

Market Value House Cover



# your house policy



This page is a summary of the policy, intended to help you understand its terms. It does not form part of the policy itself.

# what you need to know about your policy



Thank you for choosing to insure your house with us. We have designed this document to help you clearly understand the terms of your policy, but if you are unsure about anything, please pop into your local AMI branch to discuss it or call us on **0800 100 200** – we're happy to explain.

## What this policy covers **page 2-4**

**page 2**  
cover for your house if it is damaged or destroyed

**page 3**  
cover for additional costs

- architects' and surveyors' fees
- demolition and debris removal
- compliance with building regulations
- removal of rental house contents

**page 3**  
earthquake top-up cover

**bonus cover for:**

- gradual damage
- electrical current damage

**page 4**  
cover for accidental damage to other people's property

**page 4**  
optional covers

- lost rent cover
- no excess for glass or sanitary fixtures

## What your responsibilities are **page 7**

We agree to provide you with insurance cover as long as you meet certain conditions. If you do not meet these conditions, we can decide not to meet a claim or to cancel or void your policy.

- you must:**
- do what you can to **protect your house** against loss or damage
  - **be truthful and correct** in everything you tell us
  - let us know if there is any **change of ownership** or use of your house
  - let us know if **your house is unoccupied** for more than 60 consecutive days
  - let us know if you make any **substantial alterations** to your house.

## What else you might like to know

**Do I always have to pay an excess?** Your excess is the amount you must contribute as the first payment towards the cost of each claim you make. The Policy Schedule shows how much excess you have to pay. However, you won't have to pay any excess if:

- you have chosen to have no voluntary excess and there is no additional excess applied
- you make a claim under '**Cover if you damage other people's property**' (see page 4)
- you make a claim for glass or sanitary fixtures and you have chosen the 'No excess for glass or sanitary fixtures' option (see page 4).

**Is my house covered while I'm away?** Your house is automatically covered for up to 60 consecutive days while it is unoccupied. If you are away for longer, the terms of your cover will be limited. See page 2 '**What is covered by this policy**'. Talk to us and we'll arrange extra cover.

## about your insurance contract


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- a. This policy forms part of the insurance contract between us and you.
- b. Your insurance contract consists of:
  - this policy
  - the Policy Schedule
  - the information you provided in the proposal
  - the payment notice
  - any changes that we write to you about
  - any changes you request and we agree to in writing.
- c. Your insurance contract begins when we accept the proposal, and ends on the expiry date stated in the Policy Schedule. You can renew your policy as from the expiry date by paying a renewal premium.
- d. You must pay your insurance premium by the date stated on the payment notice. You cannot make a claim until you have paid your premium. If you do not pay your premium your policy will cease to operate.
- e. If you are not happy with this house policy, you can change your mind, provided you tell us within 15 days of the date of your proposal. We will withdraw cover effective from the beginning of the insurance contract and we will fully refund the premium you have paid. This clause will not apply if any claim has been made.

## our definition of 'house'

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### Property covered by this policy

 for definitions of other words used in this policy, please see page 8.

- a. This policy covers residential dwellings and holiday homes that you own and live in or you rent out. It does not cover commercial buildings, caravans or temporary structures.
- b. The following all form part of 'your house' and are covered by this policy:
  - the dwelling and its permanent fixtures
  - carpets and floor coverings that are permanently glued to the floor
  - kitchen stove and hob, range hood, waste disposal unit, permanently fixed dishwasher
  - extractor fans and fixed heaters
  - bathroom towel rails, including fixed heated towel rails
  - permanently fixed clothes dryers
  - domestic outbuildings (such as garage, shed) and domestic glasshouses
  - fences, gates, walls, decks and bridges
  - domestic paths and driveways constructed of concrete, stone, brick, pavers or tarseal
  - swimming pools of permanent construction
  - spa pools, if permanently plumbed
  - domestic underground and overhead services
 at the address stated in the Policy Schedule.

our definition of 'house' continued

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**Property not covered by this policy**

- a.** The following do **not** form part of your house and are **not** covered by this policy:
  - any structure or property not at the address stated in the Policy Schedule
  - any temporary structure
  - any retaining wall
  - any portable swimming pool
  - any portable spa pool
  - any hedge, tree, shrub or live plant
  - fixtures or fittings that are not permanently attached
  - carpets or floor coverings not permanently glued to the floor (eg if loose laid or fitted using smooth edge or tacks)
  - any wharf, dam, pier, landing, breakwater or sea wall
  - any land, earth or fill.

## what is covered by this policy

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### cover for your house

Your house is covered for any unforeseen and sudden physical loss or damage that is not excluded by this policy.

There are some circumstances when you are not covered - please refer to 'What is not covered by this policy' on page 5 and the Policy Schedule.

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#### 1 What we will pay

- a.** If your house is damaged we can choose to either:
  - i** repair your house to the state it was in before the damage occurred, or
  - ii** pay you the cash equivalent of the cost of repairs with allowance for depreciation and wear and tear.
- b.** The most we will pay is:
  - i** the market value of your house at the time of the loss or damage, or
  - ii** the sum insured shown in the Policy Schedule,whichever is the lesser.
- c.** We will use building materials and construction methods in common use at the time of repair or rebuilding.

#### 2 What we will pay for permanently glued carpets and floor coverings

- a.** We will pay the market value of damaged carpets and floor coverings.
- b.** We will only pay for carpets and floor coverings that are permanently glued to the floor.
- c.** We will only pay for damage to carpets and floor coverings in the room or rooms where damage occurs.

#### 3 What we will pay for unoccupied houses

- a.** If your house is unoccupied for more than 60 consecutive days, we will only pay for loss or damage that:
  - i** is caused by fire, explosion, lightning, or
  - ii** is covered under 'Earthquake top-up cover' (*see page 3*).
- b.** However, this clause does not apply if our records show that your house is a holiday home, or we have agreed in writing to extend cover under 'Cover for your house' before your house becomes unoccupied.

## cover for additional costs

We will pay for the following additional costs.

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|---|--|
| <b>1 Professional Fees</b>                                    | <b>a.</b> We will pay the reasonable cost of any architects' and surveyors' fees to repair or rebuild your house. These expenses must be approved by us before they are incurred.  |
| <b>2 Demolition and debris removal</b>                        | <b>a.</b> We will pay the reasonable cost of demolition and debris removal. These expenses must be approved by us before they are incurred.  |
| <b>3 Removal of household contents</b>                        | <b>a.</b> We will pay the reasonable cost of removing your household contents from your house when this is necessary to carry out repair or reinstatement of your house.   |
| <b>4 Compliance with building legislation and regulations</b> | <p><b>a.</b> If additional work is required, we will pay the reasonable costs for compliance with building legislation and rules.</p> <p><b>b.</b> However, we will not cover the additional work required if:</p> <ul style="list-style-type: none"> <li><b>i</b> a notice has been served requiring compliance with the Building Act 1991 or the Resource Management Act 1991 before the loss or damage occurred, or</li> <li><b>ii</b> your house did not comply with the relevant governing building controls when it was built or at the time of any alteration.</li> </ul> |

## cover for earthquake damage

If the Earthquake Commission agrees to pay a claim for loss or damage to your house, we will provide Earthquake top-up cover for loss or damage not covered by the Earthquake Commission.

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|----------------------------------|---|
| <b>1 Earthquake top-up cover</b> | <p><b>a.</b> If your house is damaged by earthquake, natural landslip, tsunami, volcanic eruption or hydrothermal activity (as defined in the Earthquake Commission Act 1993 and any amendments) we will pay the difference between the maximum amount payable by the Earthquake Commission and:</p> <ul style="list-style-type: none"> <li><b>i</b> the cost of repairing or rebuilding your house, or</li> <li><b>ii</b> the sum insured stated on the Policy Schedule, whichever is the lesser.</li> </ul> <p><b>b.</b> Cover is provided on the same basis as 'Cover for your house' on page 2.</p> <p><b>c.</b> This cover does not include any excess you may have to pay to the Earthquake Commission.</p> <p><b>d.</b> You will not have to pay any excess to us.</p> |
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## bonus covers

The following bonus covers are automatically included. Cover is provided on the same basis as 'Cover for your house' on page 2.

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|------------------------------------|--|
| <b>1 Gradual damage cover</b>      | <p><b>a.</b> We will pay to repair any damage to your house caused by gradual deterioration, mildew or rot caused by leaking of any internal water pipe or waste disposal pipe.</p> <p><b>b.</b> The leak must first have occurred while you owned and were living in the house.</p> <p><b>c.</b> The most we will pay is \$1,500 for any one event.</p> |
| <b>2 Electrical current damage</b> | <p><b>a.</b> You are covered for:</p> <ul style="list-style-type: none"> <li><b>i</b> burning out of the permanent wiring in your house, and</li> <li><b>ii</b> burning out of electrical motors under 10 years of age that form part of your house or are solely used to provide services to your house.</li> </ul>                                     |

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## cover if you damage other people's property

If damage is accidentally caused to other people's property in or about your house, you are covered for your legal liability as the owner of your house.

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- 1 What we will pay**
- a. We will pay up to \$1 million for any claim or series of claims arising from any one event.
  - b. We will also pay any legal expenses you incur that are first approved by us, or any legal expenses that are recoverable from you by any claimant.
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- 2 What we won't pay**
- a. We won't pay for any loss or damage :
    - i to any property that you own or that is in your custody or control, or
    - ii to any property that is owned by or in the custody or control of any person who normally resides with you, or
    - iii intentionally caused by you or an immediate family member or any person who normally resides with you, or
    - iv caused, directly or indirectly, by any motor vehicle or lift, or
    - v arising out of or in connection with any profession, business or trade in which you are engaged, or
    - vi if you have agreed to accept liability when otherwise you would not have been liable.
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## optional covers

The following optional covers are available if you pay an additional premium. The Policy Schedule shows which optional benefits you have chosen.

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- 1 No excess for glass or sanitary fixtures**
- a. If you choose this option, you will not have to pay any excess if you make a claim for accidental breakage of:
    - i windows (including leadlight windows), and
    - ii door or skylight glass, and
    - iii glass panes in your conservatory or domestic glasshouse, and
    - iv permanently fixed mirrors that form part of your house, and
    - v hand basins, baths, glass shower doors, moulded shower cabinet units, toilet bowls and bidets.
  - b. However, if you choose this option you will still have to pay the excess for breakage of or damage to:
    - i glass bricks, tiles or paving, and
    - ii ceramic surfaces, and
    - iii pet doors, and
    - iv stove or oven tops, and
    - v glass in oven doors, and
    - vi shower wall linings (where the shower is not a moulded shower cabinet unit), and
    - vii taps, fittings or plumbing of any kind.
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- 2 Lost rent cover**
- a. This cover only applies if we agree to pay a claim for loss of or damage to your house.
  - b. If your house is occupied by rent-paying tenants and is damaged so that it is unfit to live in, we will reimburse you for any actual loss of rent for up to 6 months.
  - c. If your house is damaged beyond economic repair, we will reimburse you for loss of rent for up to 14 days after the date we settle your claim.

# what is not covered by this policy

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## 1 No cover for certain deliberate damage

- a. There is no cover for any deliberate damage caused, directly or indirectly, by:
    - i you, or
    - ii anyone who normally resides with you, or
    - iii any guest to your house, or
    - iv tenants (except for damage by fire or explosion), or
    - v guests of tenants (except for damage by fire or explosion).
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## 2 No cover for breakdown

- a. There is no cover for mechanical, electrical or electronic breakdown, except for the cover provided under 'Electrical current damage' on page 3.
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## 3 No cover for certain kinds of damage

- a. **Gradual damage.** There is no cover for loss or damage caused, directly or indirectly, by:
    - i depreciation, wear and tear, seepage or corrosion, or
    - ii rot, gradual deterioration or mildew (except for the cover provided under 'Gradual Damage cover' on page 3).
  - b. **Faults and defects.** There is no cover for loss or damage caused, directly or indirectly, by:
    - i any fault or inherent or existing defect in the construction of your house or the materials used, or
    - ii any error or omission in the design of your house.
  - c. **Pest damage.** There is no cover for loss or damage caused, directly or indirectly, by insects, rodents or vermin.
  - d. **Alterations and repairs.** There is no cover for any:
    - i damage caused, directly or indirectly, by the deliberate removal or attempted removal of any structural support, or
    - ii water damage due to the deliberate removal of roofing material, exterior cladding, doors or windows
 that occurs during the course of alteration or repairs to your house.
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## 4 No cover for certain events

- a. There is no cover for any loss or damage caused, directly or indirectly, by the following events:
  - i war, invasion, act of foreign enemy, hostilities (whether or not war is declared), civil war, rebellion, revolution, insurrection, military or usurped power, or
  - ii radioactive material or its use, the existence or escape of any nuclear fuel, material or waste, or
  - iii confiscation or destruction by the order of Government or by any person or body legally authorised to seize, confiscate or destroy your house, or
  - iv subsidence, erosion, landslip (except natural landslip covered under 'Earthquake top-up cover' on page 3), settling or cracking in structure resulting from earth movements.

## your excess

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- 1 What you must pay (your excess)**
- a. Your excess is the amount you must contribute as the first payment towards the cost of each claim you make. The Policy Schedule states the excess that applies under your policy.
  - b. You can either pay the excess directly to a supplier or repairer, or we can deduct the excess from our payment to you.
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- 2 No excess**
- a. You do not have to pay any excess:
    - i if you have chosen to have no voluntary excess and there is no additional excess applied, or
    - ii if you make a claim under 'Earthquake top-up cover' (see page 3), or
    - iii for any claim under 'Cover if you damage other people's property' (see page 4), unless specified on the Policy Schedule, or
    - iv if you make a claim for glass or sanitary fixtures and you have chosen the 'No excess for glass or sanitary fixtures' option (see page 4), or
    - v if you make a claim for lost rent under 'Lost rent cover' (see page 4).
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- 3 Pay only one excess**
- a. If you insure both your house and your household contents with us, and you make a claim under both policies for loss or damage caused by the same event, then you will only have to pay one excess. The amount will be the higher of the two excesses.

## claims

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- 1 If you need to make a claim**
- These are your responsibilities when making a claim. If you do not fulfil these responsibilities we can decide not to accept a claim.**
- a. If it is likely that you will make a claim, you must contact us immediately. You may be asked to fill out a claim form.
  - b. If there has been any deliberate damage, burglary or theft, you must notify the Police immediately.
  - c. You must do what you can to prevent any further loss or damage.
  - d. You must get our permission before you arrange for any repairs or incur any expense in respect of any claim.
  - e. You must immediately tell us of any communication you receive that relates to an event which has resulted, or could result, in a claim.
  - f. You must provide us with any further information, documents or authorities that we may ask for.
  - g. You must help us as we require, including after your claim is settled. This may involve attending court to give evidence.
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- 2 Your rights**
- a. You are entitled to:
    - i have your claim acknowledged and dealt with in a professional and efficient manner, and
    - ii receive a fair settlement of your claim as quickly as circumstances allow, and
    - iii receive a clear explanation why any claim has not been met, and
    - iv have free access to our formal complaints procedure (see 'General policy information' on page 8), and
    - v have free access to an independent review by the Insurance and Savings Ombudsman.
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- 3 Our rights**
- a. We are entitled to:
    - i inspect any land or building where loss or damage has occurred, and
    - ii settle any claims against you for anything covered by this policy, and
    - iii defend you or take legal action in your name against anyone else for anything covered by this policy, and
    - iv complete all necessary documents and authorities as your agent.

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- 4 If you have other insurance**
- a.** If you make a claim under this policy and there is another policy covering the same loss or damage, we will pay a proportion of the claim equal to our rateable share of the total loss or damage.

## your responsibilities

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These are your responsibilities as a policy owner. If you do not fulfil these responsibilities we can decide not to accept a claim or to cancel or void your policy.

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- 1 Protecting your property**
- a.** You and anyone else covered by this policy must take every care to protect all property covered by this policy.
  - b.** You must keep your property in a good condition at all times.
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- 2 Accuracy of your statements**
- a.** Your contract is based on information supplied to us, either by you or on your behalf. All information supplied by you or on your behalf must be truthful and correct.
  - b.** You must tell us about any circumstance that may affect:
    - i** our decision whether to accept your proposal and on what terms, or
    - ii** our decision whether to renew your policy, or
    - iii** our decision whether to reinstate your policy, or
    - iv** any claim made under your policy.
  - c.** If you do not disclose all of the information you should have, your policy may not operate and we may refuse to meet a claim.
  - d.** If you make a fraudulent claim, your policy will cease to operate.
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- 3 Keeping us informed**
- a.** You must immediately tell us if:
    - i** you change your address, or
    - ii** you sell your house or your interest in your house ceases, or
    - iii** your house is used for any purpose apart from residential purposes, or
    - iv** you are about to substantially alter the structure of your house, or
    - v** your house will be unoccupied for more than 60 consecutive days.
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## changing or ending your policy

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- 1 Changing your policy**
- a.** You can ask to change your policy at any time. We must agree in writing to any changes before they become effective.
  - b.** We can change the terms of your policy at any time. If this happens we will write to you at your last known postal address. Any changes will become effective from 4pm on the 14th working day after the date of that letter.
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- 2 Changing the sum insured**
- a.** If you have chosen to have your sum insured inflation-adjusted, we will adjust it annually.
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changing or ending your policy continued

- 3 Ending your policy**
- a. You can cancel your policy at any time. If you do, we will refund the unused part of your premium.
  - b. We can cancel your policy at any time by giving you 14 working days' written notice at your last known postal address. The cancellation will be effective from 4pm on the 14th working day after we post the notice. If this happens, we will refund the unused part of your premium.
  - c. Your policy will cease if we pay out a total loss settlement for a claim. If this happens, there will be no refund of premium.
  - d. Your policy will cease immediately if you sell your house or your interest in your house ceases. If this happens, we will refund the unused part of your premium.

- 4 Premium refunds**
- a. The unused part of the premium is the premium you have paid less:
    - i the premium for the time the policy has run, and
    - ii an administration charge.

## general policy information

**Disputes** We have a formal complaints procedure to help resolve any aspect of our policies or our service that you are unhappy with. For information, please ask at any **AMI branch** or call us toll free on **0800 100 200**.

**Interested parties** Any Interested Party named in the Policy Schedule will be a 'joint insured' only under the 'Cover for your house' (*see page 2*) section of this policy.

**Goods and Services Tax** All amounts referred to in this policy include any GST that may apply.

**Dollar amounts** Any dollar amount stated in this policy or on the Policy Schedule is in New Zealand dollars.

**Words in italics** Any words in italics do not form part of the policy and are provided by way of explanation only.

## definitions

In this policy some words have special meanings. Wherever these words are mentioned in this policy, they have the following meaning:

<b>House</b>	please see 'Our definition of house' on pages 1 - 2.
<b>Market value</b>	means the value of an item immediately before the loss or damage occurred, taking into account wear and tear and depreciation.
<b>Policy Schedule</b>	means the most recent Policy Schedule we have produced for you.
<b>We, Us or Our</b>	means AMI Insurance Limited, its successors and assigns.
<b>You or Your</b>	means the person or persons or corporate body to whom the Policy Schedule is addressed.

If you are unsure about any of the information contained in this policy, please visit your nearest AMI branch, or call us on 0800 100 200. We will be happy to explain.



