

Policy | HomeCover®



Insurance

Contents

Welcome	1
Summary of benefits	2
Your contract	2
Definitions	3
Building	5
Special features	6
Special conditions for unoccupied, holiday and tenanted homes and Body Corporates	6
Extended cover	7
Optional cover	9
Liability cover	10
Excess	10
How you make a claim	11
How we may settle a claim	12
Truth of statements and fraud	13
Privacy - The Insurance Claims Register	13
Providing up to date information	14
Exclusions	14
Cancellations	17

How to get in touch

Call toll free **0800 500 213**

Get online @ **www.aainsurance.co.nz**

Or visit your nearest **AA Centre**

Welcome

Thank you for insuring with AA Insurance. This policy document explains your insurance cover and details your entitlements and responsibilities. Please read it carefully and keep in a safe place.

If there is anything you don't understand in this policy, or if you have any queries please call us on **0800 500 213**.

Summary of benefits

Benefit	Contents
New for old	Yes
\$1 million liability	Yes
Loss of rent	Yes
Fatality cover	Yes
Replacement of locks	Yes
Temporary accommodation up to 12 months	Yes
Consumer protection	Yes
Natural disaster top up cover	Yes

Your contract

Your contract includes

- > your application
- > this policy document
- > your policy schedule, with details of the cover that applies to you
- > any change that we advise you of in writing at the commencement of the contract or on renewal, or
- > any change you advise us of and we agree to in writing.

Your Policy schedule includes

- > the type of cover
- > who is insured
- > the insurance period
- > the address of the insured property
- > the floor area of your building
- > the amount of excess
- > any special policy conditions
- > accidental damage cover, if selected.

Creating the contract

This contract is based on the information you have provided to us. You must tell us everything you know with regard to the questions in the application form and any questions asked at the time you applied for this insurance. Any information you provide to us must be accurate. If you have not disclosed something you should have, we may reduce the cover or provide no cover at all.

What the contract gives you

We agree to provide the cover set out in this policy, during the period of cover, provided you have paid the premium and subject to the policy's terms, limits, conditions and exclusions.

We cover you according to the type of cover selected for physical loss or damage to the building.

We agree to repair, rebuild or replace the buildings on the existing site in the same or similar construction or style as new, using the floor area as stated in your policy schedule as the basis of settlement.

All amounts referred to are inclusive of GST.

Definitions

In this policy

We, us and our

refer to AA Insurance Ltd.

You and your

refer to the person or persons named in the policy schedule. It also means any financier with an interest in your property.

Address

is the address of the insured building.

Body Corporate

is the term as defined in the Unit Titles Act 1972, and/or its amendments.

Consequential loss

means loss or additional expense arising from, or as a consequence of, loss or damage. For example, replacement of undamaged property so as to create a uniform appearance. This could arise following impact damage to a brick wall when only part of the wall has been damaged and it is impossible to match up the bricks for the demolished area.

Depreciation

is wear and tear, use and deterioration based on the condition and age of the item at the time of the loss or damage.

Family member

is your spouse, partner, father, mother, grandparent, brother, sister, son, daughter, grandchild, in-law or domestic employee residing with you and who is a member of your household.

Fixed

means fastened, attached, secured.

Flood

means overflowing from the normal confines of any lake, reservoir, dam, canal or natural watercourse, or a tsunami.

Hobby farm

is a property where farming or agricultural activity from which income is derived is carried out.

Nuclear accident

includes loss or damage caused by nuclear material or waste.

Replacement value

is the cost of rebuilding your buildings as new in the same or similar construction and style using the same materials and floor area, less any discount available to us.

Replace

means provide 'new for old' regardless of the age of the item.

Unit

is a unit or a flat in a building on land subdivided under the Unit Titles Act 1972 and/or its amendments including a share in other improvements which are intended, adapted or designed for use in connection with the common property.

War

means civil war, rebellion, insurrection, military or usurped power, lawful seizure, confiscation, nationalisation, requisition, invasion and hostilities (whether war is declared or not), and looting, sacking or pillage following any one of these events.

Building

We cover your building at the address stated, as described below.

What is a building

A building includes:

- > a building, outbuilding or fixture used for domestic purposes
- > coverings fixed to ceiling, wall or floor, built-in furniture and insulation
- > a fixed stove, light fitting or appliance permanently attached to a gas, plumbing or electricity service
- > utility services such as electricity or gas that you own or are legally liable for
- > a fixed or in-ground swimming pool, barbecue, clothes line, sauna or spa
- > paths and paving, walls and fences
- > an external blind, awning, aerial, satellite dish or mast
- > a fixed room heater, air conditioner, fan, hot water service
- > landlord's fixtures and fittings when noted on your policy schedule
- > carpet permanently attached to your home.

What is not a building

A building does not include a:

- > hotel, motel or boarding house
- > motor vehicle, caravan, trailer, rail carriage, tram, aircraft, watercraft (including accessories or spare parts)
- > tree, plant, hedge or shrub
- > fence, shed, stable or other structure used for agricultural, hobby farm or business purposes
- > temporary building or structure
- > building being built or rebuilt which we have not agreed to cover in writing.

Special Features

Your application allows you to choose:

- > accidental damage cover, or
- > defined events cover.

(for full details of both covers see page 9)

Consumer protection

If you are not satisfied with the cover provided by this insurance you may return the policy within 14 days of receiving it and where no claims have been made you will be given a full refund of any premium paid.

Special conditions for unoccupied, holiday and tenanted homes and Body Corporates

Unoccupied homes

Where your building is:

- > left without a permanent occupant for a period exceeding 60 consecutive days, or
- > not fully furnished for normal habitation.

Cover is only provided for loss or damage caused by fire, explosion, lightning, earthquake, tsunami, volcanic eruption, natural landslip or hydrothermal activity unless we agree to extend this cover in writing.

Holiday homes

If your building is a holiday home you must pay an additional excess as specified in your policy schedule.

Tenanted homes

If your building is leased or rented to anyone other than you, you must pay an additional excess as specified on the policy schedule.

Body Corporates

If your building is part of a Body Corporate:

- > this contract provides the insurance required by law
- > the building includes units and buildings on common property owned by the Body Corporate at the address.

If a member of the Body Corporate or a member's tenant or occupier breaches a condition of the contract, we may try to recover the amount we pay to the Body Corporate from the member or person who breached the policy condition. We will give a mortgagee who is noted on the policy, and each member of the Body Corporate, 30 days notice before we cancel this insurance.

Extended cover

We agree to pay the replacement value plus reasonable additional costs for extended cover in the event of a valid claim.

Fees and costs

We will pay fees and costs:

- > of an architect, surveyor or lawyer
- > for reasonable exploratory costs to locate the cause of the damage
- > for demolition and removal of debris, but not fallen branches and trees where no property damage occurred.

Loss of rent

If your building is tenanted, we will pay for loss of rent arising from your building becoming unfit to live in as a direct result of an insured event. Cover is for the time necessary to make your building fit to live in but not exceeding six months in total or \$20,000 in total, whichever is the lesser, provided the home is made habitable within a reasonable time.

Landlord's fixtures and fittings

Where fixtures and fittings cover is noted on your policy schedule, we will pay for any carpet, drapes, light fittings, or washing machine and dishwashing machine if plumbed into the building, belonging to you and not otherwise insured. Cover is limited to replacement value less reasonable allowance for depreciation and wear and tear. No accidental damage cover applies and cover is limited to defined events.

Temporary accommodation

We will pay reasonable costs of temporary accommodation for the insured and family members, if your building becomes unfit to live in as a result of an insured event. Cover is for the time necessary to make your building fit to live in, or 12 months - whichever is shorter.

Gradual deterioration

We will pay up to \$2,000 for gradual deterioration providing:

- > the deterioration could not have been discovered immediately, and
- > the deterioration is caused by rot, mildew or mould as the result of a leaking water or waste disposal pipe, and
- > the damage occurred whilst insured with AA Insurance Ltd.

Compensation for fatal injury

We will pay \$5,000 to you if you or a family member dies as a result of fire, storm, impact, or a theft at the address. Where your building and contents are both insured, you can only claim this benefit once for each event.

Replacement of locks

We will pay up to \$500 for the replacement of locks or change to the key codes if a key for the lock of any external door to the building containing your contents is stolen. Where your building and contents are both insured you can only claim this benefit once for each event.

Optional cover

Accidental damage cover

When you have chosen the accidental damage option as shown in your policy schedule, we will cover you for any accidental damage or loss caused to your building up to the replacement value.

Defined events cover

If you have not selected the accidental damage option, cover is restricted to the following defined events:

- > fire, explosion or lightning
- > storm or flood
- > burglary
- > malicious damage or vandalism
- > collision or impact by vehicle or animal
- > burning out by electrical current
- > the freezing of any plumbing installation in the home other than installations outside or in any outbuildings or detached garage
- > earthquake, volcanic eruption, hydrothermal activity or natural landslip, except the amounts covered by the Earthquake Commission.

An event must occur and must cause damage to the insured building before we pay a claim.

Liability cover

We provide \$1 million liability cover for you or a family member for any occurrence or series of occurrences arising out of one event for damage to property caused by an accident.

Liability

Liability means your liability arising from a breach of your duty as owner or occupier of the land at the address.

We will also pay all reasonable legal costs, charges, and expenses:

- > incurred with our written consent, and
- > recoverable by any claimant from you or other persons indemnified.

Excess

Excess is the amount you pay for each incident when you make a claim. Your excess for each cover is specified in your policy schedule. An additional imposed excess applies to holiday homes, tenanted homes and landlord's fixtures and fittings.

We calculate your excess by adding the standard, voluntary and imposed excesses applicable to your claim.

Standard excess

Is the amount specified in your policy schedule.

Voluntary excess

Is the amount selected by you in return for a discounted premium, as noted in your policy schedule.

Imposed excess

Is the excess we may require in certain cases depending on the occupancy, certain additional benefits, and your claims history. We show the imposed excess on your policy schedule.

When you make a claim we may require you to pay an excess or we may deduct an excess from your benefits. We will advise you when and how the excess is to be paid or deducted.

How you make a claim

To make a claim, call our Claims Team on **0800 500 216**.

If an accident or event occurs you must:

- > give us notice of the claim as soon as possible
- > give us proof of the claim (including evidence of ownership) obtained at your expense
- > notify the Police immediately in the case of theft, intentional damage or riot
- > keep damaged property for our inspection
- > not admit liability, limit our ability to recover from a third party, or attempt to settle a claim
- > immediately send us any letter, notice or court document you receive relating to a claim.

Where a claim is made against the policy, it may affect your next year's renewal either by variation of the premium, excess or a combination of these.

We may:

- > attempt to recover money from the party who caused the loss or damage
- > defend an action against you if someone alleges that you caused loss or damage
- > take legal action in your name

You must help us as we require.

How we may settle a claim

At our option we may:

- > replace an old item with a new item (regardless of brand) which is available in New Zealand and in our opinion is the nearest equivalent and priced item at the date of loss. We may obtain the item from our supplier, or
- > rebuild or repair the property as new (including the additional cost necessary to comply with statutes, regulations and local government by-laws).

Replacement value

Replacement value is calculated as the cost of rebuilding your building as new in the same or similar construction and style using the same materials and floor area (as stated in your policy schedule), less any discount available to us.

Our requirements of you

To settle a claim we require that:

- > the item is replaced, or rebuilding or repairing is commenced within six months of the date of loss unless we agree otherwise, and
- > where your building is damaged or destroyed, it is actually repaired or rebuilt.

If any of these two conditions is not observed, we may cash settle and deduct either a reasonable amount for depreciation or discount available to us, from the replacement value.

Limits on the value of some claims

When we settle a claim:

- > we will replace fixed carpet only in the room, hall or passageway where the loss or damage is evident.

Where we replace or pay replacement value for a damaged or stolen item, the original item belongs to us.

Truth of statements and fraud

All statements made by you or on your behalf, either on the application or otherwise in support of this policy or any claim, must be accurate in all respects. If any claim under this policy is in any respect fraudulent, all benefits will be forfeited and cover cancelled immediately.

AA Insurance has a policy of prosecuting any offender for fraud, and seeking recovery of any resultant costs.

The Insurance Claims Register

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

This policy is issued to you conditional upon you authorising us to place details of any claim made against this policy on the database of ICR Ltd where they will be retained and be available for other insurance companies to inspect. You also authorise us to obtain from ICR Ltd personal information about you that we consider relevant to this policy or any claim made against it.

Providing up to date information

You must tell us as soon as:

- > you change your address or other contact details.
- > you intend to carry out any alteration or extension to the building. Extended cover may be available on request.
- > the nature or occupation of your building changes.
- > your building will be unoccupied for more than 60 consecutive days.

You must also make a written report to the Police of any theft, attempted theft or vandalism.

Exclusions

We do not cover liability

- > to any member of your family who lives with you, or with whom you live
- > for damage intentionally incurred by you or a family member
- > for damage to property owned by you or in your physical control
- > in respect of punitive or exemplary damages awarded by a court
- > for pollution or contamination either directly or indirectly by any substance irrespective of how it is caused
- > imposed by an agreement unless liability exists irrespective of the agreement
- > arising from vibrations affecting, or interference to support of other land, building or property
- > resulting from improper use of a gas appliance, or use or installation of a gas appliance, other than in accordance with any gas code of practice issued or statutory requirement
- > arising out of or in connection with:
 - ownership of private boarding house
 - a business, profession or occupation (other than occasional baby-sitting)
 - lifts or escalators
 - a vehicle, except a manual or animal propelled vehicle, model, motorised wheelchair or motorised garden appliance which does not require registration
 - the control or ownership of aircraft (except models) or aircraft landing areas, sailing craft or watercraft (except a model, sailboard, surfboard or surf ski).

We do not cover damage or loss caused by:

- > rebuilding or altering your building
- > failure to maintain your building
- > defective or faulty workmanship, design or manufacture
- > inherent defect
- > wear, tear, depreciation, insects, vermin, rodents, possums, action of light, atmospheric or climatic conditions, rust, corrosion
- > gradual deterioration except as provided for under extended cover
- > water entering as a result of a structural defect or faulty design
- > water seeping through a window, wall, roof, or floor
- > erosion, landslide, earth movement or subsidence unless it has been caused by a natural event and the Earthquake Commission has accepted liability
- > hydrostatic pressure to swimming or spa pools
- > mechanical, electronic or electrical breakdown or failure, over winding or derangement
- > cleaning or restoring
- > use in connection with an occupation
- > the intentional or malicious act of a tenant or a tenant's invitee
- > war or revolution
- > nuclear accident, waste or weapons
- > an article or equipment whilst on hire from you.

We do not cover:

- > an intentional act by you or a family member
- > theft or intentional damage caused by you or a family member, a person who entered with your consent or the consent of a person who lives at the address, or a tenant or boarder at the address
- > property that is not owned by you or a family member or for which you or a family member is not legally liable
- > property which you have not kept in good order or for which you have not taken reasonable precautions to safeguard from loss or damage
- > loss or damage when the building is used for trade purposes unless we agree in writing
- > loss of information kept in an electronic form on computer, disk, tape or other electronic, magnetic, digital or optical media
- > consequential loss of any kind (see Definitions on page 3)
- > loss of use
- > any loss or damage occurring or liability arising from any event unless it occurred during the period of cover
- > damage allegedly caused by earthquake, volcanic eruption, hydrothermal activity or natural landslip unless the Earthquake Commission first accepts liability
- > loss or damage which is (or which would have been but for the deduction of an excess) covered by the Earthquake Commission
- > burn out of:
 - air-conditioning motors over eight years of age
 - other motors over 15 years of age
- > property which is otherwise insured
- > any claim unless you have taken all reasonable precautions to comply with applicable statutes, by-laws and regulations
- > any claim where you have not taken all reasonable precautions to secure your property, and prevent and minimise any loss or damage.

Cancellations

By you

You may cancel the contract in its first 14 days by written notice to us. We will refund your premium in full if you do not make any claim and return the policy and policy schedule to us.

You may cancel the contract at any other time by written notice to us. We will keep an amount of the premium for the period up to the cancellation, to cover our administration costs, and refund the balance.

By us

We may cancel the contract in its first 14 days by giving you seven days notice in writing, posted to your last known address. In these circumstances, cancellation will be effective from 4.00 pm on the seventh day after we have posted the letter advising you.

We may also cancel or void the contract for your failure to pay the premium or instalment of the premium, fraud or misrepresentation, failure to disclose information, breach of contract, or a breach of utmost good faith. We will advise you of the reason for cancellation in writing.

If we pay a claim for the replacement value of your building, the cover is cancelled from the date of loss, and we retain the balance of the premium and require all outstanding instalments to be paid.

We may also cancel this policy at any time by sending a letter to this effect to you at your last known postal address.

The cancellation will take effect at 4.00 pm on the seventh day after the letter has been sent.

Can we help with anything else?

AA Insurance ContentsCover®

New For Old cover on your belongings.

AA Insurance RemovalCover®

Cover for your contents while in transit and/or storage.

AA Insurance RoadCover® Plus

Comprehensive cover for your car.

AA Insurance RoadCover® Third Party or Third Party Fire and Theft

Affordable cover for your car.

AA Insurance RoadCover® Vintage

Tailored cover for classic and vintage car enthusiasts.

AA Insurance PleasurecraftCover®

Comprehensive cover on your trailered boat.

AA Insurance RoadCover®

Caravan/Trailer

Cover for your caravan or trailer.

AA Insurance MotorcycleCover®

Comprehensive cover on your motorcycle.

We're here to help

Call AA Insurance today on

0800 500 213 for cover you can rely on.

Or visit **www.aainsurance.co.nz**

or your nearest AA Centre.

