



AA Small Business Insurance Policy

Here are the details of your
**Employers Liability
Policy Module**



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Welcome to AA Insurance

Thank you for choosing AA Insurance. When you need us, we'll get things sorted for you.

This policy document explains your insurance cover, your responsibilities and how to make a claim. Please read it carefully and keep it in a safe place.

How to contact us

For sales, service and general queries:

- Call us on **0800 500 213**

For claims enquiries:

- Call us on **0800 500 216**

For more information:

- Go to aainsurance.co.nz

Your insurance contract

Your insurance contract consists of this policy document and your [policy schedule](#). Your policy document and [policy schedule](#) are designed to be read together. If there is a conflict between the information in this policy document and your [policy schedule](#), your [policy schedule](#) takes priority.

This cover is subject to the limits, terms and conditions which are set out within this policy document.

We agree to provide this cover as long as you have paid the premium due.

If you have any questions or need more information, please contact us.

If you have a concern

We value our customers and aim to deliver the best service possible. We also appreciate and encourage your feedback – the good and the bad. If you're not satisfied with one of our policies, our service or a decision we make, please tell us. Often a quick conversation with one of our representatives can help resolve things.

If we can't agree or if you are still unhappy, please let us know. We can explain our complaints procedure to you and we have a Customer Resolution Service in place to assist you if needed.

We're here to
get things sorted.

0800 500 213
aainsurance.co.nz

Reading your policy

Headings

Headings in this policy document are there to help guide you. You shouldn't rely on headings to interpret the policy. To understand your policy, the full text should be read.

Words with specific meaning

We have coloured some words blue. These words have a specific meaning and are explained in the 'Definitions' section at the end of this policy document.

We also use the following common terms throughout this policy document which have the below meanings:

- 'we', 'us' or 'our' means AA Insurance Limited
- 'you' or 'your' means the **insured** and any other **persons insured**.

Cancelling your policy

If you change your mind

We provide you with a 21 day cooling-off period. You can cancel your policy within 21 days from the day cover began, provided you have not made a claim. We will then refund in full any premium you have paid.

Cancellation by you

You may cancel your policy at any time, unless you have made a claim. If you cancel outside the cooling-off period and you have not made a claim, we will refund you any amount we owe after the cancellation date, less any cancellation fee shown on your **policy schedule**.

Cancellation by us

We may cancel your policy at any time by sending you a notice to this effect. The cancellation will take effect on the 7th day after the notice has been sent. We will refund you any amount we owe after the cancellation date.

What you are covered for

We will cover you for **defence costs** and all sums that you become legally liable to pay as **damages** as a consequence of **proceedings** arising from any **employee** sustaining **personal injury** in New Zealand in the course of, or related to, their employment in the **business** if:

- you first become aware of the **proceeding** during the **period of insurance**, and
- the **proceeding** is notified to us during the **period of insurance** or within 30 days after the end of the **period of insurance**, and
- the **personal injury** occurred on or after the **continuity date**.

Take-over

If during the **period of insurance** a **take-over** occurs, the cover provided is amended to apply only to **personal injury** occurring before the effective date of the **take-over**.

Limits on what we will pay

The most we will pay on your behalf in respect of all **damages** and **defence costs** arising out of all **proceedings** in any one **period of insurance** is the applicable limit of indemnity shown on your **policy schedule**.

Automatic extensions

The following extensions are automatically included in your cover.

Advancement of defence costs

We will advance **defence costs** to you as and when they are incurred before the final disposition of the **proceeding**. Such payments will be repaid to us by you severally, according to your respective interests, in the **event** and to the extent that the **proceeding** is in fact determined not to be covered or is resolved on terms or in a manner that excludes it from cover.

Continuous cover

Where:

- you first became aware of any **proceeding**, fact or circumstance as described in 'Notification of circumstances', after the **continuity date** and before the **period of insurance**, and
- you do not notify us of such **proceeding**, fact or circumstance, until a date during the **period of insurance** or within 30 days after the **period of insurance**,

then:

- in the absence of fraudulent non-compliance with the duty of disclosure or fraudulent misrepresentation by any of you in respect of such **proceeding**, fact or circumstance; and
- provided that we have continuously been your employer's liability insurer from and after the **continuity date**;

we will accept notification of such **proceeding**, or any **proceeding** arising from such facts or circumstances, during the **period of insurance**.

The cover provided will be in the terms of this policy except that the applicable limit of indemnity and excess will be as they were at the date when you first became aware of the **proceeding**, facts or circumstances.

Additional extension

If you have chosen to include the following extension, it will be shown on your **policy schedule**.

Defence costs

In the **event** of any **proceeding** which involves a charge under Section 9 of the Law Reform Act 1936, and as a consequence of which **defence costs** cannot be paid under this policy module, then the policy is extended to indemnify **defence costs** up to a limit of \$250,000, for all claims or a series of claims as a result of or attributable to one source or original cause and in the aggregate during the **period of insurance**.

If you have cover under the Statutory Liability policy module, the most we will pay for in any one **period of insurance** for claims under both modules is \$250,000.

Making a claim

This section explains what you need to do when you make a claim.

Claims conditions

You must co-operate with us and give us any information or help we ask for in relation to your claim.

As soon as you are aware of an **event**, circumstance, **proceeding** or **occurrence** you must comply with the following conditions:

- take all reasonable steps to minimise the loss and prevent further loss
- do not admit responsibility for any loss, damage or liability
- do not, without our consent, incur any expense or negotiate pay, settle, or make any agreement in relation to any claim.

As soon as possible you must also:

- tell us of the **event** and give full details and circumstances of what has happened, including details of everyone involved
- send us all relevant communications which you receive
- obtain our permission before you incur any expense, other than the reasonable cost of urgent work to prevent further loss
- let us at our expense and in your name to take any action necessary against any other party and to take over and conduct the defence and settlement of any claim against you
- provide all reasonable assistance and co-operate with us and our assessors, investigators, lawyers or anyone else we appoint to assist, in the making of your claim, its settlement and any defence of a potential claim against you or any action against anyone else.

Conduct of claim

We will be entitled to take over and conduct in your name, with full discretion in the conduct of the **proceedings**, the defence of any **proceeding**, or the prosecution in your name for your own benefit, of any **proceeding**. If you do not agree with our decision to settle a **proceeding** the terms of 'Making a claim – Senior counsel' will apply.

Election to settle

We may settle any **proceeding** with your consent, or where a senior counsel recommends settlement or a guilty plea in accordance with the terms of 'Making a claim – Senior counsel'.

If you withhold consent to such settlement, the most we will pay for the **proceeding** is the amount for which the **proceeding** could have been settled plus **defence costs** incurred with our consent up to the date such settlement was recommended.

Senior counsel

If you and we disagree as to whether a **proceeding** should be settled or defended, a senior counsel will be appointed by us to recommend whether to settle or defend the **proceeding**. The senior counsel will take into consideration the economics of the matter, costs that are likely to be recovered by the prosecuting authority, the likely **defence costs** and the prospects of you successfully defending the action. We will pay the cost of the senior counsel's opinion and this will be payable in addition to the limits of indemnity shown in your **policy schedule**.

If you do not comply with these conditions

If you do not comply with any of these conditions, we can:

- decline your claim
- recover from you what we have already paid.

You will have to pay an excess

An excess is the amount you must pay for each individual **event**. We may deduct your excess from the total settlement amount.

The total excess is determined by the circumstances of your claim. You might have to pay more than one type of excess when you make a claim. The excesses will be noted in this policy document and/or in your **policy schedule**.

If you claim under more than one policy with us for loss, damage, or liability caused by a single **event** or **occurrence** at the same location, you will only have to pay one excess. This will be the highest total applicable excess. This does not apply to any loss caused by **natural disaster damage**.

A series of **events** arising from any one cause during any period of 72 consecutive hours will be treated as one **event** for the purposes of determining the excess you need to pay.

What you are not covered for

This section explains what your policy does not cover. These exclusions apply to all sections of this policy.

Deliberate or wilful non-compliance

This policy does not cover any liability arising directly or indirectly from, or in any way connected with any **proceeding** that arises from:

- your deliberate or wilful breach of, or failure to comply with, or disregard for, the provisions of any **Act**, or
- your deliberate or wilful failure to comply with or disregard for any lawful notice or order issued by any regulatory authority under any **Act**.

Prior injury

This policy does not cover any **personal injury** sustained before the **continuity date**.

Prior claims and known circumstances

Except where cover is provided under the 'Automatic extension – Continuous cover', we will not cover you for:

- any **proceeding** made, threatened or intimated against you before the **continuity date**, or
- any **proceeding** arising directly or indirectly from any facts or circumstances:
 - notified under any insurance that was in force before the inception of this policy, or
 - known to you before the **continuity date** and which might reasonably be expected to give rise to a **proceeding**.

Health and safety notices

This policy does not cover any **proceeding** arising directly or indirectly out of any failure by you to comply with any improvement, prohibition or suspension notice issued to you or any **employee** under The Health and Safety at Work Act 2015 or equivalent notices issued under any replacement Act.

Asbestos

This policy does not cover any **proceeding** directly or indirectly caused by or arising out of or in connection with:

- the inhalation of
- exposure to
- fears of the consequences of inhalation or exposure to
- cleaning up, removal of, or
- damage to or loss of use of any property arising out of asbestos, asbestos fibres or any derivatives of asbestos.

Third parties

This policy does not cover any liability arising directly or indirectly from, or in any way connected with any **proceeding** that arises from, the acts or omissions of any third party (other than an **employee**) contracted by you in accordance with your **business**.

Building defects or mould

This policy does not cover any **proceeding** that is directly or indirectly caused by or contributed to, or arises in connection with:

- the action or effects of **micro-organisms**, mildew, rot, decay, gradual deterioration, or any similar or like forms, in any building or structure, or
- the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of, or in any way responding to or assessing the effects of **micro-organisms**, mildew, rot, decay, gradual deterioration, or any similar or like forms, in any building or structure.

Consequential loss or incurred costs

This policy does not cover:

- consequential losses of any kind, or
- costs or expenses you may incur in order for you to prove or assist us with your claim.

This includes any loss of income, loss of or reduction in value, additional costs or expenses, compensation for your time or anyone else's time or materials used, and liability incurred.

Other than usual business

This policy does not cover any **proceeding** by an **employee** not directly employed to carry out the normal activities of the **business** unless you give prior notice of such employment to us and we confirm our agreement in writing.

Excesses and other insurance

This policy does not cover your excess on this or any other policy.

This policy does not provide cover where cover is provided by other insurance or by a warranty or guarantee. We will not contribute towards any claim made under any other policy.

Accident Compensation Act 2001

This policy does not cover any **personal injury** where the **personal injury** falls within the scope of cover provided by the Accident Compensation Act 2001 or any liability imposed by the provisions of any worker's compensation legislation or any accident compensation legislation or any industrial award or agreement or determination, or would fall within the scope of cover but for:

- a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or to claim any amount he or she would be entitled to under the Act for any other reason whatsoever, or
- the decision of any authority including the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

War, terrorism or nuclear incidents

This policy does not cover any loss, damage, **personal injury**, liability or prosecution of any type directly or indirectly caused by, arising from, or involving:

- war, invasion, act of foreign enemy, hostilities, civil war or warlike operations (whether war is declared or not)
- mutiny, civil commotion assuming proportions of or amounting to a popular uprising, military uprising, rebellion, revolution, insurrection, military or usurped power
- any act, including but not limited to the threat, or use of violence, which from its nature and context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes including the intention to influence any government and/or to put the public or any member of the public in fear
- nuclear weapons, ionising radiations, or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel.

Unlawful or otherwise prohibited to insure

This policy does not cover any loss, damage, injury, liability, or prosecution of any type, directly or indirectly caused by, or arising from any act, **proceeding, occurrence** or thing against which insurance is either:

- unlawful, or
- prohibited by any sanction, prohibition, or restriction under the laws or **regulations** of any jurisdiction applicable to us or our parent company or its ultimate controlling entity.

You must tell us about certain things

Some parts of this policy may cover other people or companies or entities as well as you. To gain the benefit of any cover under this policy they must meet all the same conditions and obligations you are required to meet. No claim will be payable where any person covered under this policy does not meet any of the terms and conditions.

Nothing in this policy affects the common law rights of either party, including our right to avoid your policy for non-disclosure. This means your policy will be treated as if it never existed and any claim payments must be returned to us.

You must disclose material information and give us full and accurate statements

Your policy with us relies on the accuracy of the information supplied by you, or any person on your behalf. You must advise us of all **material information** before the start of this policy and before each renewal or variation of the policy.

You must also give us full and accurate information and answer honestly, correctly and completely all questions we ask you. Failure to do so entitles us to deny any claim and to cancel this and any other policy you have with us from the date the information should have been provided.

You must tell us if there is a change in circumstances

You must tell us immediately of any change in circumstances that have happened after the start of this policy or that you know is going to happen and which may increase any of the following:

- the amount of the risk
- the risk of liability
- the risk of insuring you.

As a result of these changes in circumstances, or if you fail to tell us immediately of any change in circumstances, we may:

- change your policy terms and make alterations to your premium
- reduce cover or change limits
- not insure you for any liability that happens after the date of the change in circumstances
- cancel your policy.

Notification of circumstances

If during the [period of insurance](#) you become aware of any facts or circumstances that may give rise to a [proceeding](#) against you, and such facts or circumstances are notified to us during the [period of insurance](#), any [proceeding](#) that may subsequently arise out of those facts or circumstances will be deemed to have been first made against you during the [period of insurance](#) and notified to us during the [period of insurance](#) in which the facts or circumstances were notified.

You must comply with certain conditions

You must avoid loss, damage or liability

You must take all reasonable care to avoid doing anything that could result in a claim, and at your cost and expense, must take reasonable steps to:

- avoid any loss, damage, or [personal injury](#) to any person or thing for which you could be held legally liable
- comply with all legal requirements for the safety of people or property.

You must not transfer your legal rights

You must not assign or transfer, or attempt to assign or transfer this policy or your interest in this policy to any other party.

Severability and non-imputation of proposal and policy

Cover under this policy is provided severally to each of you. The proposal or submission will be construed to be a separate application for cover by each of you.

When determining the availability of cover with respect to [proceedings](#) made against any of you, no fact pertaining to, no statement or declaration made in the proposal or submission, no state of mind or knowledge possessed, and no failure to comply with the general and claims conditions by one of you will be imputed to any other of you.

How we administer your policy

Paying premiums

If your premium is overdue, we may refuse to make any claim payments until your overdue premiums have been paid.

If there is a change to your premium which remains unpaid, or you do not pay the full amount of your premium, we may reduce the [period of insurance](#) in line with the proportion of the unpaid premium.

If your premium remains unpaid for 28 days, your policy will automatically be cancelled and you will not be sent a cancellation notice.

Sending notices

We will send any notice, [policy schedule](#) or other written documents to your last known physical, postal or email address.

Noting interested parties

By noting an Interested party on your [policy schedule](#), you are authorising us to disclose your information to them. If your [policy schedule](#) shows an Interested party, we may partially or fully settle your claim by making a payment to them, fulfilling our obligations under this policy. Anyone noted as an Interested party is not covered by this policy and cannot make a claim under this policy.

Currency

All amounts referred to in your policy are expressed in New Zealand currency and include Goods and Services Tax (GST). We will pay all claims in New Zealand currency.

Governing law

This policy is governed by New Zealand law, and the New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

Definitions

Act

Any Act of the New Zealand parliament that is not an **Excluded Act** in force at the commencement of the **period of insurance**, or which comes into force during the **period of insurance**, and any substitution of, amendment to, replacement of or any **regulation** made under, such Act.

Any specific Act referred to also means any substitution of, amendment to, replacement of and any statutory **regulation** made under such Act.

Business

The business and occupation described in your **policy schedule**.

Continuity date

The date from which you have maintained uninterrupted cover with us for this type of insurance.

Damages

Amounts payable under any judgment against you and/or settlements negotiated by us, including the other party's costs where applicable, and includes interest on any judgment that accrues after entry of the judgment and before we have paid, tendered or deposited in court that part of the judgment that does not exceed the appropriate limit of liability, limit of indemnity or sum insured shown in your **policy schedule**.

Damages do not include **fin**es, penalties, **reparation**, or any other form of criminal sanction, non-pecuniary relief, taxes or any payment deemed to be unlawful to insure against.

Defence costs

All reasonable legal costs and expenses for expert assistance (other than your wages, salaries, lost earnings or fees) incurred by you or on your behalf with our consent (which will not be unreasonably withheld) in defending, investigating, monitoring, settling, or appealing any **proceeding** made against you.

Employee

Any of the following while working for any **insured** in connection with the **business**:

- a person under a contract of service or apprenticeship with any **insured**
- a person hired or borrowed by any **insured**
- a labour only sub-contractor.

Event

A sudden, accidental and unforeseen **occurrence** that causes damage, or **personal injury** that is not intended or expected by you.

Excluded Acts

The following Acts of the New Zealand Parliament and any amendment to, re-enactment or substitution of, regulation of, or other subordinate legislation made under, such Acts:

- Arms Act 1983
- Aviation Crimes Act 1972
- Commerce Act 1986
- Crimes Act 1961
- Criminal Investigations (Blood Samples) Act 1995
- Hazardous Substances and New Organisms Act 1996 but only as it relates to new organisms
- Misuse of Drugs Act 1975
- Criminal Proceeds (Recovery) Act 2009
- Summary Offences Act 1981
- Land Transport Act 1998, or
- any other Act shown in your **policy schedule** as an Excluded Act.

Fine

Any monetary penalty or other monetary fine or costs and disbursements assessed that may be payable by you as a result of a conviction for an offence under an **Act** arising out of an **occurrence**.

A fine does not include any of the following:

- the cost or payment of any enforcement order, remedial order or compliance order
- any tax (including any fine or penalty resulting from the failure to pay any tax), rate, duty, or interest on such tax, rate, or duty, except GST
- any **damages**, restitution, compensation or **reparation** the value of any property subject to confiscation or forfeiture
- a fine, penalty or infringement fee paid, or which becomes due to be paid under the Health and Safety at Work Act 2015, but does include **reparation** ordered as a result of a conviction under the Health and Safety at Work Act 2015
- any other monetary payment, penalty or fine deemed to be unlawful to insure against.

Insured

The person, company, or entity listed as 'Who's insured' on your **policy schedule** domiciled in New Zealand.

Material information

Any information which might influence the decision we make as to whether to provide insurance and if so on what terms and at what premium.

Micro-organisms

Living things such as amoeba, bacteria, fungi, mould, protozoa, and any similar or like forms.

Natural disaster

Earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, or subterranean fire, or fire occasioned by, through or in consequence of any of these.

Natural disaster damage

Any of the following:

- damage directly or indirectly caused by or resulting from **natural disaster**
- damage occurring (whether accidentally or not) as the direct result of measures taken under proper authority to avoid the spreading of, or otherwise to reduce the consequences of, any such damage but does not include any damage for which compensation is payable under any **Act**.

Occurrence

Any act or omission that results in, or may result in, an allegation of the commission of an offence under any **Act**.

Period of insurance

When your policy starts, to when it ends. It is shown on your **policy schedule**, unless the policy is ended earlier.

Personal injury

Any of the following:

- death, or physical external or internal bodily injury
- illness, sickness, disease, debilitating or degenerative condition, or disability
- mental injury, mental anguish, shock, or fright.

Persons insured

Any of the following:

- any person who holds the position of or performs the duties of director, executive officer, trustee, secretary, manager, partner, or who holds any other position as an **employee** of the **insured** while acting in that capacity
- the officers, committees and members of the **insured's** own canteen, social sports and child care facilities or welfare organisations, first aid, fire and ambulance services, pension fund management and administrative committees in their respective capacities as such
- any **subsidiary company**.

Policy schedule

The most recent policy schedule we have sent you which includes, who's insured, business description, business address and the policy modules you have selected.

Proceedings

Any threatened or actual legal proceedings, investigation, or inquiry that may give rise to **damages**, the imposition of **fin**es, and/or the incurring of **defence costs**, and that is a result of either:

- an **occurrence** in respect of your **business**, or
- any of your **employees** sustaining **personal injury** in New Zealand while in the course of their employment in your **business**.

Regulations

Any regulations made under or framed in accordance with any **Act**, or any regulation or bylaw of any local authority.

Any specific regulation referred to also means any substitution of, amendment to or replacement of such regulation.

Reparation

An amount ordered by a New Zealand Court under Section 32 of the Sentencing Act 2002 to be paid to the victim of an offence. Reparation does not include:

- **damages**, court costs, **fin**es, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against, or
- your defence costs in relation to an offence.

Subsidiary company

Any of the following:

- any company that, at the inception of the **period of insurance**, by any applicable legislation, was or is deemed to be a subsidiary of the **insured**
- any company in which the company named in your **policy schedule**:
 - owns or directly or indirectly controls more than fifty percent of the issued share capital
 - controls the composition of the board of directors
 - exercises effective management and control, either directly or through one or more of its subsidiary companies, or
- any other company whose accounts are consolidated into those of the company named in your **policy schedule** in accordance with the relevant New Zealand Accounting Standard.

Take-over

Either of the following events:

- the **insured** consolidates with, merges with, or sells all or substantially all of its assets to, another person, entity or group of persons and/or entities acting in concert, or
- the **insured** becomes a subsidiary of another entity by any applicable law.

Can we help with anything else?

Home Insurance

Protection for the place you love to call home.

Contents Insurance

Cover for your personal belongings at home and around New Zealand.

Comprehensive Car Insurance

Comprehensive cover with optional extras to suit your car.

Third Party, Fire and Theft Car Insurance

All the benefits of Third Party Car Insurance and cover if your car is stolen or damaged by fire.

Third Party Car Insurance

Cover if you accidentally damage another person's vehicle or property.

Landlord Insurance

Protection for your investment property.

Classic Vehicle Insurance

Specialised cover to protect your pride and joy.

Motorhome Insurance

Cover for your home away from home.

Caravan/Trailer Insurance

Put your worries about what you're towing behind you.

Motorcycle Insurance

Tailored cover to suit your motorcycle.

We're here to help you

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