

Echelon

contents

insurance policy



LANTERN
insurance

Underwritten by **N4**

Echelon

Contents policy

Welcome

Thank you for giving Lantern the opportunity to help you protect the things that matter. We'll do our best to support the choice you've made by providing you with an extensive range of NZI products and services designed to meet your expectations.

What we do

Lantern Insurance is a specialist for NZI. Our competitive advantage hinges on knowing our customers well enough to deliver relevant NZI products and services that meet their lifestyle needs.

If you have any questions about your policy or think it doesn't provide the cover you need, please ring us straight away – we'll be happy to help.

Phone the Lantern team on **0800 800 800**.

www.lanterninsurance.co.nz

This document is your Contents policy wording. Please make sure you read it carefully, as it contains important information you should know, including what your insurance covers – and what it doesn't.

Contacting us

If you ever have a question, need help, or want to make an insurance claim, you're welcome to phone us any time, 24-hours a day.

In New Zealand, simply call **0800 800 800**.

If you're overseas, call us direct on **+64 9 969 4852**.

If you'd prefer to email us, it's easy. You can reach us at **contactus@lanterninsurance.co.nz**.

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Your policy

Reading your policy

Words in bold

You'll notice that some words in **your** policy are in **bold**. This is because they have a special meaning. There is a list of these words and what they mean on page 16.

Examples and headings

To make it easy for **you** to understand **your** policy, **we've** included some examples and comments in *italics*. Note these don't affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy wording are designed to help **you** find **your** way around it. **You** mustn't use them when interpreting the policy wording.

What your policy consists of

Your Contents Policy consists of this policy wording, the **schedule** and the information **you** provided in the **application**.

You can change your mind

If **you're** not happy with this policy **you** are welcome to change **your** mind, but **you** must tell **us** within 15-days of the date it started. **We'll** then cancel it and refund in full any premium **you've** paid. This doesn't apply if **you** have made a claim on **your** policy.

Our commitment to you

We'll do **our** best to:

- provide **you** with helpful, professional service
- act on **your** requests promptly
- provide **you** with policies that suit **your** needs
- give **you** information that will help **you** to reduce the risk of **loss**
- make **you** aware of policy conditions and obligations.

Our agreement with you

Together, **you** and **we** have an agreement. **You** agree to pay **us** a premium for **your** cover and, in exchange, **we** promise to cover **you** as stated in this policy wording.

Keeping us informed

When **you** apply for insurance with **us**, **you** have an important 'duty of disclosure'. This means that **you** must:

- give **us** all the information that a prudent insurer needs to decide whether to accept or decline **your application** for insurance. If **we** accept **your application**, it includes information that a prudent insurer needs to decide the cost of **your** insurance and the terms and conditions that will apply (including the **excess**), and
- provide **us** with true, accurate and complete information, even if **you** think it isn't important.

If **you** don't tell **us**, **your** insurance policy may not be valid and **you** may not be covered if **you** want to make a claim.

You must also tell **us** about changes that occur during the policy period – see 'Changes in circumstances' on page 15.

If **you're** not sure whether **you** should give **us** some information, tell **us** anyway. Simply call **us** on **0800 800 800** – **we'll** talk the matter over with **you** and let **you** know if it affects **your** policy.

We treat all information **you** give **us** in accordance with the Privacy Act 1993.

So what must you tell us?

You must tell **us** about anything that could affect **your** insurance with **us**.

For example, you must tell us:

- *if the home where we insure your contents will not be lived in for more than 60 consecutive days*
- *if the contents will be used by a tenant*
- *if you have been convicted of a criminal offence in the last 7-years*
- *if your contents will be used for business purposes*
- *if the home will be altered or added to*
- *if you move to a different address*
- *if you have been declined or refused insurance in the last 5-years*
- *if there has been any material change in circumstances since the policy started*
- *if you insure your contents again with anyone else.*

These *examples* are only a guide.

Remember, **we** provide **your** insurance based on the information **you** gave **us** when **you** applied for it. If anything changes, or if **you** expect something to change, **you** must let **us** know or **your** policy may be unenforceable.

Please ask **us** if **you're** not sure if **you** should tell **us** about something.

We must tell you about...

We must keep **you** updated on **your** insurance.

For example, we must tell you:

- if we change the terms of your policy
- if we add new terms to your policy
- about any other changes to your policy
- before your policy renews, how much your new premium will be.

Our other responsibilities to you

- **We'll** answer **your** questions honestly and accurately.
- **We'll** provide **you** with information and advice to help **you** understand **your** insurance and its terms and exclusions.
- If **you** need it, **we'll** give **you** a copy of the information **you** gave **us** when **you** applied for **your** insurance.
- When **you** first insure with **us**, and when **you** renew **your** policy, **we'll** tell **you** about the financial rating on **our** ability to pay for any claims **our** customers make.

If **you** have any questions please call **us** on **0800 800 800**.

Making a claim

When **you** need to make a claim, **we'll** be here to help **you** 24-hours a day, 7-days a week – just call **us** on **0800 800 800**.

What you must do

If anything happens that could result in a claim under this policy, **you** must:

- do what **you** can to take care of **your contents** and to prevent any further **loss** or liability, and
- tell **us** as soon as possible, and
- notify the police as soon as possible if **you** think the **loss** was caused by a criminal act, and
- allow **us** to examine the **contents** before any permanent repairs are started, and
- not destroy or dispose of anything that is, or could be, part of a claim, and
- as soon as possible, send **us** anything **you** receive from anyone about a claim or possible claim against **you**, and
- give **us** any information or help **we** ask for, and
- consent to **your** personal information in connection with **your** claim being disclosed to **us** and transferred to Insurance Claims Register Limited.

What we'll do

When **you** contact **us** to make a claim under this policy, **we'll**:

- treat **you** fairly and process **your** claim within the terms of the policy, and
- explain how the claim process works, and
- advise **you** as best **we** can, on how to prevent further damage, and
- if possible, register **your** claim straight away after asking **you** questions and recording **your** responses, and
- if possible, accept **your** claim during the first phone call, and
- explain what **we** need to go ahead with **your** claim, and
- if required, arrange for a loss adjuster to inspect the damage and explain the procedure that will be followed, and

- keep **you** updated on **your** claim's progress, and
- give **you** all the information **you** need on how **we'll** settle **your** claim, and
- if **we** decline **your** claim, clearly explain why.

What's the Insurance Claims Register?

It is an electronic register that holds a central record of claims lodged with participating insurance companies. These companies can access the claims history of a customer. This helps to keep the cost of insurance affordable to **you**.

Don't forget about your excess

When **you** make a claim, **we'll** deduct the **excess** from the amount **we** would otherwise pay for **your** claim. The **excess** applies to each **event** – unless specifically stated otherwise in another part of this policy.

Where an **event** occurs that results in a claim under more than one benefit of this policy, **we'll** only apply the highest applicable **excess**.

If **we** insure both **your home** and **your contents** (at the same address) under separate policies and **you** claim under both for a **loss** caused by the same **event**, **you'll** only pay one policy **excess**. This will be the higher **excess** of the two policies.

Getting our permission first

You must ask for **our** permission before **you**:

- incur any expenses in connection with a claim under this policy, or
- negotiate, pay, settle, or admit any allegation that **you** are legally liable, or
- do anything that may prejudice **our** rights of recovery.

'Rights of recovery' means that we can claim the money that we paid out on your claim back from the responsible person (if someone else that is not insured under this policy was responsible for the loss). You must not do anything that prevents us from doing that, or that disadvantages us when doing that.

It is best that you allow us to manage your claim on your behalf. We'll let you know how you can help us when we talk to you about your claim.

Honesty is the key

You and **we** have an agreement. As part of that agreement, **you** agree to be honest in all **your** dealings with **us**, just as **we'll** be honest with **you**. If **your** claim is dishonest or fraudulent in any way, **we** have the discretion to:

- decline **your** whole claim or part of it, and/or
- declare that this policy, or all the policies **you** have with

us, are unenforceable from the date of the dishonest or fraudulent act.

Things that will help us help you

- Keep **your** insurance documents in a safe and easily accessible place.
- Have **your** policy number handy when **you** contact **us**.
- Have any relevant information ready when **you** contact **us**, such as a lost item's brand name, model name, model number and special features.
- Keep records of the things **you** buy, especially high-value items, as this will help **us** process **your** claim.
- Let **us** know if **your** contact details change.
- Ask **us** if there's something **you're** not sure about.

If you have a problem with your claim

We'll always do **our** very best to get things right and provide **you** with the service **you** expect from **us**. However, sometimes things do go wrong – so when they do, **we** want to resolve the problem as quickly as possible.

Here's what to do:

Your first steps are to contact the office you have been dealing with

Step 1:

First, discuss **your** problem with the person **you've** been dealing with. Talk through **your** concerns and **we'll** try to resolve it.

Step 2:

Second, if **you're** still unhappy with their answer, contact their Team Leader. At this stage, it's best to put **your** complaint in writing. But if **you** prefer, **you** can phone the Claims Team Leader instead. They'll acknowledge that **your** complaint has been received, investigate the matter and then inform **you** of the outcome.

If you're not satisfied with this outcome

Step 3:

Next, write to:

The Sales and Operations Manager
Lantern Insurance
Private Bag 92130
Auckland

We'll acknowledge **your** complaint within 3 working days and make sure it's fully investigated. **You'll** receive written advice of the outcome within 10 working days – or, if no decision has been made, **we'll** give **you** an update on the progress of **your** case.

Step 4:

Finally, if **we** are unable to resolve **your** complaint within 2-months **we'll** tell **you**. **We'll** also tell **you** of **your** rights under the Insurance & Savings Ombudsman scheme that considers complaints relating to insurance claims. This is an independent scheme that's free of charge to **you**.

The Insurance & Savings Ombudsman has the authority to make decisions binding upon insurance companies for certain claims up to the value of \$150,000 (excluding GST).

Should **you** wish to have **your** complaint considered by the Insurance & Savings Ombudsman, **you** have to do steps 1 – 3 above first.

Next, **you** must contact the Insurance & Savings Ombudsman office no later than 2-months after the date **we** informed **you** that deadlock has been reached with **your** claim. **You** can contact the Insurance & Savings Ombudsman by phoning 0800 888 202 or (04) 499 7612, by fax at (04) 499 7614 or by writing to PO Box 10 845, Wellington.

You'll find additional information and contact details on the web at www.iombudsman.org.nz.

We can take action in your name

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

1. negotiate, defend or settle any claim against **you** covered by this policy
2. to make a recovery from anyone else for anything covered by this policy, and **you** must cooperate with **us**.

We'll pay any costs associated with these actions.

What you get if we accept your claim

Not all **contents** are insured for their replacement. This section explains what **contents we'll** replace and what **we** won't replace, if **we** accept **your** claim. It also explains when **we'll** repair the **contents**, when **we'll** replace them and when **we'll** pay **you** for them. It also tells **you** about **contents** that are only covered for certain amounts. Please make sure **you** read this section carefully. If **you** have any questions, just phone **us** on **0800 800 800**.

Contents covered for repair or replacement

All **contents** are covered for replacement, except those listed in 'Contents covered for present value' below and any item **you** choose not to repair or replace.

For **contents** covered for replacement, **we** can choose either to pay the cost of repairing an item as close as possible to its condition when it was new, or the cost of replacing it.

Contents covered for sustainability upgrade

For any whiteware appliance that **we** choose to replace, if a comparable model appliance that has more energy-efficient features is available, **we'll** replace it with that model.

Contents covered for present value

The items **we** cover for **present value** are:

- books,
- clothing and footwear,
- records, audio tapes, video tapes, compact discs (CDs) and digital versatile discs (DVDs),
- computer hardware that's more than 5 years old,
- computer software and gaming software (including gaming cartridges),
- camping equipment,
- **watercraft** and their parts and accessories,
- parts and accessories of motor **vehicles**, motor cycles, motor scooters (other than mobility scooters), trailers and caravans that are not in them or attached to them,
- parts and accessories of aircraft or other aerial devices that are not in them or attached to them,
- household linen,
- sports equipment (but not golf clubs or golf bags),
- bicycles.

If an item is covered for **present value**, **we** can choose either to pay the cost of repairing it as close as possible to its condition immediately before the **loss** happened, or to pay its **present value**.

'Present value' means the reasonable cost to repair or replace the item in New Zealand – so that you have an item that is of an equivalent age, quality and capability, and that is in the same general condition.

Maximum payments for specific types of contents

Unless **we** have agreed in writing that an item is a **specified item**, or a higher limit applies, the most **we'll** pay for any **event**, is shown in the following table:

Description	Amount
BICYCLES: For a bicycle	\$2,000
CAMERAS: For a single camera (film, video or digital) or camera accessory	\$3,000
COLLECTIONS: For a single collection	\$3,000
JEWELLERY: For a single item of jewellery or watch	\$3,000
JEWELLERY (MULTIPLE): For multiple items of jewellery	\$15,000 in total for multiple items of jewellery that are not specified items
MODEL AIRCRAFT: For a model aircraft or a toy aircraft (including any parts and accessories that are in it or attached to it).	\$2,000 in total
MONEY AND VOUCHERS: For all money, vouchers that can be redeemed for cash, bullion, unset precious stones, credit cards or stamps that are not part of a collection	\$1,000 in total
PARTS AND ACCESSORIES: For all parts and accessories of: (a) watercraft (b) motor vehicles , motor cycles, motor scooters, trailers and caravans (c) aircraft and other aerial devices, that are not in them or attached to them.	\$2,500 in total
WATERCRAFT: For a surfboard, windsurfer, dinghy, kayak or canoe (including any parts and accessories that are in it or attached to it).	\$2,000

If the item is a **specified item**, or a higher limit applies the most **we'll** pay is the **specified sum insured** for that item.

Maximum payment

Unless this policy specifically states otherwise in another section, the most **we'll** pay in total for any **event**, is the **sum insured**.

Goods and services tax

The **sum insured** excludes GST, if the GST is recoverable by **us** under the Goods and Services Tax Act 1985. All other amounts in this policy include GST.

We'll add GST to claim payments where applicable.

Claimant authorisation

If any person, except those named as the 'Insured' (in the **schedule**), makes a claim under this policy, then:

1. they authorise the insured to be their agent, and
2. they authorise the insured to negotiate and settle the claim, and
3. **we** may deal with the insured direct, and
4. **our** payment to the insured will represent payment to the person claiming.

This means that anyone who is covered under this policy authorises the main insured to deal with us and settle the claim.

What your policy covers

This section explains what **your** policy does and doesn't cover. Please read it carefully – and if **you** have any questions, call **us** on **0800 800 800**.

Accidental loss

You're covered for sudden and **accidental loss** to the **contents** if the **loss** happens during the **period of insurance** while the **contents** are:

1. in the **home**, or
2. **temporarily removed** from the **home** for use anywhere else in New Zealand.

What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Alternative accommodation

If **you** can't live in the **home** because of a **loss**:

1. covered by this policy, or
2. to the **home**:
 - (a) that is covered by another policy, or
 - (b) in which **you're** the **tenant**, and that would have been covered under **our** Home Policy if **we** had insured the property, or
3. covered by the Earthquake Commission,

we'll pay the reasonable additional costs of:

- (a) temporary alternative accommodation (of a similar standard to the **home**) for **you** and **your** domestic pets, and
- (b) moving the **contents** to the alternative accommodation and returning them to the **home**, and
- (c) moving the **contents** to a secure storage facility, storing them while **you're** in alternative accommodation, and returning them to the **home**.

What you'll get

The most **we'll** pay is \$20,000 for any **event**. **We'll** pay these costs for a maximum of 12 months for any **event**. The payment will be additional to the 'Maximum payment' on page 8.

If **you** live in the **home** as a **tenant**, **your** cover for alternative accommodation ends on the date that:

- (i) **your** tenancy agreement ends, or
- (ii) **you** move to another rental property,

whichever happens first.

If **you** have 'Alternative accommodation' cover with **us** under any other policy, the most **we'll** pay under all policies is \$20,000 for any **event**.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Credit card theft

You're covered if **your** credit cards or debit cards are stolen and used fraudulently, during the **period of insurance**, by someone:

1. who isn't related to **you**, and
2. who isn't living at the **home**, and
3. whose **contents** aren't covered by this policy,

as long as **you've** complied with the terms and conditions of **your** credit card or debit card.

What you'll get

We'll pay the unrecoverable amount **you've** lost up to a maximum of \$500 during an **annual period**. The payment will be additional to the 'Maximum payment' on page 8.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Family living away from home

You're covered for sudden and **accidental loss** during the **period of insurance** to the **contents** of any **family** member who is a student attending a school, polytechnic or university and living away from **home** during the **period of insurance**.

What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay.

If the **family** member is not living in a hostel or other accommodation run by or for that school, polytechnic or university, then the most **we'll** pay is:

1. \$500 for any one item of **contents**, and
2. \$5,000 in total for any **event**.

What isn't covered

You're not covered for **loss** arising from the **contents** being:

1. stolen, unless the theft follows forceful and violent entry to any building, or
2. lost or misplaced,

unless the **family** member is:

- (a) living in a hostel, or
- (b) other accommodation run by or for that school, polytechnic or university.

See also 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Fatal injury

We'll pay \$10,000 to **your** legal representative if **you** die as the result of a fire, or an incident involving burglars or thieves, that happens at the **home** during the **period of insurance**.

Note the 'Other insurance' policy condition on page 15 doesn't apply to this fatal injury cover – and no **excess** is payable.

What you'll get

The most **we'll** pay is \$10,000 for any fatal injury **event**. The payment will be additional to the 'Maximum payment' on page 8.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Food spoilage

You're covered for **accidental loss**, during the **period of insurance**, to perishable items, caused by:

1. **your** refrigerator or freezer stopping, or breaking down, or
2. disconnection of the power supply (including by an electricity supply company).

What you'll get

We'll pay the reasonable costs of:

1. replacing perished items in **your** refrigerator or freezer, and
2. repairing any **loss** caused by the perished items.

What isn't covered?

We won't pay for perished items **you've** kept in connection with a business.

See also 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Hidden gradual damage

You're covered for:

1. **hidden gradual damage** to the **contents** that happens and is discovered during the **period of insurance**, and
2. any other **contents** that aren't directly affected but must be damaged or destroyed to locate the cause of the **hidden gradual damage**, as long as **we've** given **our** permission first.

'Hidden gradual damage' means hidden rot, hidden mildew or hidden gradual deterioration caused by water leaking from an internal tank that is plumbed into the water reticulation system of the home and is permanently used to store water, internal water pipe or internal waste disposal pipe installed at the home.

What you'll get

The most **we'll** pay during an **annual period** is \$2,000.

What isn't covered?

You're not covered for:

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

except for **loss** as covered under this section.

See also 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Home office

You're covered for sudden and **accidental loss**, during the **period of insurance**, to office furniture and office equipment that **you** own and use for earning income at the **home**.

What you'll get

The most **we'll** pay for any **event** is:

1. \$10,000 when the **loss** happens at the **home**, or
2. \$1,500 when the **loss** happens when the furniture or equipment is **temporarily removed** from the **home**.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Intentional damage

You're covered for sudden and **accidental loss** during the **period of insurance**, caused intentionally by a:

1. **tenant**, or
2. guest of a **tenant**, or
2. person who lives at the **home**,

as long as the **loss** was caused by fire or explosion.

What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay.

What isn't covered?

You're not covered for any **loss** caused intentionally by the person(s) shown as the 'Insured' in the **schedule**.

See also 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Keys and locks

You're covered if any key (including electronic keys or swipe card or any equivalent device) or combination that gives access to the **home**, or to any safe or strongroom in the **home**, is:

1. lost or stolen, or
2. believed on reasonable grounds to have been duplicated without **your** permission,

during the **period of insurance**.

What you'll get

We'll pay **you** the actual cost to:

1. replace any key to the **home** and to alter or replace the lock it was for, or
2. open any safe or strongroom,

– and **you** won't have to pay an **excess**.

The most **we'll** pay during an **annual period** is \$1,000.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Overseas travel

You're covered for sudden and **accidental loss** to **your** clothing, personal effects, suitcases, bags and jewellery, while **you** are in transit to and from, and travelling in, Australia or the Pacific Islands during the **period of insurance**, as long as **your** trip does not exceed 3-weeks in total.

What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay. The most **we'll** pay for any one trip is \$5,000.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Personal liability

What does 'personal liability' mean?

'Personal liability' is the legal liability that a person has for loss or damage suffered by someone else.

For example:

If you forget about a pan of oil on the stove and it sets fire to the house you're renting, you'll be held legally liable (or personally liable) for the damage the fire caused.

Legal liability cover

You're covered for **your** legal liability for:

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

during the **period of insurance**.

Defence costs cover

You're also covered for defence costs **you** incur with **our** approval, for **your** liability under 1, 2 and 3 above. **We** won't unreasonably withhold **our** approval.

What you'll get

Legal liability payment

The most **we'll** pay is \$1,000,000 for any **event**. The payment will be additional to the 'Maximum payment' on page 8.

Defence costs payment

Defence costs covered by this policy are unlimited and payable in addition to the above legal liability payment limit.

Settlement of any claim

If **we** pay the full amount under this part of **your** policy (or any lesser amount that **we** can settle **your** liability for), plus **your** defence costs, this will meet all **our** obligations under this part of **your** policy.

What isn't covered?

You're not covered for liability:

1. in connection with a business, trade, profession or sponsorship, or
2. created by a contract or agreement, unless **you** would have been liable even without it, or
3. in connection with the ownership or use of any:
 - (a) **vehicle** (other than an electric wheelchair, domestic garden appliance, mobility scooter, golf cart or children's motorbike less than 50cc and used only off road), motor cycle, motor scooter, trailer, caravan, or
 - (b) aircraft or other aerial device, unless it's a model or a toy that is not able to carry more than its own weight, or
 - (c) **watercraft**, other than any:
 - (i) surfboard, windsurfer, surf ski, dinghy, kayak or canoe (including its parts and accessories), and
 - (ii) any other **watercraft** powered by a motor or sail, with a **present value** of no more than \$2,000 including parts and accessories, or

- in connection with any seepage, pollution or contamination (including the costs of removing, nullifying or cleaning up), unless it happens during the **period of insurance** and is caused by a sudden **accidental event** that happens during the **period of insurance**.

You're also not covered for exemplary damages or fines.

'Damages' in this context refers to money claimed from you as compensation for harm done, or loss or injury. Exemplary damages is money claimed as punishment. The court awards this to punish someone for their outrageous conduct and to deter others.

See also 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Stress payment

If **we** settle a claim for the total **loss** of the **contents**, **we'll** pay **you** an additional amount for the stress **you** have suffered.

You can spend this money however **you** wish.

What you'll get

We'll pay **you** \$2,000. The payment will be additional to the 'Maximum payment' on page 8. **We'll** only pay this benefit once.

If **you** have 'Stress payment' cover with **us** under any other policy, the most **we'll** pay under all policies is \$2,000 for any **event**.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 12 and 'Policy conditions' on page 14.

Exclusions that apply to the whole policy

This section explains things **your** policy doesn't cover that are additional to those already mentioned in the previous sections. Please read it carefully – and if **you** have any questions, call **us** on **0800 800 800**.

The first 48-hours of your policy

When **you** first take out this policy, **you're** not covered for any **loss** caused by a storm, flood or landslip that happens during the first 48-hours.

This restriction doesn't apply if the policy starts immediately after another policy that insured the same property against the risks of storm, flood and landslip.

For example:

If you're changing your insurance company to NZI and your cover continues without interruption, you'll be covered for storm, flood and landslip. However, if your policy with the other company didn't cover storm, flood or landslip, you won't be covered in the first 48-hours of this policy.

If your contents weren't insured at all before you took out this policy, you won't be covered for storm, flood and landslip in the first 48-hours.

Business use

You're not covered for **contents** used at any time for earning income, except for cover detailed under 'Home office' on page 10.

Confiscation

You're not covered for **loss** connected in any way with the confiscation, nationalisation, requisition, acquisition or destruction of, or damage to property by order of government, public or local authority.

Earthquake Commission cover

You're not covered for a **loss** that's already covered by the Earthquake Commission Act or that would have been covered if:

- an **excess** hadn't been deducted (*for example, if the excess is greater than the value of the loss*), or
- the Earthquake Commission hadn't exercised its power to decline the claim for that **loss**.

If the Earthquake Commission agrees to cover **your loss**, but the value of **your loss** is higher than the Commission's payment, **we'll** pay the difference between what the Earthquake Commission pays, or would have covered, and **your** maximum entitlement under this policy.

Excess

For each **event**, **we'll** deduct the **excess** from the amount **we** would otherwise pay for **your** claim – unless specifically stated otherwise under another part of this policy.

Where an **event** occurs that results in a claim under more than one benefit of this policy, **we'll** only apply the highest applicable **excess**.

If **we** insure both **your home** and **your contents** (at the same address) and **you** claim under both for a **loss** caused

by the same **event**, you'll only pay one policy **excess**. This will be the higher **excess** of the two policies.

Faults and defects

You're not covered for the cost of fixing any fault, defect, error or omission in design, workmanship or construction. However, this applies only to the **contents** directly affected. It doesn't apply to any resultant **accidental loss** to other parts of the **contents**.

Floor coverings

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

For example:

If the carpet in your bedroom was damaged due to a storm, you can only claim for the carpet in that room. If the carpet needs to be replaced, you can only claim for the carpet that was damaged, even if you can't find a carpet to match the carpet in the rest of the house.

Gradual damage

You're not covered for:

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

except for **loss** covered under 'Hidden gradual damage' on page 10.

Insects, rodents and vermin

You're not covered for **loss** caused by insects, rodents or vermin (other than opossums). However, this applies only to the **contents** directly affected. It doesn't apply to any resultant **accidental loss** to other parts of the **contents**.

For example:

If a rat chews through your washing machine's hose, you are not covered for the hose, but you are covered for the damage the water causes. Keep in mind that other exclusions may still apply, such as the gradual damage exclusion.

Intentional damage

You're not covered for any **loss** that is intentionally caused by a:

1. **tenant**, or
2. guest of a **tenant**, or
3. person who lives at the **home**,

except where the **loss** is covered under 'Intentional damage' on page 10.

Loss caused by electricity

You're not covered for **loss** that electricity causes to fuses, protective devices or lighting or heating elements.

Loss of electronic data – computer virus

You're not covered for **loss** of **electronic data** and any liability arising from it, directly or indirectly caused by or in connection with a **computer virus**. This includes loss of use, reduced functionality or any other associated **loss** or expense in connection with the **electronic data**.

Mechanical and electrical equipment

You're not covered for the breakdown, failure or wearing out of any part of any mechanical or electrical equipment, unless burning out occurs.

Nuclear and war risks

You're not covered for **loss** or liability and any defence costs connected in any way with:

1. operations using the nuclear fission or fusion process, or handling of radioactive material. This includes, but is not limited to:
 - (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators and similar devices, or
 - (b) the use, handling or transportation of radioactive material, or
 - (c) the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion, or
2. war, invasion, an act of a foreign enemy, hostilities or war-like operations (whether war is declared or not), civil war, mutiny, rebellion or revolution, or
3. civil commotion assuming the proportions of or amounting to an uprising, insurrection or military or usurped power.

Structural additions or alterations

You're not covered for **loss** to the **contents** caused by:

1. structural additions or structural alterations to the **home**, unless **we've** been notified of the additions or alterations beforehand and **we've** agreed in writing to cover this, or

2. water entering the **home** because any roofing material, exterior cladding, window or door has been removed by:
 - (a) **you**, or
 - (b) any other person (other than a **tenant**) legally on the property.

For example:

If you make alterations to your house, you must let us know beforehand. If you don't, your contents won't be covered if they are damaged as a result of the alterations.

You're also not covered if you remove the roof to do maintenance work and there's a downpour of rain.

Please ring us on 0800 800 800 for more information on arranging cover for structural additions or alterations.

Subsidence

You're 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.

Terrorism

You're not covered for any **loss**, damage, death, injury, illness, liability, cost or expense directly or indirectly caused by, resulting from or in connection with:

1. an **act of terrorism**, regardless of any other cause or **event** contributing to the **loss**, damage, injury, illness, liability, cost or expense, or
2. any action taken to control, prevent, suppress or do anything else in relation to an **act of terrorism**.

Unlawful substances

You're not covered for **loss** or liability in connection with the manufacture, storage, or distribution at the **home**, of any 'controlled drug' as defined in the Misuse of Drugs Act 1975, unless:

1. the **home** is **tenanted**, and
2. **you**, or the person who manages the tenancy on **your** behalf, has met the **landlord obligations**.

If **you** have, the most **we'll** pay for **loss** resulting from:

- (a) chemical contamination during an **annual period** is the **sum insured**, or \$25,000, whichever is the lesser, or
- (b) fire or explosion for any **event** is the **sum insured**.

If **you** have any other policy with **us** that contains this same 'Unlawful Substances' exclusion, the most **we'll** pay under all policies during an **annual period** for (a) above is \$25,000.

Vacant homes

This policy is automatically suspended if no one has been living in the **home** for more than 60 consecutive days.

If **you** tell **us** that no one will be living in the **home**, **we** may agree to continue **your** cover. However, **we** can change the terms of the policy at this time and **we'll** tell **you** if **we** do this.

The policy will automatically start again as soon as the **home** is lived in again.

If **you** have told us that **your home** is a 'holiday home' and this is shown in **your schedule**, this exclusion will not apply as long as:

1. the **home** is visited by **you** or a nominated person at least every 60-days, and
2. the property is adequately maintained, and
3. the water supply is turned off, and
4. mail is cleared regularly, and
5. all doors are locked, and windows are secured.

For example:

If you're going on an overseas trip and leave your home unoccupied for more than 60-days, you won't be covered from the 61st day.

However, if you contact us before you leave, we may be able to continue your cover. Alternatively, we could decide not to cover you or to cover you but with additional terms.

If you don't contact us, your cover will be automatically suspended until you return from your trip and live in your house again.

Policy conditions

Your Contents policy has some important conditions. This section explains what they are and what happens if **you** don't follow them. Please read it carefully and if **you** have any questions phone **us** on **0800 800 800**.

If you don't comply with the policy...

You and anyone else covered under this policy, must comply with this policy. If any of the terms of this policy are breached, **we** have the sole discretion to decline any claim **you** make – either the whole claim or part of it.

Your obligations

True statements and answers

The **application** is the basis of this policy. All statements and answers that **you** give, or any other person gives on **your** behalf, must be honest and accurate when **you**:

1. apply for this insurance, and/or
2. let **us** know about any change in **your** circumstances, and/or
3. make a claim under this policy,

otherwise **we** can:

- (a) decline any claim **you** make under this policy – either the whole claim or part of it, and
- (b) declare that this policy or all the policies **you** have with **us** are unenforceable, from the date of the dishonest or fraudulent act.

Changes in circumstances

You must let **us** know straight away if, after the start of this policy, there is a material increase or change in the risk **we** cover.

At any time, **we** may change the terms of this policy in response to what **you** tell **us**.

Information is 'material' where we would have made different decisions about either accepting your insurance or setting the terms of the insurance, if we had known that information. Tell us if this information changes while we insure your contents – as soon as you know that the change will happen.

If you're not sure if information is 'material', tell us anyway.

The 'risk we cover' refers to the actual property or liabilities we insure (known as physical risks), and you or other people covered by this policy (known as moral risks).

Reasonable care

You must always take reasonable care to avoid circumstances that could result in a claim. **You** won't be covered if **you** are reckless or grossly irresponsible.

Administering this policy

Cancellation

By you...

You can cancel this policy at any time. If **you** do, **we'll** refund any premium due to **you** based on the **period of insurance you** haven't used.

You must pay **us** any outstanding payments due to **us**.

By us...

We can cancel this policy by writing to or emailing **you** at the last known address **we** have for **you**. The policy will be cancelled on the 30th day after the date of the notice. **We'll** refund any premium due to **you** based on the **period of insurance you** haven't used.

Changing the terms

We can change this policy's terms (including the **excess**) by writing to or emailing **you** at the last known address **we** have for **you**. The change will take effect on the 30th day after the date of the notice.

Joint insurance

If this policy covers more than one person, all persons are jointly covered.

This means that if one person breaches the policy it affects everyone's ability to claim.

Other insurance

You must tell **us** if the **contents** are (or become) covered by another insurance policy. If **you** can claim under that insurance, **we'll** only pay the amount of any **loss** that's above the limit payable by the other insurance.

Other parties with a financial interest

If **we** know of anyone who has a financial interest in the **contents**, **we** can pay them part or all of any claim proceeds. This payment goes towards meeting **our** obligations under the policy. However, anyone recorded as having a financial interest under this policy isn't covered by it and has no right to make a claim.

We're also authorised by **you** to disclose personal information about **you** to anyone who holds a financial interest in the **contents**.

For example, if you bought a television set on a hire purchase contract, then the company who you bought the television from has a financial interest in that television until you have paid the full amount.

Definitions

Here are the special meanings of the words shown in **bold** in this policy. The definitions apply to the plural and any other versions of the words.

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

accidental

unexpected and unintended by **you**.

act of terrorism

an act by any person or group(s) that includes (but isn't limited to) the use of force or violence and/or the threat of force or violence, whether they are acting alone or on behalf of or in connection with any organisation(s) or government(s). By its nature or context, this act 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 make the public, or any section of the public, afraid.

annual period

the **period of insurance**. However, if **your** premium is paid by instalments other than annual payments, or the **period of insurance** is more than 12-months, the **annual period** is any one 12-month period calculated from the date this policy first started, and consecutively after that.

application

the information **you** provided to **us** when **you** applied for and bought this insurance.

bodily injury

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

camera

the camera body and the standard lens that would normally be supplied with the body when originally purchased. Any additional lenses and/or accessories are separate items.

collection

any collection of stamps, medals, phone cards, collector trading cards or coins.

computer virus

a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or codes, whether programmatic or not, that propagate themselves through a computer system or network. This includes (but isn't limited to) Trojan horses, worms and time or logic bombs.

contents

- any of the following that **you** own or hire (as long as **you're** legally liable under the hire agreement):
 - (a) household goods and personal effects,
 - (b) carpets and floor coverings that are not glued to the floor,
 - (c) **watercraft** (including their parts and accessories in them or attached to them),
 - (d) electric wheelchairs, mobility scooters, domestic garden appliances, golf carts and children's motorbikes less than 50cc and used only off road (including their parts and accessories),
 - (e) portable swimming pools and portable spa pools,
 - (f) parts or accessories of:
 - (i) **watercraft**, and
 - (ii) motor **vehicles**, motor cycles, motor scooters, trailers and caravans, and
 - (iii) aircraft and other aerial devices,that are not in them or attached to them, and
- wedding or Christmas presents for other people being kept at the **home**, and
- contents owned by any of **your** children that are left with **you** while they live outside New Zealand.

It does not include:

- items used at any time for earning income, except for cover detailed under 'Home office' on page 10,
- livestock, domestic pets and other creatures,
- carpets and floor coverings that are glued to the floor,
- motor **vehicles**, motor cycles, motor scooters, trailers and caravans and their parts or accessories that are in them or attached to them,
- aircraft and other aerial devices and their parts or accessories that are in them or attached to them, unless it's a model or a toy which is not able to carry more than its own weight.

electronic data

facts, concepts and information converted to a form usable for interpreting or processing communications by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for processing and manipulating data or directing and manipulating such equipment.

event

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

excess

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

family

any member of **your** family who:

- lives with **you** permanently, or
- is a student attending a school, university or polytechnic and living away from the **home** while attending the school, university or polytechnic.

hidden gradual damage

hidden rot, hidden mildew or hidden gradual deterioration, caused by water leaking from an internal:

- tank that is plumbed into the water reticulation system of the **home** and is permanently used to store water, or
- water pipe, or
- waste disposal pipe,

installed at the **home**.

home

the buildings and grounds at the risk address shown in the **schedule**. It does not include any land, earth or fill.

landlord obligations

you, or the person who manages the tenancy on **your** behalf, must:

- exercise reasonable care in the selection of **tenant(s)** by at least obtaining satisfactory written or verbal references, and
- complete an internal and external inspection of the property at a minimum of 3-monthly intervals and upon every change of **tenants**, and

- keep a written record of the outcome of each inspection, and provide to **us** a copy of the record if **we** request it.

loss

physical loss or physical damage.

period of insurance

the 'Period of insurance' shown in the **schedule**.

present value

the reasonable cost to repair or replace an item in New Zealand that is of comparable age, quality and capability, and is in the same general condition.

schedule

the latest version of **your** 'Policy Schedule' that **we** issued to **you** for this policy.

specified item

any item listed in the **schedule** with a corresponding **specified sum insured**.

specified sum insured

the amount shown in the **schedule** that corresponds with the **specified item**.

sum insured

the 'Sum insured' shown in the **schedule**.

temporarily removed

contents temporarily removed for a particular reason or purpose, with the intention that they will be returned to the **home**. This includes taking items to **your** place of work or on holiday.

It does not include **contents**:

- permanently removed from the **home**, or
- removed from the **home** to any place for storage, sale or exhibition, or
- removed while moving house or household removal, or
- owned by or in the custody of any **family** member who is a student and:

(a) is living away from **home**, and

(b) is attending a school, polytechnic or university,

except where cover is detailed under 'Family living away from home' on page 9.

tenant

the person or persons renting the **home** from **you** under a tenancy agreement, including:

- the person's husband, wife, or partner with whom they are living in the nature of a marriage, and/or
- the person's **family**.

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.

watercraft

any of the following:

- surfboard, windsurfer, surf ski, dinghy, kayak and canoe (including its parts and accessories)
- any other watercraft powered by motor or sail, with a **present value** of no more than \$2,000 including parts and accessories.

we

NZI, a business division of IAG New Zealand Limited.

you

- the person(s) or entity shown as the 'Insured' in the **schedule**, and
- that person's husband or wife or person with whom they are living in the nature of a marriage, and
- that person's **family**.

Frequently asked questions

You'll probably have a few questions to ask us once you have read your policy. We've added a few frequently asked questions that may help you. Note this section is designed to assist you with possible questions and does not form part of the policy document. If you can't find your question here, or you want more information, just ring us on **0800 800 800**, we'll be happy to help.

What are loss adjusters, and what do they do?

They help us get the information we need about your claim.

For example:

We may ask a loss adjuster to visit you when you report certain types of claims. The adjuster will provide us with a report on the extent of the loss, if repairs are possible and estimate the overall cost of the claim.

Why do you want to know things that I think are private?

We need certain information to decide whether we'll accept your application for insurance. We also use the information to set your premium and excess.

We treat all the information you give us in accordance with the Privacy Act 1993. You can read more about this in 'Keeping us informed' on page 4.

What happens if I don't give you all the information you ask for?

If we accept your application and the information you've given us is inaccurate or incomplete, your policy may not be valid. You can read more about this in 'Keeping us informed' on page 4.

Am I entitled to any premium discounts?

As a Contents policy holder, you may qualify for a range of discounts:

Burglar alarm discount

If you have a burglar alarm installed at your home you may qualify for a Burglar alarm discount.

Age discount

If you've had your 50th birthday you may qualify for an Age discount.

Multiple policy discount

If you have two or more policies with Lantern to cover your home, contents, car, motorcycle, boat or rental property, you may qualify for a Multiple policy discount.

Discounts are not deducted from the GST, Fire Service Levy or Earthquake Commission Levy components of your premium.

If you are currently receiving any premium discounts, they will be shown in your policy schedule. It is your responsibility to ensure that you are receiving all appropriate discounts. If you believe you qualify for a discount that is different to that shown in your policy schedule, or you believe you qualify for a discount not shown in your schedule, and you wish to apply for such a discount please contact us on 0800 800 800.

The provision of discounts is done at our discretion. If we agree that you qualify for a discount, we reserve the right to determine the date from which the discount will be applied.

If I make a claim, will NZI replace my belongings with new ones?

While many of your belongings can be replaced, we don't insure them all for full replacement and we have limits on some items. You can read more detail about this in 'What you get if we accept your claim' on page 7 and 'What your policy covers' on page 8.

What can I use as proof of purchase for my contents?

If you make a claim, we may ask you to provide us with 'proof of purchase' or 'proof of ownership' for some items. Receipts are best, but we may also accept bank statements, video recordings, photos, operating/instruction manuals, credit card statements and original packaging.

In addition, retailers are required to keep copies of sales transactions for a certain time, so you may be able to get details of your transactions from the retailer from whom you bought the item(s).

Now I have insurance, I'm covered for every event – right?

While you're covered for many major unexpected events, we don't cover everything. You can find out what your policy doesn't cover in 'Exclusions that apply to the whole policy' on page 12 and 'What your policy covers' on page 8. You must also comply with the 'Policy conditions' on page 14.

I have friends visiting me for a few weeks. Are their belongings covered under my policy?

No. Your friends can't claim under your policy, they must arrange their own cover.

The definition of 'you' on page 18 and 'family' on page 17 explains who your policy covers.

Do I have to pay an excess for every claim?

You'll pay an excess for most claims.

We'll do our best to recover your excess from any other person responsible for your loss, but sometimes we are unsuccessful, or the circumstances don't allow us to recover any money.



Underwritten by **NZI**

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NZI Echelon Contents insurance policy

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