

# Essence

## home

insurance policy



**LANTERN**  
insurance

Underwritten by **N4**

# Essence

## Home policy

### Welcome

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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](http://www.lanterninsurance.co.nz)

**This document is your Essence Home 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

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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](mailto:contactus@lanterninsurance.co.nz).

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## Your policy

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### Our agreement with you

**We** have an agreement with **you**. **You** agree to pay **us** the premium. In exchange, **we** promise to cover **you** as set out in this policy wording.

### Reading your policy

#### Words in bold

Some of the words in this policy are in **bold**. This is because they have a special meaning. There is a list of these words and what they mean at the back of this policy on page 16.

#### Examples and headings

To make it easy for **you** to understand this policy **we** have included some examples or comments in *italics*. The words in italics do not affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy are designed to help **you** find **your** way around.

They should not be used when interpreting this policy wording.

### What your policy consists of

**Your** policy consists of this policy wording, the **schedule** and the information **you** provided in the **application** and any subsequent information **you** provide.

### You can change your mind

If **you're** not happy with this policy, **you're** welcome to change **your** mind, provided **you** tell **us** within 15 days of the date this policy started. **We'll** treat **your** policy as being of no effect and to have never existed and refund in full any premium **you** have paid. This doesn't apply if **you** have made a claim on **your** policy.

## Keeping us informed

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

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

If **you** don't tell **us**, **we** may treat this policy as being of no effect and to have never existed.

**You** must also tell **us** about changes that occur during the policy period – see 'Changes in circumstances' on page 14.

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.

## 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 occurs that could result in a claim under this policy, **you** must:

- do what **you** can to take care of the **home** and/or the **landlord's fixtures and fittings** 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 **home** and/or the **landlord's fixtures and fittings** 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 the Insurance Claims Register Limited.
- tell **us** immediately if **you** are charged with any offence which resulted in **loss** of property or **bodily injury** to another person.

### 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
- negotiate, offer to pay or pay any **reparation**, including, but not limited to, offers made as part of any case management conference or sentencing hearing, or
- do anything that may prejudice **our** rights of recovery.

### We can take action in your name

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

1. negotiate, defend or settle any claim against **you** covered by this policy, and
2. recover from any other person anything covered by this policy.

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

## What you get if we accept your claim

This section explains when **we'll** repair or rebuild the **home** and when **we'll** pay **you** cash for **your loss**, if **we** accept **your** claim. Please make sure **you** read this section carefully. If **you** have any questions, just phone **us** on **0800 800 800**.

### The most we'll pay

#### Home sum insured

1. The most **we'll** pay for **loss** to the **home** exclusive of **special features** for any **event** that occurs during the **period of insurance** is the **home sum insured**. This includes:
  - (a) Compliance Costs,
  - (b) Professional and Other Fees,
  - (c) Demolition and Removal Costs,
  - (d) all benefits under 'What your policy covers' unless stated otherwise.
2. However, within the **home sum insured**, the most **we'll** pay in total for any **event** that occurs during the **period of insurance** for **loss** to retaining walls or **recreational features** is the limit shown on the **schedule** for the respective property.  
If no limit is shown for these, it means that there is no cover.

*Please contact us if you require cover for retaining walls and/or recreational features.*

### Special features sum insured

3. The most **we'll** pay for **loss** to any **special feature** for any **event** that occurs during the **period of insurance** is its **special feature sum insured**. This includes:
  - (a) Compliance Costs,
  - (b) Professional and Other Fees,
  - (c) Demolition and Removal Costs.

### Total sum insured

4. The most **we'll** pay for **loss** under 'What your policy covers' in total for any **event** during the **period of insurance** is the **total sum insured**, unless stated otherwise. This includes:
  - (a) the **home sum insured**,
  - (b) any **special features' sums insured**,
  - (c) all benefits under 'What your policy covers' unless stated otherwise.

## If your home is economic to repair

If, in **our** opinion, it is economic to repair the **loss** to **your home**, **we** may choose to:

1. pay the reasonable cost to repair the part of **your home** that suffered the **loss**, or
2. pay **you** the estimated reasonable cost to repair the part of the **home** that suffered the **loss**.

## If your home is uneconomic to repair

1. If, in **our** opinion, it's uneconomic to repair the **loss** to **your home**, **you** may choose one of the following:
  - (a) Rebuild on the same site: **We'll** pay the reasonable cost incurred to rebuild the part of **your home** that suffered the **loss** to an equivalent size and specification on its original site; or
  - (b) Rebuild on another site: **We'll** pay the reasonable cost incurred to rebuild the part of **your home** that suffered the **loss** to an equivalent size and specification on another site that **you** provide anywhere in New Zealand. The cost must not be greater than the reasonable cost of rebuilding the part of **your home** that suffered the **loss** on its original site less Demolition and Removal Costs incurred; or
  - (c) Buy another home: **We'll** pay the reasonable cost incurred to buy another home anywhere in New Zealand, including reasonable and necessary legal and associated fees. However, **we'll** not pay more than the estimated reasonable cost that would have been payable if the part of the **home** that suffered the **loss** had been rebuilt within a reasonable timeframe on the original site less Demolition and Removal Costs incurred. Compliance Costs, Professional and Other Fees are not included

in the estimated rebuilding costs as these are only incurred when rebuilding occurs; or

- (d) Accept a cash payment with our consent: At **our** sole discretion, **we'll** pay **you** the estimated reasonable cost to rebuild the part of **your home** that suffered the **loss** less Demolition and Removal Costs incurred. Compliance Costs, Professional and Other Fees are not included in the estimated rebuilding cost as these are only incurred when rebuilding occurs.
2. If, in **our** opinion, it's uneconomic to repair the **loss** to **your home**, and **you** sell **your home** before the rebuilding begins the most **we'll** pay is the lesser of:
    - (a) the **total sum insured**, and
    - (b) the difference between the market value of **your home** immediately before and immediately after the **loss**, plus Demolition and Removal Costs **we** determine are necessary,less any costs covered by this policy which have been met by **us** up to the date on which the sale settles.

## Settlement of your loss

The following clauses are subject to the provisions outlined in 'What you get if we accept your claim – The most we'll pay'.

### Standard of repair or rebuild

**We'll** pay the reasonable cost to repair or rebuild the part of the **home** that suffered the **loss** to a condition as similar as possible to when it was new, using current industry accepted building materials and construction methods, but excluding additional materials, work and expense required solely to comply with government or local authority bylaws and regulations, design, engineers', surveyors' and building consultants' fees, and consents and other associated legal fees.

### Compliance costs

1. If **you're** repairing or rebuilding **your home**, **we'll** also include the reasonable costs of additional materials, work and expense required solely to comply with government or local authority bylaws and regulations. **We'll** only pay these costs of compliance:
  - (a) if the **home** complied with all requirements that existed at the time it was originally built and at the time of any alteration, and
  - (b) for the part of the **home** that has suffered **loss** covered by this policy.
2. **We'll** not pay any costs of compliance if notice of non-compliance had already been served before the **loss** occurred.

- These costs are not payable when **you** buy another home or accept a cash payment as settlement of **your** claim, as described in 1(c) or (d) of 'If your home is uneconomic to repair' above.

### Professional and other fees

- If **you're** repairing or rebuilding **your home** that suffered **loss**, **we'll** also include the reasonable costs of:
  - design, engineer's, surveyor's and building consultant's fees, and
  - consents and associated legal fees.
- These costs must be necessary to repair or rebuild the part of the **home** that has suffered **loss**, and approved by **us** before they are incurred.
- These costs are not payable when **you** buy another home or accept a cash payment as settlement of **your** claim, as described in 1(c) or (d) of 'If your home is uneconomic to repair' above.

### Demolition and removal costs

- If **we** accept a claim for **loss** to **your home**, **we'll** also pay the reasonable costs of:
  - the demolition of the part of **your home** that suffered the **loss**, and the removal of debris associated with that and necessary to effect the repair or rebuild of that **loss**, and
  - removing **your** household contents when this is required to enable **your home** to be repaired or rebuilt, but not the cost of storing them or returning them to the **home**.
- These costs must be necessary and approved by **us** before they are incurred.
- If **we** pay to demolish any part of the **home** this gives **us** the choice to take the debris and dispose of it as **we** see fit and retain any salvage obtained.

### Costs not covered

**We** won't pay for any costs that are incurred for:

- any part of the **home** that has not suffered **loss** unless this is necessary to repair or rebuild the **loss** covered, or
- stabilising, supporting or restoring land, earth, or fill, or
- anyone **you** engage to prepare, advise on, or negotiate a claim made under **your** Home Policy.

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

## What your policy covers

This section explains what **your** policy covers and what it doesn't cover at all. These benefits are subject to the terms of this policy, except where they are varied in the benefit. The amounts shown in these benefits are included in the **total sum insured** unless expressly stated otherwise.

Please read it carefully – and if **you** have any questions, call **us** on **0800 800 800**.

### Accidental loss

**You're** covered for any sudden and **accidental loss** to the **home** that occurs during the **period of insurance**.

#### What you'll get

See 'What you get if we accept your claim' on page 5 for details on what **we'll** pay.

#### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

### Alternative accommodation

**You're** covered for the reasonable additional costs of temporary alternative accommodation (of a similar standard to the **home**) for **you**, any family member who permanently resides with **you**, and **your** domestic pets, if the **home** cannot be lived in due to a **loss** or **contamination damage** to the **home** during the **period of insurance** that:

- is covered by this policy, or
- would have been covered by this policy, but is covered by the **EQC Act** instead.

Cover under this benefit ends on the earlier of the date on which **we**:

- settle **your** claim for **loss** or **contamination damage**, or
- have paid **you** 12 months' alternative accommodation costs.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of the estimated costs to repair or **remediate**, **we'll** cover the cost of temporary alternative accommodation for the reasonable estimated period that it would take to repair or **remediate** the part of the **home** that suffered the **loss** or **contamination damage**.

### What you'll get

The most **we'll** pay is \$15,000 per residential dwelling shown on the **schedule** as covered by this policy for any **event** or **contamination claim**

**We'll** pay these costs in addition to the **total sum insured**.

If **you** have 'Alternative accommodation' cover with **us** under any other policy, the most **we'll** pay under all policies in total per residential dwelling for any **event** or **contamination claim** is the highest applicable limit.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## Intentional acts

**You're** covered for **loss** that is intentionally caused by:

1. a tenant, or
2. any guest of a tenant, or
3. any person who occupies the **home**,

as long as the **loss** is:

- (a) a result of fire or explosion, or
- (b) covered by the 'Methamphetamine contamination' benefit on page 9.

### What you'll get

See 'What you get if we accept your claim' on page 5 for details on what **we'll** pay.

### What isn't covered?

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

1. **you**, or
2. **your partner**.

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## Landlord's fixtures and fittings

**You're** covered for sudden and **accidental loss** to the **landlord's fixtures and fittings** at the **home** while it is a rental property and this is shown on the **schedule**, if the **loss** occurs during the **period of insurance**.

### What you'll get

**We'll** at **our** option pay:

1. the **present value** of the **loss**, or
2. the cost to repair the item as near as possible to the same condition it was in immediately before the **loss** occurred.

The most **we'll** pay for any **event** is \$5,000. **We'll** pay this in addition to the **total sum insured**.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## Legal liability

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

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else, occurring during the **period of insurance** in New Zealand, caused by or through or in connection with **your** ownership of the **home** or its grounds, or the **landlord's fixtures and fittings**.

### Defence costs cover

**You're** also covered for defence costs **you** necessarily and reasonably incur, with **our** prior approval, in relation to liability arising under the items above.

### Reparation

**You're** covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of insurance** in connection with **your** ownership of the **home** or its grounds, or the **landlord's fixtures and fittings**, provided:

1. **you**, or any other person entitled to cover under this benefit, tell **us** immediately if **you** or they are charged with any offence in connection with **your** ownership of the **home** or its grounds, or the **landlord's fixtures and fittings** that resulted in **loss** of property or **bodily injury** to another person, and
2. **we** give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 ('the Act'), or would be covered but for:

- (a) a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or
- (b) the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, or
- (c) a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for offence.

## 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 **total sum insured**.

### Defence costs payment

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

### 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:

1. liability connected in any way with:
  - (a) any business (other than renting the **home** as a residence), trade, profession or sponsorship, or
  - (b) any contract or agreement, unless **you** would have been liable even without it, or
  - (c) in connection with the ownership or use of any:
    - (i) **motor vehicle** (other than a domestic garden appliance), trailer, caravan, or
    - (ii) aircraft or other aerial device, or
    - (iii) watercraft, or
  - (d) in connection with any seepage, pollution or contamination (including the costs of removing, nullifying or cleaning up), unless it occurs during the **period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**.
2. punitive or exemplary damages or fines.

See also 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## Loss of rent

**You're** covered for the reasonable amount of any rent **you** have lost, if the **home** can't be lived in due to a **loss** or **contamination damage** to the **home** during the **period of insurance** that:

1. is covered by this policy, or
  2. would have been covered by this policy, but is covered by the **EQC Act** instead,
- while the **home** is a residential rental property and this is shown on the **schedule**.

Cover under this benefit ends on the earlier of the date on which **we**:

- (a) settle **your** claim for **loss** or **contamination damage**, or
- (b) have paid **you** 12 months' loss of rent.

Where **we** have settled **your** claim for **loss** or **contamination damage** by payment of the estimated costs to repair or **remediate**, **we'll** cover the loss of rent for the reasonable estimated period that it would take to repair or **remediate** the part of the **home** that suffered the **loss** or **contamination damage**.

### What you'll get

The most **we'll** pay is \$15,000 per residential dwelling shown on the **schedule** as covered by this policy for any **event** or **contamination claim**. **We'll** pay these costs in addition to the **total sum insured**.

If **you** have loss of rent cover under any other policy with **us**, then the most **we'll** pay under all the policies in total per residential dwelling for any **event** or **contamination claim** is the highest applicable limit.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## Methamphetamine contamination

**You're** covered for **contamination damage** to:

1. the **home**, or
2. **landlord's fixture's and fittings** at the **home**, that first occurs and that **you** discover during the **period of insurance**, subject to the following:

There is no cover for any **contamination damage** where any contamination existed or occurred prior to the current **period of insurance** unless the pre-existing contamination was disclosed to and accepted by **us** in writing. If **you** have insured **your home** with **us** (or any other brand underwritten by IAG New Zealand Limited) continuously since the earlier period when the **contamination damage** first occurred, **we'll** waive the requirement for the **contamination damage** to have first occurred during the current **period of insurance**.

### Damage caused by you and certain others not covered

**You're** not covered for any **contamination damage** that is caused or contributed to, directly or indirectly, by or in connection with **you**, or **your partner**, or any member of **your** or their family. For the purposes of this exclusion, **you** includes any trustee or beneficiary of the trust if the **home** is owned by the trust, or any director or shareholder of the company if the **home** is owned by the company, or any unit title holder.

## Where you do not live in the home

Where the **contamination damage** occurs in connection with any tenancy or occupancy of:

1. more than 90 days, there is no cover unless **you**, or the person who manages the tenancy on **your** behalf, have fully met the 'Landlord's obligations' in the section 'Policy conditions' on page 14, or
2. 90 days or less, there is no cover unless the **contamination damage** was caused by an **accidental incident** in connection with the manufacture, distribution or storage (but only where the storage is in connection with supply or distribution) of **methamphetamine** at the **home**.

## What you'll get

1. Where there's cover under this benefit, **we'll**
  - (a) reimburse **you** for the reasonable costs **you** have incurred during the **period of insurance** for testing provided:
    - (i) the testing is carried out in accordance with New Zealand Standard NZS 8510 or by an operator approved by **us**; and
    - (ii) the testing confirms **contamination damage** to the **home**; and
  - (b) pay to **remediate** that part of the **home** that suffered **contamination damage** subject to the provisions below.

*Please note, the definition of remediate means that we will not pay to remove all traces of methamphetamine contamination and will not restore the home to its condition when it was new.*

2. **We** may choose to:
  - (a) pay the reasonable costs to **remediate** the part of the **home** that suffered the **contamination damage**, or
  - (b) pay **you** the estimated reasonable cost to **remediate** the part of the **home** that suffered the **contamination damage**.
3. The most **we'll** pay under this benefit is \$30,000 per **contamination claim** for each residential dwelling shown on the **schedule** as covered by this policy.
4. An excess of \$2,500 per **contamination claim** applies per residential dwelling shown in the **schedule** as covered by this policy.

## Natural disaster

**You're** covered for sudden and **accidental loss** to the **home** that occurs during the **period of insurance** caused by a **natural disaster**, subject to the following.

### Where EQC Cover applies

1. If that **loss** is covered under the **EQC Act**, or would have been but for:
  - (a) the application of an excess under the **EQC Act**;
  - (b) a failure by **you** to correctly notify a claim to the Earthquake Commission within the time required under the **EQC Act**;
  - (c) a decision by the Earthquake Commission to decline a claim or limit its liability for that **loss** in whole or in part and for any reason whatsoever,
  - (d) any act or omission on **your** part, the part of **your** agent, or the part of the EQC,and the cost to repair or rebuild the part of **your home** that suffered the **loss** exceeds **your** maximum entitlement available (or that would have been available but for the reasons 1. (a) to (d) above), for that **loss** under the **EQC Act** (plus the excess under that Act), **we'll** pay the difference between that maximum entitlement (plus that excess) and the cost to repair or rebuild the part of **your home** that suffered the **loss**.
2. The most **we'll** pay under this benefit for any **event** is the difference between that maximum entitlement (plus the excess under the **EQC Act**) and the **total sum insured**.

### Where no EQC Cover applies

3. Where **your** claim for **loss** to the **home** under this benefit is for, or includes, any part of the **home** that is not covered under the **EQC Act**, then the **excess** will be the higher of:
  - (a) \$5,000, and
  - (b) the **excess** otherwise applicable to the claim under this policy.

*Some examples of parts of the home not covered under the EQC Act are:*

- *gate or fence,*
- *driveway,*
- *patio, path, paving, tennis court or other artificial surface,*
- *swimming pool or spa pool.*

## What you'll get

See 'What you get if we accept your claim' on page 5 for details on what **we'll** pay.

## What isn't covered?

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## New building work

**You're** covered for any new structure being built within the residential boundaries of the **home**, if **you** own it (or if **you** are responsible for it while it is being built), provided that it will be covered by this policy when complete and any materials at the situation shown in the **schedule** that are to be included in the new structure.

**We** cover any sudden and **accidental loss** that occurs during the **period of insurance** caused by any of the following:

1. fire, explosion or lightning, or
2. storm or flood, but not exposure to normal weather conditions, or
3. riot or labour disturbance, or
4. aircraft, other aerial, spatial device or articles dropped from them, or
5. impact by any **motor vehicle** or animal.

### What you'll get

See 'What you get if we accept your claim' on page 5 for details on what **we'll** pay.

The most **we'll** pay during an **annual period** is \$10,000.

### What isn't covered?

**You're** not covered for any structure:

1. where the expected value of the completed work, or the price of the contract including materials, is more than \$10,000, or
2. that involves alteration to any part of the existing **home**, or
3. that involves excavation more than 1 metre deep, or
4. that has not been granted a Building Consent or similar if one is required.

See 'Exclusions that apply to the whole policy' on page 11 and 'Policy conditions' on page 14.

## Sale and purchase

Where a **loss** occurs after **you** have entered into a contract to sell the **home**, the purchaser is covered by this policy for that **loss** up until the final settlement, or until they take possession of the **home**, whichever happens first, as long as:

1. they meet all the same conditions of this policy that **you** must meet, and
2. they have not otherwise insured the **home** at the time of the **loss**.

## 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've** got 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 occurs 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, or if this policy was taken out at the time **you** bought the **home**.

### Animals

**You're** not covered for **loss** caused by an animal owned by any person who lives at the **home**, if the **home** is rented to a tenant. However, **you** are covered for resultant **accidental loss** to other parts of the **home**.

### Bathroom or kitchen suite

**You're** not covered for repairing or replacing undamaged parts of a bathroom suite or kitchen suite that have not suffered **loss**.

### Confiscation

**You're** not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with confiscation, nationalisation, requisition, acquisition, or destruction of or damage to property by order of government, public or local authority or under any statute or regulation, unless such order is required to prevent or control **loss** that would otherwise have been covered by this policy.

### Consequential loss

**You're** not covered for any kind of consequential loss other than as specifically provided for under 'Alternative accommodation' and 'Loss of rent' cover on pages 7 and 9.

*For example, you're not covered for financial loss that occurs as a result of physical loss or physical damage that is covered by the policy.*

## Earth movements

**You're** not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with:

1. subsidence or erosion, or
2. settling, warping or cracking caused by earth or other movements. This exclusion 2. does not apply to any **loss** covered by 'Natural disaster' on page 10.

## Electronic data and programs

**You're** not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with electronic data from any cause whatsoever including, but not limited to, a **computer virus**. This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

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

## Excess

For each **incident**, the relevant **excess** will be deducted from the amount of **your** claim – unless specifically stated otherwise under another part of this policy.

If **you** have more than one dwelling covered under this policy, **you'll** pay one **excess** for each dwelling.

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

If **we** cover both **your home** and **your** contents (at the same address) and **you** claim under both for a **loss** caused by the same **incident**, **you'll** only pay one **excess**. This will be the higher individual policy **excess**.

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

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

## Faults and defects

**You're** not covered for any **loss**, cost or expense arising from any fault, defect, error or omission in:

1. design, plan or specification, and/or
2. workmanship, or construction or materials.

However, **you're** covered for any resultant sudden and **accidental loss** to other parts of the property.

## 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 you accidentally drop something that breaks a few floor tiles in your kitchen, you can only claim for the tiles in the kitchen, even if you can't find tiles that match those in the rest of the house.*

## Gradual damage

**You're** not covered for:

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

## Hydrostatic pressure

**You're** not covered for **loss** to the **home** connected in any way with hydrostatic pressure to swimming pools or spa pools unless the **loss** is a result of earthquake, storm or flood. However, **you're** covered for resultant sudden and **accidental loss** to other parts of the **home**.

## Insects, rodents and vermin

**You're** not covered for **loss** caused by insects, rodents or vermin (other than possums). However, **you're** covered for resultant sudden and **accidental loss** to other parts of the **home**.

*For example:*

*If a rat chews through a water pipe, you are not covered for the damage to the water pipe, 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 acts

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

1. tenant, or
2. guest of a tenant, or
3. person who occupies the **home**, except where the **loss** is covered by 'Intentional acts' on page 8.

## Loss caused by electricity

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

## Mechanical and electrical equipment

**You're** not covered for the breakdown, failure or wearing out of any part of any mechanical or electrical equipment, or any part thereof, unless burning out occurs as a result of an **accidental** and external force.

## Natural disaster

**You're** not covered for **loss** to the **home** caused by a **natural disaster** except for **loss** covered by 'Natural disaster' on page 10.

## Nuclear

**You're** not covered for any loss, damage, cost, expense, prosecution or liability of any type in connection with:

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

## Reckless acts

**You're** not covered for any loss, damage, cost, expense, prosecution or liability arising from any intentional or reckless act or omission by **you** or anyone else covered by this policy.

## Structural additions or alterations

**You're** not covered for **loss** to the **home** connected in any way with:

1. structural additions or structural alterations to the **home**, unless:
  - (a) **we've** been notified of the additions or alterations beforehand and **we've** agreed in writing to cover this, or
  - (b) the **loss** is covered by 'New building work' on page 11.
2. water in any form (including hail and snow) entering the **home** because any roofing material, exterior cladding, window or door has been removed by:
  - (a) **you**, or
  - (b) any other person who is acting on **your** authority.

*For example:*

*If you make alterations to your house, you must let us know beforehand. If you don't, your house won't be covered if 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.*

## Terrorism

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

## Unlawful substances

**You're** not covered for any loss, damage, cost, expense, prosecution or liability in connection with the presence at the **home** of any 'controlled drug' as defined in the Misuse of Drugs Act 1975.

This exclusion does not apply to:

1. loss covered by 'Alternative accommodation', 'Loss of rent' or 'Methamphetamine contamination' on pages 7 and 9, or
2. **loss** caused by the **accidental** spread of fire or explosion, or
3. liability for **accidental loss** to anyone else's property as a result of **your** being a residential landlord and caused by, through or in connection with your ownership of the **home** or **landlord's fixtures and fittings**, provided:
  - (a) **you**, or the person who manages the tenancy on **your** behalf, have fully met the 'Landlord's obligations' in the section 'Policy conditions' on page 14, and
  - (b) **you**, or the person who manages the tenancy on **your** behalf, have tested for the presence of **methamphetamine** before and after each tenancy of the **home**, such testing having been completed in accordance with the New Zealand Standard NZS 8510 or by an operator approved by **us**, and such testing confirmed that **methamphetamine** contamination at the **home** does not exceed the **contamination level** for a **methamphetamine** manufacturing laboratory.

## Vacant homes

If **you**, or a person authorised by **you**, have not been living at the **home** for a period of more than 60 consecutive days, **we** will only pay for **loss** that is:

1. caused by fire, explosion or lightning, or
2. covered by 'Natural disaster' on page 10.

This condition applies unless:

- (a) **you** have notified **us** and **we** have agreed in writing to cover the **home** while unoccupied.
 

**We** may, at this time, change the terms of your policy.
- (b) **we've** got the **home** recorded as a holiday home, and the following criteria are met:
  - (i) the **home** is inspected inside and outside by **you** or a nominated person at least every 60 days, and

- (ii) the **home** and its grounds are adequately maintained, and
- (iii) mail is cleared regularly, and
- (iv) the water supply is turned off, and
- (v) all doors are locked, and all windows secured.

This restriction will end as soon as **you**, or a person authorised by **you**, is living in the **home** again.

## War

**You're** not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:

war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## Policy conditions

**Your** 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** or anyone else covered under this policy, or anyone acting on **your** behalf, must comply with this policy. If any of the terms of this policy are breached, **we** have the sole discretion to:

1. decline any claim **you** make – either the whole claim or part of it, and
2. declare this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act, or breach.

## Your obligations

### True statements and answers

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.

### Changes in circumstances

**You** must let **us** know straight away if, after **we** have accepted your **application** for this policy, there is a material increase or change in the risk **we** cover.

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

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

*For example, if you want to use your garage as a joinery workshop you must tell us before the change happens.*

*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).*

### Landlord's obligations

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

1. exercise reasonable care in the selection of the tenant(s) by at least obtaining satisfactory identification and written or verbal references for each adult tenant and when a reasonable landlord would consider it appropriate also check their credit and Tenancy Tribunal history, and
2. keep written records of the pre-tenancy checks conducted for each adult tenant, and provide to **us** a copy of these if **we** request it, and
3. collect a total of 3 weeks' rent in any combination of rent in advance and bond that will be registered with Tenancy Services, and
4. complete an internal and external inspection of the **home** at a minimum of 3 monthly intervals and the relevant residential dwelling upon every change of tenant(s), and
5. keep photographs and a written record of the outcome of each inspection, and provide to **us** a copy of these if **we** request it, and
6. monitor rents on a weekly basis with written notification being sent to the tenant(s) whenever rent is 14 days in arrears, together with a personal visit to determine if the tenant(s) remains in residence, and
7. make application to the Tenancy Tribunal for vacant possession in accordance with the provisions of the Residential Tenancies Act 1986 if:

- (a) the rent is 21 days in arrears, or
- (b) **you** become aware of any illegal activity by the occupant(s) at the **home**, or
- (c) intentional damage to the **home** is caused by one of its occupant(s).

If the **home** is provided to and occupied by **your** employee as part of their employment package with **you**, then obligations 3., 6. and 7.(a) do not apply.

### 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** may cancel this policy at any time by notifying **us**. If **you** do, **we'll** refund any premium due to **you** based on the unused portion of the **period of insurance**.

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

#### By us...

**We** may 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 unused portion of the **period of insurance**.

#### Automatically...

1. This policy will be automatically cancelled if **you** do not pay the premium. Cancellation under this clause will be effective from the date to which the policy was paid up to.
2. If, in **our** opinion, it is uneconomic to repair the **loss** to the **home**, this policy will be automatically cancelled from the date **we** pay **your** claim or the date on which rebuilding commences, whichever occurs first. **We'll** not refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

*This means you'll need to make new insurance arrangements on any replacement home.*

### Changing the terms

**We** may change this policy's terms (including the **excess**) by writing to or emailing **you** at the last known address **we** have for **you**. Unless otherwise specified in this policy, the change in terms 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 **home** or **landlord's fixtures and fittings** are (or become) covered by another insurance policy. This policy does not cover **your loss** or liability at all if it is insured to any extent under any other insurance policy.

**We** won't contribute towards any claim under any other insurance policy.

### Other parties with a financial interest

If **we** know of anyone who has a financial interest in the **home**, **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 **home**.

*For example, if there is a mortgage registered on the home, the bank or finance company has a financial interest in the home until you have repaid the mortgage in full.*

### Assignment

Except as outlined in 'Other parties with a financial interest' above, **you** must not otherwise transfer any of **your** entitlements or benefits under this policy to any person or entity without **our** prior written consent.

It is not possible to assign the entitlements or benefits of 'If your home is uneconomic to repair, 1'. If, in **our** opinion, it's not economic to repair the **loss** to the **home**, the provisions of 'If your home is uneconomic to repair, 2' will apply to the entitlement that is transferable.

It is not possible to assign this policy to another person or entity.

### Currency

Any amounts shown in this policy and in the **schedule** are in New Zealand Dollars.

## Goods and services tax

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

1. the **total sum insured, home sum insured, special features' sums insured**, limits for retaining walls and **recreational features** (if applicable) exclude GST, and
2. all other policy limits and sub limits include GST, and
3. all **excesses** include GST, and
4. GST will be added, where applicable to claim payments.

## Governing law and jurisdiction

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

## Legislation changes

Any reference to any Act of Parliament or subordinate regulations or rules referred to in this policy includes any amendments made or substitutions to that law.

## Definitions

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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'.*

### accident

unexpected and unintended by **you**.

### act of terrorism

an act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

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

### 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 the current 12 month period calculated consecutively from the date this policy first started.

### application

the information **you** provided to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**.

### bodily injury

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

### computer virus

a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.

### contamination claim

**contamination damage** arising out of or attributable to an **event** or multiple **events** regardless of the number of acts, persons, tenancies, occupancies or **incidents** involved.

### contamination damage

**loss** caused by **methamphetamine** contamination that exceeds the **contamination level**.

### contamination level

the relevant guideline value for indoor surface contamination as set out in the most recent version of the New Zealand Standard NZS 8510 (and until that is published, the recommended levels for remediation published by the Ministry of Health in its Recommendations for Methamphetamine Contamination Clean-up on 26 October 2016).

### electronic data

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

## EQC Act

Earthquake Commission Act 1993 and any Act in substitution of that Act.

## event

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

## excess

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

## home

the residential dwelling(s) that **you** own at the situation shown on the **schedule** including any of the following used at all times solely for domestic use:

- outbuildings within the residential boundaries of the situation on which the residential dwelling(s) is situated. This includes any fixed domestic: garage, carport, glasshouse, animal shelter,
- fixtures and fittings permanently attached to the residential dwelling(s) or its outbuildings. This includes: kitchen stove, hob or range hood, any other home appliance that is permanently wired, permanently plumbed or permanently built-in,
- kitchen oven permanently attached or not,
- fitted floor coverings (including glued, smooth edge or tacked carpet and floating floors) of the residential dwelling(s) or its outbuildings included above,
- driveway of permanent construction that provides direct access to the residential dwelling(s) or any outbuilding included above,
- patio, paths and paving of permanent construction, deck, steps, gate or fence, as long as they are on or within the residential boundaries within which the residential dwelling(s) is situated,
- walls including garden walls, but excluding retaining walls,
- public utility services supplying the residential dwelling(s) or any of its outbuildings included above, including, but not limited to, power and telephone lines, data cables, supply and waste water pipes,
- permanently sited water storage tank, septic tank or heating oil tank and its associated equipment (excluding its contents),
- solar power and solar water heating systems.

It also includes any of the following at the situation shown in the schedule that **you** own primarily for domestic use but that may also have limited use for rural lifestyle purposes:

- outbuildings for the storage of:
  - (a) tools,
  - (b) animal feed,
  - (c) uninstalled equipment, or
  - (d) machinery and vehicles,
- private utility plant and associated equipment, including, but not limited to, wind or water mills, or diesel generators, provided the replacement cost is \$10,000 or less,
- single lane bridge, culvert, permanent ford or dam, provided the replacement cost is \$15,000 or less,
- well or bore hole including its pump, lining or casing, provided the replacement cost is \$10,000 or less.

It does not include any of the following unless it is shown on the **schedule** with a corresponding limit as part of the **home sum insured**:

- retaining walls,
- **recreational features.**

It does not include any of the following unless it is shown on the **schedule** as a **special feature** with a corresponding **special feature sum insured**:

- private utility plant and associated equipment including but not limited to wind or water mills or diesel generators, with a replacement cost of more than \$10,000,
- cable car and its associated equipment,
- bridge or culvert, permanent ford or dam, with a replacement cost of more than \$15,000,
- wharf, pier, landing or jetty,
- well or bore hole including its pump, lining or casing, with a replacement cost of more than \$10,000.

It does not include any of the following:

- any part of the home that is used for business or commercial purposes except where;
  - (a) it is rented out as a residential property, or
  - (b) it is used solely as a home office for clerical purposes by **you** or **your** tenant,
- any part of the home that is built for or used for farming or rural lifestyle purposes whether commercial or not, including, but not limited to, stables, barns or other farm buildings that provide animal shelter, or outbuildings that are solely used to store animal feed or machinery,
- any part of the home being constructed, de-constructed or undergoing alterations and not suitable for permanent residential use or occupation (unless cover is provided by 'New building work' on page 11),
- gravel or shingle, including a gravel or shingle: driveway, path, patio, or paving,
- loose floor covering including: mats, rugs or runners,
- temporary structure,

- fittings that are not permanently attached such as: curtains and blinds, unless cover is provided for under 'Landlord's fixtures and fittings' on page 8,
- appliances that are not permanently wired, permanently plumbed or permanently built-in other than a kitchen oven,
- household goods and personal effects,
- live plant, including any: tree, shrub, hedge or grass,
- land, earth or fill,
- structure or property not at the situation shown on the **schedule**.

## home sum insured

the amount shown in the **schedule** of the same name. This includes any limits for retaining walls and **recreational features**.

## incident

something that occurs at a particular point in time, at a particular place and in a particular way.

## landlord's fixtures and fittings

any of the following: curtains, blinds, drapes and light fittings, that are owned by or hired to **you** (provided that **you're** legally liable under the hire agreement), and provided by **you** for use by the tenants.

## loss

physical loss or physical damage.

## methamphetamine

the Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975 or any of their precursor chemicals and by-products.

## motor 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.

## natural disaster

an earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami or natural disaster fire, as defined in the **EQC Act**.

## partner

**your** husband or wife or person with whom **you** are living in the nature of a marriage.

## period of insurance

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

## present value

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

## recreational features

any tennis court and/or permanently fixed swimming pool or permanently fixed spa pool including its ancillary equipment and/or pumps.

## remediate

to reduce the level of **methamphetamine** contamination to below the **contamination level**.

*This means that we will not pay to remove all traces of methamphetamine contamination and will not restore the home to its condition when it was new.*

## reparation

an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.

## schedule

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

## special feature

any item that is listed on the **schedule** with a corresponding **special feature sum insured**.

## special feature sum insured

the Sum Insured amount shown on the **schedule** that corresponds with the **special feature**.

## total sum insured

the amount shown in the **schedule** of the same name inclusive of the:

- (a) the **home sum insured** which includes any limits for retaining walls and **recreational features**, and
- (b) any **special features' sums insured**, and
- (c) all benefits under 'What your policy covers' unless stated otherwise.

## we, us, our

NZI, a business division of IAG New Zealand Limited.

## you

the person(s) or entity shown as the 'Insured' in the **schedule**.

Form no: LAN0051/6 07/17  
Wording no. ESHLAN4  
Issued: July 2017

**NZI Essence Home insurance policy**

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