entities as well as *you*. To gain the benefit of any cover under this policy they must meet all the same conditions and obligations *you* are required to meet.

To disclose material information

You must advise *us* of all material information before inception of the policy and before each renewal or variation of the policy. Failure to do so entitles *us* to void the policy.

Material information includes any information which might influence the decision *we* make as to whether or not to provide insurance and if so on what terms and at what premium.

If circumstances change

1. *You* must *notify us* immediately of any change in circumstances that has happened after the start of this policy or that *you* know is going to happen and which may increase:
 - (a) the amount of the risk; or
 - (b) the risk of loss or *damage*; or
 - (c) the risk of insuring *you*.
2. If *you* do *notify us* of a change *we* may alter the premium and/or the terms of this contract.
3. If *you* do not comply with this obligation any loss or *damage* that happens after the date of the change in circumstance may not then be insured and *we* may not continue to insure *you*.

To provide accurate information

You must make sure all statements made to *us* are in every respect correct and complete.

What you need to know about making a claim

These general claims conditions apply to this policy.

On the happening of any event or occurrence that may give rise to a claim under this policy *you* must:

1. immediately *notify us* of the event, giving an indication as to the nature and extent of loss or damage;
2. take all reasonable steps to minimise the extent of loss or damage;
3. immediately send *us* any communications which *you* receive in relation to an event which may give rise to a claim;
4. obtain *our* consent before proceeding with repairs, unless *we* do not carry out an inspection within a reasonable and adequate period of time in which case *you* are entitled to proceed with repair or reinstatement;
5. provide all proofs, information and other evidence and otherwise give all possible assistance that *we* require;
6. preserve the parts affected and make them available for inspection by *us*; and
7. in the case of loss, theft, burglary or vandalism, advise the Police immediately.

We will be entitled at *our* expense and in *your* name to take any proceedings necessary to obtain relief from any other party and to take over and conduct the defence and settlement of any claim. *You* must provide all reasonable assistance and cooperation.

If you don't agree with our claim decision

If *you* do not agree with *our* decision on *your* claim then *you* should contact *your* broker or *us*.

Definitions

Whenever the following words are shown in this policy in italics, this is what they mean:

Damage – physical loss or damage – unintended and unforeseen by *you* which necessitates immediate repair or replacement of the *insured property* before it can resume normal working, provided such loss or damage is not otherwise excluded.

Excess – the amount that *you* are responsible for in respect of any one claim.

Insured property – mobile items of contractors plant and attachments, tools and equipment, site huts or other temporary buildings owned by *you* or under *your* care custody and control and as described in the *schedule*.

Notify/notified to us – notified in writing to *us*.

Period of insurance – the period shown in the *schedule* commencing on the 'From' date and expiring at 4pm on the 'To' date.

Schedule – the most recently dated *schedule* issued by *us*. This includes any schedule that is issued at inception or any expiry notice or endorsement issued to renew or endorse this policy.

Situation – shown in the *schedule* means the contract site(s) where the *insured property* will be used within New Zealand for the purpose of carrying out any contract works.

You/your(s) – the insured named on the policy *schedule*.

We/us/our(s) – NTI New Zealand Limited (NTI) as authorised agent for IAG New Zealand Limited.

The Indemnity

In consideration of *you* having paid or promised to pay the required premium *we* agree, subject to the terms, exclusions, provisions and conditions, to indemnify *you* in the manner and to the extent set out in this policy.

The insurance contract consists of any statements on which this insurance is based, *your* proposal or questionnaire, this policy and the *schedule*.

We agree that if at any time during the *period of insurance* the items or any part of them entered on the *schedule* suffer any unforeseen and sudden physical loss or *damage* from any cause not excluded, in a manner necessitating repair or replacement, *we* will indemnify *you* for the loss or *damage* by (at *our* option) payment in cash, replacement or repair up to an amount not exceeding the amount shown on the *schedule* for that item and not exceeding in any one event any overall limit, where applicable, and not exceeding the total sum insured shown on the *schedule*.

We will not pay for the *excess* as shown on the *schedule*.

Automatic Extensions

1. **Additions and Deletions**

All Mobile Plant acquired by *you* will, where the purchase price does not exceed **\$250,000** any one item, be considered as being included in the policy from the date of acquisition, provided *we* are advised, within a period of **30** days from the date of acquisition, of the details of the vehicle and its purchase price, and an appropriate premium paid.

2. **Breach of Warranty**

Provided that *you* have not waived any right of recovery against the driver or operator the indemnity provided by this policy will not be invalidated by reason of any breach of warranty or condition of this policy where the breach occurs without *your* knowledge and without the knowledge of any other party named on the *schedule*.

3. **Interest Clause**

Should any insured item be subject to any lease, hire or other financial agreement this policy notes these interests and loss if any may be payable to the interested party whose receipt will be a full discharge.

4. **Progress Payments**

In the event of loss or *damage* to any insured item, for which we have admitted a claim under this policy, then provided that an interim statement of loss is supplied by *you* and approved by the assessor *you* will be entitled to receive progress payments.

5. **Reinstatement of Amount of Insurance**

In case of a loss under this policy the amount of the loss is automatically reinstated after its occurrence, subject to the subsequent payment of any additional premium required for the reinstatement.

6. **Goods and Services Tax**

Provided that goods and services tax (GST) is recoverable by *us* the sum or sums insured by this policy are exclusive of GST to the extent that, in the event of a claim, *we* will pay the maximum of the sum insured plus additional GST to a maximum of the current rate of GST applied to that sum insured.

All excesses are GST inclusive.

7. **Salvage, Recovery & Re-siting Costs**

This policy is extended to cover the reasonable costs:

- a. incurred in salvaging or recovering of the insured item, including the costs of ensuring its safety and delivery to a place of suitable repair or inspection and re-siting any repaired item;
- b. of recovery and/or withdrawal in the event of any item of machinery becoming unintentionally immobilised (such cost will be deemed to be "*damage*" within the meaning of this policy).

Our liability in respect of these costs will not exceed **\$50,000**, any one claim.

This extension will not apply to immobilisation directly or indirectly caused by any defect or failure of the insured item from any internal function or self function.

8. **Increased Value**

This policy is extended to include the increased value of any insured machine which is taken off the road during the *period of insurance* for the purpose of a major overhaul, refit or modification whereby the sum insured will be automatically increased by the value of the work undertaken.

The increased sum insured will not exceed the market value.

It is warranted that *you* will declare amendments of value to *us* at each renewal date or immediately where improvements increase the existing value by more than **10%** or **\$20,000**, whichever is the greater, and that *you* will pay any additional premium that *we* may require.

9. **Additional Costs and Expediting Costs**

The indemnity provided by this policy for *damage* to insured items specified on the *schedule* will, with *our* prior written approval which will not be unreasonably withheld, include the reasonable additional costs incurred:

- a. in effecting temporary repairs of *damage* for which *we* have admitted a claim under the policy; and
- b. additional costs incurred for overtime, night-work, work on public holidays and express freight.

Our liability under this extension does not exceed **50%** of the normal cost or **\$15,000**, whichever is the least.

10. **Cleaning Up Costs**

This policy is extended to include any cost incurred in cleaning up and disposing of any debris resulting from *damage* to an insured item, including any load carried thereon, provided *our* total liability does not exceed **\$15,000** in respect of any one claim under this extension.

11. Delivery Following Theft

This policy is extended to include, following theft or unlawful use, the reasonable costs of delivering the insured item to *you* at a place where *you* normally keep it.

Our total liability will not exceed **\$5,000** in respect of any one claim under this extension.

12. Mutually Acceptable Adjusters

The appointment of a loss adjuster to any claim under this policy will be mutually agreed upon between *you* and *us*.

13. Uninsured Third Party Protection

In the event that a Third Party or their driver has no valid or collectable insurance, this policy is extended to cover *your* policy *excess* and any uninsured loss that *you* may have incurred as a result of an accident, where:

- (i) the third party driver was at fault in the accident; and
- (ii) the identity of the third party and the driver is established.

Our total liability will not exceed **\$5,000** in respect of any one claim under this extension.

14. Hired In or Borrowed In Plant

This policy includes cover for items of mobile plant hired or borrowed, and not otherwise insured, for *your* liability to the owner of the plant for:

- a. loss or *damage* to the plant up to a limit of **\$150,000** for any one item of plant and **\$300,000** for all items of plant hired or borrowed at any one time; and
- b. consequential losses caused by a loss for which a claim is payable under **a.** above, up to a limit for any one claim of **\$25,000**.

Provided that the hired or borrowed period does not exceed **90** days.

15. Third Party Road Risk

We will indemnify *you* for *your* legal liability, arising only out of the incidental use on the road of *your* vehicle described on the *schedule*, or a vehicle hired or borrowed by *you*, or an item of plant described on the *schedule* and operated at the time as a vehicle, in respect of an accident in New Zealand caused by or in connection with the vehicle or insured item (subject to *you* or a person for the time being in charge of the insured item having complied in all respects with any rules, regulations or lawful direction) for:

- a. damage to property;
- b. death of or bodily injury to any person.

Subject to the terms, limitations, exclusions and exceptions of this policy, we will also indemnify any person who is driving or in control of the insured item above and described on the *schedule* on *your* order or with *your* permission (but not during and in connection with the letting out on hire of the vehicle without driver) provided that the person:

- (i) is not entitled to indemnity under any other policy;
- (ii) will, as though he were *you*, observe, fulfill and be subject to the terms, exclusions, exceptions and conditions of this policy.

We will not be liable in respect of:

- a. death, injury or damage caused or arising beyond the limits of any road, carriageway or thoroughfare in connection with the bringing of the load to *your* vehicle for loading thereon or the taking away of the load from *your* vehicle after unloading from it;
- b. any person in *your* service if death or injury was the result of an accident arising out of and in the course of the person's employment with *you*;
- c. any person who at the time of the accident out of which bodily injury or damage arose was driving *your* vehicle;
- d. damage to underground pipelines, cables, sewerage, or underground installation of any description;
- e. claims caused by, through or in connection with any vehicle described on the *schedule* whilst operating for the purpose for which it has been designed and not as a vehicle defined in the Transport Act 1962 and its amendments or any Act or Acts in substitution.

Our liability for all costs is limited to **\$10,000,000** and arising out of all vehicles in respect of any one accident is limited to **\$10,000,000**.

16. Keys, Locks and Other Starting Devices

This policy is extended to cover the cost of replacing locks, keys or starting devices of the insured item, where, if as the result of burglary, theft or attempt at burglary or theft, the keys or starting devices are stolen or there are reasonable grounds to believe the keys may have been duplicated. Cover includes the cost of opening any lock on the insured plant as the result of theft of keys or starting devices.

Our liability under this extension will not exceed **\$2,000**. An *excess* does not apply to this extension.

17. Fire Losses (Nil Excess)

The *excess* will not apply to the first occurrence of *damage* in any one *period of insurance* directly resulting from fire. Any subsequent claims within the same *period of insurance* will be subject to the standard *excess* as shown on the *schedule*.

18. **Increased Cost of Working**

If the business carried on by the insured is interrupted or interfered with in consequence of loss or *damage* (as covered by this policy and for which we have admitted a claim under this policy) this insurance extends to indemnify *you* for the increase in cost of working resulting from the interruption or interference.

- a. Our total liability in any one *period of insurance*, will not exceed **\$25,000**; and
- b. the amount payable will be the additional expenditure necessarily and reasonably incurred for the sole purpose of minimising any interruption to the business in consequence of the insured loss or *damage* during the period beginning with the happening of the loss or *damage* and ending not later than **six** months after that.
- c. No indemnity will be provided by this extension unless the period of repair or replacement of the insured item exceeds seven consecutive days.

19. **Appreciation**

The policy is extended to cover appreciation of the market value of the items specified due to any cause. Provided that the specified market value of the items was correct at the time of inception/renewal of this policy.

The appreciation of value will not exceed **25%** of the sum insured.

Optional Extensions

Whenever the following extension is shown on the *schedule* of this policy and an additional premium has been paid or has been promised to be paid, the insurance is extended accordingly. Subject in all cases otherwise to the terms, conditions and exclusions of this policy.

1. **Damage to Goods Lifted**

We will, subject to the limit of indemnity stated on the *schedule*, indemnify *you* against *damage* to property in the care, custody or control of *you* whilst the property is being handled by any item specified on the *schedule* provided always that this endorsement does not cover *damage* to property arising from a fault in or fragility of the property or its container.

2. **Multi Lifting Extension**

This policy extends to include operations in which a load is shared between two or more insured items engaged in lifting operations.

Provided always that:

- (i) the safe working load of each crane for the required jib length and operating radius should be at least **25%** in excess of the calculated share of the load to be handled by each crane during the multi lift; and
- (ii) a competent person is specifically appointed to supervise the operation and is in a position to give clear signals to each crane operator during the entire operation of the lift; and
- (iii) any multi lift will be in accordance with the Power Crane Association of New Zealand recommendations.

3. **Increased Cost of Working – Increased Limits**

The limit of liability provided under Automatic Extension 18 Increased Cost of Working is increased to **\$75,000** or any alternative amount shown on the *schedule*.

4. **Breakdown**

This policy is extended to include breakdown of machinery (as defined below) of the item number(s) as specified on the *schedule*.

Breakdown means sudden and unforeseen physical loss or *damage* causing the actual breaking or burning out of any part of a machine including (but not limited to) *damage* resulting from:

- a. defects in material design, construction, erection or assembly;
- b. fortuitous working accidents including vibration, maladjustment, loosening of parts, molecular fatigue, centrifugal force, abnormal stresses, defective or accidental lack of lubrication or water, local overheating, electronic electrical or mechanical defects or failure of protection devices;
- c. excessive electrical pressure from any cause, failure of insulation, short circuits, open circuits or arcing or the effects of static electricity;

which causes sudden stoppage of the insured item necessitating repair or replacement before normal working can be resumed.

We will not be liable under this policy for more than the manufacturer's or supplier's last published price for any part of any item of machinery which is no longer available to effect a repair.

Our total liability under this extension in respect of any single occurrence of a breakdown will not exceed the sum insured shown for each item on the *schedule*.

The machinery must be operated at all times with all due care and must be serviced in accordance with the manufacturer's recommendations.

We will not be liable for the costs of repair or replacement of any exchangeable and replaceable parts; any parts made of glass, rubber, textiles or synthetics; any parts which in normal use suffer a high rate of wear or depreciation; or operating media such as fuels, chemicals, filter substances, cleansing agents or lubricants.

5. Lease Residual Value Protection

We will in respect of each insured item specified, indemnify *you* against the Financial Loss (the difference between the “amount payable in respect of a total loss claim” and the “book value” as appearing in the Leasing Company’s records at the time of total loss or *damage*) incurred by *you*.

We will not be liable for more than **20%** of the sum insured of the insured item as stated on the *schedule*.

The financial loss indemnified will relate solely to the damaged item and will not include any other machinery or property.

Any loss payable under this extension excludes all penalties, charges and other expenses either in arrears or to be paid at a future date.

6. Finance Payment Protection

In the event of *damage* to the insured item for which we have admitted a claim under this policy, we will indemnify *you* (calculated on a daily pro-rata basis) against *your* obligation to meet payments on the insured item under any Finance or Lease agreement.

We will not be liable for any more than the limit shown for this Extension.

We will not be responsible for the first **10%** of each loss with a minimum *excess* of **\$1,000**.

We will not be liable for any balloon or residual value payment that may be due during a repair or replacement period.

The indemnity provided by this extension will cease after **six** consecutive months or when the insured item is repaired or replaced, whichever is the earlier.

No indemnity will be provided by this extension unless the period of repair or replacement of the insured item exceeds **ten** consecutive days.

7. Hoists and Hydraulic Lifting Equipment

This policy is extended to include the mechanical breakdown or failure of hoists and hydraulic lifting equipment permanently attached to the insured item, which breakdown or failure is not due to wear and tear.

Our total liability does not exceed **\$5,000** in respect to any one claim under this extension.

8. Hired Out Plant

Exclusion 3(i) ‘the hiring out of any plant where the plant is hired out without *your* own operator, unless otherwise provided for by endorsement’ is deleted.

9. Tyre and Track Damage

This policy is extended to cover the replacement cost of any tyre or any automotive track, whether made of metal or rubber, fixed to an insured item damaged as a result of accidental staking or spiking.

Provided that:

- a. the tyre or track was beyond being used again; and
- b. the tyre’s remaining tread met all legal requirements at the time of *damage*; and
- c. the insured machine or item of plant on which the tyre or track was fixed was nominated at the inception of cover as having this tyre and track extension; and
- d. if the tyre or track at the time of the accident is older than 12 months from the time of purchase, the cover for replacement value will be adjusted by deducting an amount to allow for condition and use with an assumed tyre or track life of no more than two years.

The maximum payable under this extension is **\$5,000** any one tyre or track.

10. Third Party Road Risks – Increased Limits

The limit in respect of Automatic Extension 15. **Third Party Road Risk** is increased to the limit specified on the *schedule*.

11. Tools & Sundry Equipment

We will cover *you* for the market value of *your* plant, machinery, tools (including *your* employees’ tools if they are not otherwise insured), sundry equipment, mobile phones (but not cellular phones) and radio telephones including both base and handsfree units, mobile plant and motor vehicle parts and accessories, tyres, stores of petrol, diesel and oil, office equipment including computers all except *your* employees’ tools being *your* own or for which *you* are responsible in the event of loss or damage anywhere in New Zealand.

It is warranted that all tools and sundry equipment covered by this extension are stored in a securely locked building or vehicle while they are not in use.

Basis of Settlement

The basis of settlement will be the market value of the property immediately before the happening of the *damage*.

Our liability will not exceed the sum specified on the *schedule*, in respect of any one claim and limited to **\$2,500** any one item under this extension, subject always to the *excess* specified on the *schedule*. A minimum *excess* of **\$500** applies to each and every claim under this extension.

Additional exclusions applicable to this extension:

This extension does not cover any *damage* resulting from:

- (i) unexplained disappearance, inventory shortage;
- (ii) theft including theft by employees;
- (iii) any fraudulent scheme or device practised on *you*.

Average

If at the time of any *damage* the sum insured is less than the value of the property insured, then *you* will be considered to be self insured for the difference and will bear a rateable proportion of any *damage*.

This means that if *you* insure *your* tools and sundry equipment for \$50,000, their market value is \$100,000, and there is *damage* amounting to \$20,000 then *we* will pay a maximum of \$10,000.

12. Agreed Value

If a total loss becomes payable under this policy the amount payable will be the sum insured as shown on the *schedule* for the insured item, subject to the following conditions:

- (i) if the insured item has been purchased in the **12** months preceding the *damage* then the sum insured shown will represent the purchase price; or
- (ii) if the insured item was purchased more than **12** months prior to the *damage* and *you* have provided *us* with an independent valuation then provided that the valuation is dated less than **12** months prior to the inception or last renewal of the policy the item insured is deemed to be insured for that value.

If *we* elect to exercise *our* option to replace the item, the replacement item will be of the same make and type and in like condition unless otherwise agreed with *you*.

Where the conditions of this extension are not met, then any settlement for *damage* under this policy will revert to market value, subject to a limit of the sum insured for the insured item as shown on the *schedule*.

13. Windscreens & Window Glass

If *damage* occurs solely to any windscreen or window glass, this policy is extended to cover the cost of replacement without the deduction of any policy *excess*. This extension will only indemnify *you* in respect of the replacement of the actual glass damaged and not any superior alternative or temporary repair involving additional expense, unless otherwise agreed by *us*.

14. Loss of Revenue

This policy is extended to indemnify *you* for any loss of revenue suffered by *you* as the direct result of *damage* to the specified insured items for which *we* have admitted a claim under this policy.

You will provide all documentation required to establish and verify the loss of revenue directly related to the loss or *damage*.

The indemnity will commence in respect of loss of revenue **seven (7)** working days after the date that the accident is reported to *us* and will cease on the day that repairs have been completed and the property insured is available to *you*.

No loss of revenue is payable if replacement or alternative plant is available at no cost.

You must take all reasonable steps to avoid or reduce any potential loss of revenue, including reorganising work methods and schedules.

You must take all reasonable measures to assist with the expedient repair and availability of the plant or insured item *damaged*.

Our liability under this extension is limited to **\$5,000** per week for a maximum period of **six** months.

Exclusions

1. **We will not be liable for:**
 - a. the *excess* stated on the *schedule*, which is the first amount of any claim that *you* must pay in respect of any one occurrence, or a series of occurrences from any one cause;
 - b. consequential loss of any kind or description including penalties, losses due to delay, lack of performance, loss of contract;
 - c. *damage* due to faulty design or any existing faults or defects known by *you* to exist at the time of arranging this insurance;
 - d. mechanical and/or electrical breakdown or derangement of any nature of any insured plant but this exclusion will not apply to any subsequent *damage* by fire;
 - e. loss or *damage* discovered only at the time of taking an inventory, or during routine servicing;
 - f. *damage* to plant whilst underground;
 - g. *damage* to aircraft, aerial devices, waterborne vessels or craft including plant and materials carried by, stored on, being placed or once mounted thereon. This exclusion will not apply to plant on waterborne vessels solely for the purposes of transit;
 - h. loss of or *damage* to:
 - (i) exchangeable and replaceable parts including but not limited to shear pins, bits, drills, knives, saw blades and the like;
 - (ii) dies, moulds, patterns, blocks, stamps, punches, coatings or engravings on cylinders and rolls, parts made of glass, rubber, textiles or synthetics and the like;
 - (iii) parts which by their use or nature suffer a high rate of wear or depreciation including but not limited to crushing surfaces, balls, hammers, screens and sieves, engraved metal cylinders, wear plates, elevator and conveyor belts or bands, chains, flexible pipes, jointing and packing materials, filter cloths, grinding wheels, ropes, belts, straps, cables other than electrical conductors, fuses, brushes, batteries, tyres, refractory material, grate bars, burner jets and the like;
 - (iv) operating media such as fuels, chemicals, catalysts, filter substances, heat transfer media, cleansing agents and lubricants;
 - (v) tyres by cuts, bursts, punctures or the application of brakes; but this exclusion is limited to the part immediately affected and does not apply to resulting *damage* to other parts of the insured item.
 - i. loss or *damage* directly due to:
 - (i) the wasting or wearing away or wearing out of any part of an item caused by or naturally resulting from ordinary use or working, gradual deterioration including erosion, rust, corrosion, boiler scale or oxidation (due to normal atmospheric conditions or otherwise);
 - (ii) cavitation;
 - (iii) scratching of painted or polished surfaces.
2. This policy will not insure the plant specified on the policy *schedule* whilst the plant is left unattended for more than two hours in any watercourse or body of water where it sustains *damage* as a direct consequence of that.
3. **We will not indemnify *you* in respect of *damage* or liability directly or indirectly caused by, arising out of, in connection with or aggravated by:**
 - a. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped power, conspiracy, confiscation, commandeering, acquisition or destruction or damage by order of any government de jure or de facto or by any public authority;
 - b. nuclear reaction, nuclear radiation or radioactive contamination;
 - c. wilful act or wilful negligence of *you* or *your* representatives;
 - d. intentional exposure to potential *damage*, unless due to commandeering under any Act of Parliament, seizure by any public authority or by contractual agreement for the purposes of avoiding or preventing disasters and/or the protection of human life;
 - e. intentional overloading of machinery or the operation of machinery contrary to the manufacturers' recommendations;
 - f. experiments involving the imposition of any abnormal conditions on the machinery;
 - g. the application of any tool or process occurring during the course of repair, maintenance, modification or inspection;
 - h. any operation in which a load is shared between any items of machinery classed as lifting equipment (whether covered by this policy or not) unless otherwise provided for by endorsement;
 - i. the hiring out of any plant where the plant is hired out without *your* own operator, unless otherwise provided for by endorsement;
 - j. criminal acts committed by *you* or any person acting with *your* expressed or implied consent.

4. This policy does not cover any *damage* or liability while any item of plant or any vehicle is:
- a. being operated, driven or used:
 - (i) for racing, pace-making, reliability trials, hill climbing, speed tests, whether organised or not, or any similar or like activities, or being driven in preparation or testing for any of these activities or being driven on a racetrack;
 - (ii) outside of New Zealand;
 - (iii) contrary to statute or regulation governing the use of the vehicle;
 - (iv) contrary to the manufacturers' recommendations, operating manual, or equivalent, governing the use of the vehicle;
 - b. being operated or driven by any person:
 - (i) who is under the influence of any intoxicating substance or drugs; or
 - (ii) whilst the proportion of alcohol in the specimen of blood of the person exceeds the legal limit; or
 - (iii) whilst the proportion of alcohol in the person's breath, as ascertained by an evidential breath test, exceeds the legal limit; or
 - (iv) who fails to supply a blood or breath sample as required by law; or
 - (v) who fails to stop or remain at the scene after an accident; or
 - (vi) who breaches the legal requirements relating to driving hours.
 - c. being operated or driven by any person who at the time of any *damage* or liability is not licensed to operate the machine under any relevant legislation or by-law.
 - d. being operated in an unsafe or unroadworthy condition. For the purposes of this exclusion the term "unsafe condition" will include:
 - (i) any condition which may result in *damage* to the *insured property*; and
 - (ii) any condition where the item of plant or vehicle is not fit to deal with any peril likely to be encountered during the course of its operation.

Exclusion 4, paragraphs a) to d) will not apply in respect of any claim under this policy for theft or illegal conversion of the item of plant or vehicle.

5. Electronic Data Exclusion

This policy does not insure any *damage* or liability for claims arising out of:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *electronic data*;
- (ii) error in creating, amending, entering, deleting or using *electronic data*; or
- (iii) total or partial inability or failure to receive, send, access or use *electronic data* for any time or at all from any cause, regardless of any other contributing cause or event whenever it may occur.

However, where an event listed below (being an event covered under this policy but for this exclusion) is caused by any of the matters described above, this policy, subject to all its provisions, will insure *damage* to *insured property* directly caused by the event.

This exclusion does not apply where an event listed below (but only if an event covered under this policy but for this exclusion) causes any of the matters described above.

- Fire, explosion, lightning or thunderbolt
- Earthquake including subterranean fire
- Volcanic eruption
- Impact by any road vehicle or animal
- Impact by aircraft or anything dropped from them
- Windstorm, hail, tornado, cyclone or hurricane
- Tsunami, flood, freezing or weight of snow
- Bursting, overflowing, discharging, or leaking of water tanks, apparatus, or pipes
- Theft of *electronic data* solely where the theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing the *electronic data*

Any cover under paragraph 2 above excludes the value to *you* of any *electronic data*.

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

This exclusion prevails over any other provision in this policy except any terrorism exclusion.

6. Terrorism Exclusion

This policy does not cover any *damage*, liability, death, injury, illness, or any other form of cover otherwise available under this policy directly or indirectly caused by, resulting from or in connection with any:

- (i) *act of terrorism* regardless of any other cause or event contributing concurrently or in any other sequence to such *damage*, liability, death, injury, illness, cost or expense; or
- (ii) action taken in controlling, preventing, suppressing, or in any way relating to any *act of terrorism*.

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

Conditions

1. The due observance and fulfillment of the terms of this policy by *you* in so far as they relate to anything to be done or complied with by *you* and the correctness of any statements made to *us* (whether made by *you* or not) and answers in the questionnaire and proposal are conditions precedent to any liability *we* may have to provide any indemnity under this policy.
2. *You* will at *our* request and *our* expense take any such action as may be necessary or reasonably required by *us* for the purpose of enforcing any rights and remedies, or of obtaining relief or cover from other parties to which *we* are or would become entitled or subrogated upon paying for or making good any loss under this policy whether before or after being paid by *us*.
3.
 - a. *We* will at any reasonable time have the right to inspect and examine the risk and *you* will provide *us* with all details and information necessary for the assessment of the risk.
 - b. *You* will immediately *notify us* in writing of any material change in the risk and at *your* own expense take any additional precautions as circumstances may require, and the scope of cover and/or premium will, if necessary, be adjusted accordingly.
4. *Our* liability under this policy in respect of any item sustaining *damage* will cease if the item is not repaired properly without delay.
5. *You* will at *our* expense do and concur in doing and permit to be done all acts and things as may be necessary or required by *us*, in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this policy) to which *we* be or would become entitled or subrogated upon their paying for or making good any loss or *damage* under this policy, whether the acts and things will be or become necessary or required before or after indemnification by *us*.
6. If any claim is in any respect fraudulent or if any false declaration is made or false or incorrect information is used in support of any claim or if any fraudulent means or devices are used by *you* or anyone acting on behalf to obtain any benefit under this policy *we* will not pay *your* claim and *you* will forfeit all benefits under this policy.
7. This policy may be cancelled at any time at *your* request in which case *we* will retain the short period rate for the time the policy has been in force. *We* may cancel this policy at any time by giving (30) days' notice to *you* of the cancellation in writing, by facsimile transmission or by e-mail. The notice may be delivered personally or mailed, faxed or e-mailed to *you* at the address last notified to *us*. After cancellation by *us* *we* will refund to *you* the proportionate part of any premium received in respect of the unexpired period of this policy.
8. If at the time of any *damage* there is any other insurance, whether effected by *you* or by any other person, covering the same *damage* the insurance under this policy will not apply until the full amount of the indemnity provided by the other insurance has been applied as far as it will go in satisfaction of *your* loss.

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IAG New Zealand Limited as insurer.

NTI New Zealand Limited (NTI) as authorised agent for
IAG New Zealand Limited, has relationships with brokers
and other insurance intermediaries who issue our policies.
IAG New Zealand Limited pays remuneration to brokers
and insurance intermediaries when they issue NTI policies,
and when these policies are renewed or varied.

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