

insuring clauses

1. In consideration of the payment of the premium, in reliance on the written proposal and declaration and any other underwriting information provided (which shall be deemed to be the basis of this policy), and subject to its terms, conditions, exclusions, warranties and endorsements, Vero Liability Insurance Limited ("the Company") will indemnify the Insured for all amounts which the Insured shall become legally liable to pay as compensation in respect of Personal Injury or Property Damage (including Personal Injury or Property Damage within the Completed Operations Hazard and Products Hazard) happening within the policy territory during the Period of Insurance caused by an Occurrence and arising from the Business of the Insured.
2. In addition to the applicable Limit of Indemnity, in respect of any valid claim under this policy, the Company will:
 - (a) defend the Insured against any suit for damages, including meeting the costs of any investigations or negotiations as the Company deems necessary, provided that the Limit of Indemnity under the policy has not previously been exhausted;
 - (b) pay all defence costs incurred by the Company, or by the Insured with the prior written consent of the Company, including costs, taxes and judgment interest incurred in any suit until the Company has paid the amount of any judgment not exceeding the Limit of Indemnity of the policy;
 - (c) pay the Insured's expenses for first aid to others.

limit of indemnity and excess

1. For the purpose of determining the limit of the Company's liability, all Personal Injury and Property Damage arising out of continued or repeated exposure to substantially the same general conditions shall be considered as arising out of one Occurrence.
2. The limit of the Company's liability in respect of any one Occurrence shall not exceed the Limit of Indemnity stated in the Schedule.
3. The total aggregate liability of the Company during any one Period of Insurance for all claims arising out of the Completed Operations Hazard and/or Products Hazard as defined shall not exceed the Limit of Indemnity stated in the Schedule.
4. In respect of each claim made against the Insured the amount of the Excess specified in the Schedule shall be borne by the Insured at their own risk and the Company shall only be liable to indemnify the Insured in excess of such amount.

exclusions

This policy does not apply to:

- (a) claims in respect of Personal Injury to any person arising out of or in the course of employment of such person in the service of the Insured. But this exclusion does not apply with respect to liability of others assumed by the Insured under written contract;
- (b) claims for payment under any Accident Compensation Act, Workers or Workmens Compensation legislation by any person in the service of any contractor or subcontractor to the Insured or any dependant of such person;
- (c) Property Damage to property which is in the Insured's care, custody or control, provided that this Exclusion shall not apply to:
 - (i) premises which are leased, rented, tenanted or hired by or to the Insured; provided that the Insured shall bear the first \$100 in respect of such Property Damage caused other than by fire or explosion;
 - (ii) Vehicles, other than Vehicles owned or used by or on behalf of the Insured, in the care, custody or control of the Insured, only whilst such Vehicles are in a car park owned or operated by the Insured, other than for income or reward as a car park operator;
 - (iii) goods, equipment, merchandise and property, other than real property, subject to the sub-limit stated in the Schedule per Occurrence, provided the Insured bears the amount of the Excess stated in the Schedule of each Occurrence;
- (d) Property Damage to the Insured's Products arising out of such products or any part of such products;
- (e) loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (i) a delay in or lack of performance by or on behalf of the Insured of any contract or agreement;
 - (ii) the failure of the Insured's Products or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Insured.But this exclusion does not apply to loss of use of other tangible property resulting from sudden and accidental physical injury to or destruction of the Insured's Products or work performed by or on behalf of the Insured after such products or work have been put to use by any person or organisation, other than an Insured;
- (f) damages claimed for the withdrawal, inspection, repair, replacement or loss of use of the Insured's Products, or work completed by or for the Insured, or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency;
- (g) Personal Injury or Property Damage arising out of ownership, maintenance, operation, use, loading or unloading by the Insured, or by any person in the course of his/her employment by any Insured, of:
 - (i) any aircraft;
 - (ii) any watercraft exceeding 8 metres in length;
 - (iii) any Motor Vehicle which is required by law to be registered for road use. But this exclusion shall not apply in respect of liability arising out of loading or unloading by the Insured or his employees;

- (h) death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
 - (i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property under the order of any government or public or local authority; or
 - (ii) any act of terrorism.

Definition: "act of terrorism" means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (i) and/or (ii) above;

- (i) Personal Injury or Property Damage directly or indirectly caused by or contributed to by or arising from ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (j) for Products Hazard only, liability assumed by the Insured under any agreement, other than written contracts designated in the Schedule. But this exclusion does not apply to a warranty of fitness or quality of the Insured's Product, or a warranty that work performed by or on behalf of the Insured will be done in a workmanlike manner;
- (k) Breach of a duty owed in a professional capacity by the Insured and/or persons for whose breaches of such duty the Insured may be legally liable. But this exclusion does not apply to the provision of, or failure to provide, professional medical treatment and/or advice by medical practitioners, nurses, dentists and first aid attendants employed by the Insured to provide services on the premises of the Insured;
- (l) Personal Injury or Property Damage arising out of discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water. But this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental but also takes place in its entirety at a specific time and place;
- (m) liability resulting from a defamatory statement published at the Insured's direction knowing its falsity; or resulting from publishing, advertising, broadcasting or television activities of or on behalf of the Insured;
- (n) any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, asbestos in whatever form or quantity.
- (o) any liability arising directly or indirectly from, or is in any way connected with, the fact that the performance or functionality of any Computer Equipment has been or may be affected because that Computer Equipment does not meet Year 2000 Conformity.

For the purpose of this exclusion the following additional Definitions apply:

1. "Computer Equipment" includes but is not limited to any or any combination or part of data, computer hardware, operating system, application, software, and computer chip including microprocessor chip or embedded control logic, and irrespective of by whom it is owned or operated.
2. "Year 2000 Conformity" means that neither performance nor functionality is affected by dates prior to, during, or after the Year 2000 and, in particular but without limitation, that:
 - 2.1 No value for current date will cause any interruption in operation;
 - 2.2 Date-based functionality must behave consistently for dates prior to, during and after Year 2000;
 - 2.3 In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithm, or inferencing rules;
 - 2.4 Year 2000 must be recognised as a leap year in terms of handling both 29 February and day 366;
 - 2.5 9 September 1999 must be recognised as that date.

The above definition of "Year 2000 Conformity" is based on a definition contained in a document published by Standards Australia and Standards New Zealand under reference no SAA/SNZ MP77:1998 and shall be interpreted in accordance with that document.

- (p) any liability for, or to fulfil any obligation in respect of Personal Injury or Property Damage which is directly or indirectly caused or contributed to or arises from:
 - (i) moisture or water or the penetration of external moisture or water; or
 - (ii) the action or effects of mould, fungi, mildew, rot, decay, micro-organisms, bacteria, protozoa or any similar or like forms; or
 - (iii) the failure of any building or structure to comply with or perform to the requirements of any building code or to meet the level of performance, quality, fitness or durability of its intended purpose.

In addition the Company shall not be liable for any costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of, or in anyway responding to or assessing the effects of mould, fungi, mildew, rot, decay, micro-organisms, bacteria, protozoa or similar or like forms.

This exclusion shall not exclude any indemnity for Personal Injury or Property Damage that is caused by or arises out of leakage of internal water pipes or cisterns.

- (q) liability arising out of any litigation in existence at the commencement of the Period of Insurance.

conditions

1. Cancellation

This policy may be cancelled by the Insured by surrender to the Company or any of its authorised agents, or by sending to the Company written notice stating the date on which the cancellation shall be effective. This policy may be cancelled by the Company, by sending to the Insured at the address shown in this policy written notice stating the date on which, being not less than thirty (30) days, the cancellation shall be effective. The time of surrender, or the effective date and time of cancellation, stated in the notice shall become the end of the Period of Insurance.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. But payment or tender of unearned premium is not a condition of cancellation.

2. Claims

(a) In the event of an Occurrence, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances, and the names and addresses of the Insured and of available witnesses, shall be given by or for the Insured to the Company or any of its authorised agents as soon as practicable.

(b) If a claim is made or suit is brought against the Insured the Insured shall immediately forward to the Company every demand, notice, summons or other process received by him or his representative.

(c) The Insured shall co-operate with the Company and, upon the Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation, who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this policy, and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

(d) The Insured shall not admit liability for or settle any claim, or incur any costs or expenses in connection with a claim, without the prior written consent of the Company which shall be entitled to take over and to conduct in the name of the Insured (which shall be a condition precedent to the Insured's right to be covered under this Policy) the defence or settlement of any claim, and any counterclaim. Nevertheless, neither the Insured nor the Company shall be required to contest any legal proceedings unless a Queen's Counsel (to be mutually agreed) shall advise that such proceedings should be contested.

(e) If the Insured shall refuse to consent to any settlement recommended by the Company, and shall elect to contest or continue any legal proceedings, the Company's liability for the claim shall not exceed the amount for which the claim could have been so settled (less the Excess specified in the Schedule), plus the costs and expenses incurred up to the date of such refusal.

3. Cross Liability

Where the Insured is comprised of more than one entity the words "the Insured" shall be considered as applying to each such entity, other than partners in a partnership, in the same manner as if that entity was the only named Insured.

4. Declarations

By acceptance of this policy, the Insured agrees that the statements in the declarations are his/her agreements and representations, that this policy is issued in reliance upon the accuracy of such representations and that this policy embodies all agreements existing between himself/herself and the Company or any of its authorised agents relating to this insurance.

5. Fraud

If any claim under this policy shall be in any respect fraudulent, or if any fraudulent means or devices are used by the Insured or anyone acting on the Insured's behalf, to obtain any benefit under this policy, all benefits under this policy shall be forfeited.

6. Inspection and Audit

The Company shall be permitted, but not obligated, to inspect the Insured's property and operations at any time. Neither the Company's rights of inspection, actual inspections, nor any report following inspection shall constitute an undertaking on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe, healthful or in compliance with any law, rule or regulation.

The Company may examine and audit the Insured's books and records at any time during the Period of Insurance including any extensions and within three years after the final termination of this insurance, as far as they relate to the subject matter of this insurance.

7. Interpretation

This policy and the Schedule shall be read together as one contract, and any word or expression to which a specific meaning has been attached in any part of this policy or the Schedule shall bear such meaning wherever it shall appear.

8. Joint Assureds

Where the Insured is comprised of more than one entity, the proposal for this insurance shall be deemed to have been furnished by and on behalf of all such entities, and any information supplied to the Company, or any omission or non-disclosure in relation to any renewal or extension, shall also be deemed to have been furnished, omitted or withheld (as the case may be) on behalf of all such entities.

9. Other Insurance

If, at the time of an Occurrence under this policy, there is, or would be but for the existence of this policy, any other policy applicable to such Occurrence and effected in favour of the Insured, this policy shall be insurance in excess of the amount of liability covered under such other policy and the Limit of Indemnity under this policy shall be reduced by the amount of the limit of indemnity afforded under such other policy. This condition applies, even if the other policy has a condition to similar effect.

10. Premium

If the first or renewal premium for this policy, or any part of it, shall have been calculated on estimates furnished by the Insured, then the Insured shall keep an accurate record containing all relevant particulars, and shall at all times allow the Company to inspect such a record. The Insured shall within thirty (30) days after the expiry of each Period of Insurance furnish to the Company such particulars and information as the Company may require. The premium for such Period of Insurance shall then be adjusted, and any difference shall be paid by or allowed to the Insured, as the case may be, subject to receipt and retention of the minimum Premium charged by the Company.

11. Reasonable Care

The Insured shall:

- (a) exercise reasonable care that only competent employees be employed and take reasonable measures to maintain all premises, fittings and plant in sound condition;
- (b) take all reasonable precautions to:
 - (i) prevent Personal Injury and Property Damage;
 - (ii) prevent the manufacture, sale or supply of defective products;
 - (iii) comply and ensure that his employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by any public authority, including for the safety of persons or property.
- (c) at his own expense take reasonable action to trace, recall or modify any of the Products containing any defect or deficiency which defect or deficiency the Insured has knowledge of or has reason to suspect.

12. Territory and Jurisdiction

The Insurance afforded by this policy shall apply:

- (a) with respect to the premises and operations of the Insured within the Territorial Limits stated in the Schedule.
- (b) with respect to the Products Hazard within the Products Territorial Limits stated in the Schedule.
- (c) with respect to incidental travel anywhere in the world.

Provided that this insurance does not apply to any claim, judgement, award or settlement made outside the Jurisdictional Limits stated in the Schedule or to any order made outside those Jurisdictional Limits to enforce such claim judgement award or settlement either in whole or in part.

13. Compliance

Compliance by or for the Insured with the obligations in conditions 2, 4, 5 & 11 shall be a condition precedent to the Company's liability in respect of any claim.

14. Waiver of Privilege

If the Company instructs any lawyer to investigate or defend any claim against the Insured, the Insured authorises the lawyer to provide to the Company any documents, information or advice in respect of the claim, including in relation to indemnity, and the Insured waives any privilege to the extent necessary to give full effect to the Company's entitlement in this respect.

definitions

1. "Completed Operations Hazard" includes Personal Injury and Property Damage arising out of Operations, or reliance upon a representation or warranty made at any time with respect to Operations, but only if the Personal Injury or Property Damage occurs after such Operations have been completed or abandoned and occurs away from premises owned by or rented to the Insured. "Operations" include materials, parts or equipment furnished in connection with them. Operations shall be deemed completed at the earliest of the following times:
 - (i) when all Operations to be performed by or on behalf of the Insured under the contract have been completed;
 - (ii) when all Operations to be performed by or on behalf of the Insured at the site of the Operations have been completed;
 - (iii) when the portion of work out of which the injury or damage arises has been put to its intended use by any person or organisation, other than another contractor or subcontractor engaged in performing Operations for a principal as a part of the same project.

The Completed Operations Hazard does not include Personal Injury or Property Damage arising out of:

- (i) Operations in connection with the transportation of property, unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created by its loading or unloading;
 - (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.
2. "Insured" means:

The Named Insured, and:

 - (a) any subsidiary company (including its subsidiaries) of the Named Insured, and any other organisation under the control of the Named Insured and over which it is exercising active management;
 - (b) any director, employee, partner or shareholder of the Insured, but only whilst acting within the scope of their duties in such capacity;

- (c) any person, principal, organisation, trustee or estate to whom or to which the Insured is obligated by virtue of a written contract to provide insurance as is afforded by this policy, but only to the extent required by such contract and, in any event, only for such coverage and limit of indemnity as provided in this policy;
 - (d) any social and/or sporting club formed with the consent of the Insured, including any office bearer or member in their capacity as such;
 - (e) any new organisation acquired by the Insured during the Period of Insurance through consolidation, merger, purchase of the assets of or assumption of control and active management, provided such acquisition or assumption is reported to the Company within ninety (90) days after it is effected and provided further that such acquisition is endorsed on this policy.
3. The "Insured's Products" means any thing (after it has ceased to be in the possession or under the control of the Insured) manufactured, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by the Insured (including any container, other than a vehicle).
4. "Occurrence" means an event, including a continuous or repeated exposure to conditions, which results in Personal Injury or Property Damage neither expected nor intended from the standpoint of the Insured.
5. "Personal Injury" means:
- (a) bodily injury, sickness or disease including death resulting at any time; disability, shock, mental anguish or injury and humiliation;
 - (b) false or wrongful arrest, imprisonment, detention or eviction;
 - (c) defamation;
 - (d) invasion of privacy;
 - (e) assault or battery not committed by or at the direction of the Insured;
- occurring during the Period of Insurance.
6. "Products Hazard" means Personal Injury or Property Damage arising out of the Insured's Products, or reliance upon a representation or warranty made at any time with respect to such Products, but only if the Personal Injury or Property Damage occurs away from premises owned by or leased or rented to the Insured and after physical possession of such products has been relinquished to others.
7. "Property Damage" means:
- (a) physical injury to or destruction of tangible property, which occurs during the Period of Insurance, including resulting loss of use at any time;
 - (b) loss of use of tangible property, which occurs during the Period of Insurance, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence.
8. "Vehicle" or "Motor Vehicle" means any type of machine as defined under the Land Transport Act 1998 and its amendments, or under the laws of the country in which the machine is operated, (as the case may be).

extension

PUNITIVE AND EXEMPLARY DAMAGES EXTENSION

THE COVER

1. Indemnity for punitive or exemplary damages for personal injury

The Company will indemnify the Insured against claims for punitive damages or exemplary damages made by, or on behalf of, a person who has suffered a Personal Injury resulting from an event in connection with the business of the Insured, or the Insured's ownership, occupancy or tenancy of a building, structure or land. The claims must be both:

- (a) Made against the Insured during the Period of Insurance; and
- (b) Notified to the Company during the same Period of Insurance

The Company will also indemnify the Insured against such claims for punitive damages or exemplary damages made against the Insured after the end of the Period of Insurance. However, the claims must arise from facts or circumstances that the Insured has notified to the Company during the Period of Insurance.

In this extension Personal Injury means bodily injury, sickness, disability or disease. It includes death resulting from bodily injury, sickness, disability or disease. It also includes mental disability, mental shock, mental anguish and mental injury.

2. Indemnity for legal and other costs

The Company will indemnify the Insured against legal and other related costs incurred by the Insured, with the Company's prior written consent, in relation to investigating, settling or defending a claim indemnified under clause 1 of this extension.

3. Limit of indemnity

The Company will only indemnify the Insured up to the sub-limit stated in the Schedule in respect of all claims (including legal and other related costs) in any one Period of Insurance.

4. Insured must pay excess in relation to each claim

The Insured must pay the Excess stated in the Schedule in respect of each claim indemnified by this extension. If a claim involves more than one Personal Injury the Insured must pay an Excess in respect of each of them. Unless otherwise stated in the Schedule the Excess includes the Company's legal and related costs.

EXCLUSIONS

The Company will not indemnify the Insured against the following claims:

1. Claims made, threatened, or in any way intimated against the Insured before the Period of Insurance commences.
2. Claims arising from a circumstance that at the time the Period of Insurance commences, the Insured realises, or should have realised, may give rise to a claim against the Insured.
3. Claims or circumstances which are disclosed on a proposal or which have been notified to any previous insurer (including the Company)
4. Claims arising from Personal Injury or an event that caused Personal Injury where such Personal Injury or event occurred prior to the Retroactive Date specified in the Schedule.
5. Claims arising from Personal Injury to any employee in or arising from the employment of the Insured.
6. Claims in respect of asbestosis and/or related diseases.
7. (a) Claims against the Insured brought outside New Zealand or any settlement or compromise of a claim entered into outside New Zealand.
(b) Claims arising out of the enforcement of a judgement, order or award obtained outside New Zealand.
(c) Claims arising out of any statement, action or omission of the Insured made, done or omitted outside New Zealand.
(d) Claims as a result of any judgement entered in any court, other than a New Zealand Court applying the law of New Zealand, or any debt incurred by the Insured as the result of such a judgement.
8. Claims arising out of liability assumed by a contract entered into by the Insured unless the Insured would still have had the same liability despite the contract.
9. Claims arising directly or indirectly from wilful or malicious conduct of the Insured.
10. Claims arising directly or indirectly from the dishonesty or fraud of the Insured.
11. Claims for fines and penalties imposed on the Insured. In this extension this exclusion does not apply to awards for punitive or exemplary damages.
12. Claims arising directly or indirectly from a breach of any duty owed in a professional capacity by the Insured or by persons for whose breach of duty the Insured may be legally liable.
13. Claims directly or indirectly resulting from:
 - (a) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - (b) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of it.
14. Claims for death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
 - (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property under the order of any government or public or local authority; or
 - (b) any act of terrorism.

Definition: "act of terrorism" means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above

INSURED'S DUTIES DURING THE PERIOD OF COVER

1. The Insured must do everything practicable to avoid or minimise any claim or Personal Injury.
2. The Insured must do everything practicable to comply with all statutory obligations
3. The Insured must:
 - (a) Give the Company all information and assistance the Company may reasonably ask for;
 - (b) Do everything practicable to preserve anything that may be useful as evidence in connection with a claim;
 - (c) Allow the Company, at all reasonable times, to inspect the property, buildings, plant, works and appliances owned or used by the Insured.

CLAIMS

1. As a condition precedent to the Insured's right to be indemnified under this extension, the Insured must notify the Company as soon as possible in writing if:
 - (a) A claim is made against the Insured
 - (b) Someone gives the Insured notice that he or she intends to hold the Insured responsible for something the Insured have done, or have not done, which may give rise to a claim under this extension; or
 - (c) The Insured becomes aware of any facts or circumstances which may give rise to a claim under this extension.This applies even if the claim is likely to be less than the Excess stated in the Schedule.
2. The Insured must not:
 - (a) Admit liability;
 - (b) Incur any costs (other than first aid costs); or
 - (c) Settle or compromise a claim against the InsuredWithout the Company's prior written consent.
3. The Company is entitled to take over from the Insured the defence of a claim and to settle it (and any counter claim).
4. If the Insured objects to a settlement recommended by the Company, and wishes to continue to defend an action against the Insured, the Company is entitled to relinquish conduct of the Insured's defence and will not be liable if the Insured had agreed to the settlement.
5. The Company may avoid this extension from its inception if the Insured, or anyone acting on the Insured's behalf, makes a fraudulent claim under this extension.
6. If the Company pays the Insured's claim under this extension, the Company shall be subrogated to any rights of recovery the Insured may have against anyone else. The Insured must give the Company all assistance the Company reasonably requires in exercising those rights. The Insured must do everything necessary to preserve any rights the Insured may have against someone else.

MORE THAN ONE INSURED

1. Where more than one party is included as the Insured, indemnity applies as though individual policies have been issued to each party. However, the limit of indemnity for the Insured collectively remains as stated in the Schedule.
2. The proposal for this extension will be construed as a separate application for coverage by each of the Insured (if more than one). No declaration or statement in the proposal for this insurance, or knowledge possessed by any Insured, will be imputed to any other Insured for the purposes of deciding the availability of coverage with respect to claims made against any Insured.

CANCELLATION

The Company or the Insured may cancel this extension at any time by notifying the other in writing at the other's last known address. Cancellation is effective immediately by delivery of the notice to the Insured or the Company by hand, courier, facsimile or transmitted electronically. Notice of cancellation sent by post is effective from 4pm on the 14th day after it is posted.

If the Company cancels the extension, it will refund the Insured a pro rata proportion of the premium for the unexpired Period of Insurance to the Insured.

If the Insured cancels the extension, the Company will refund the proportion of the premium to the Insured for the unexpired Period of Insurance, calculated at the Company's customary short period rates.

If this extension is cancelled by either the Insured or the Company, the Insured must provide to the Company all details the Company may require to decide what proportion of premium is to be refunded to the Insured.

PREMIUM

The Insured must pay the Company the premium stated in the Schedule within the agreed period. Until the Insured has paid the premium to the Company, the Company does not have to indemnify the Insured for any claim under this extension. If the Insured does not pay the premium to the Company within the agreed period, the Company may avoid this extension from its inception.

MISCELLANEOUS

1. This extension is only valid if an authorised officer of the Company signs the attached Schedule. However, if the Insured have paid the premium to the Company and the Schedule hasn't been signed, the Company can choose to sign the Schedule or to return the premium to the Insured.

Note: In some circumstances the Company will authorise other parties to sign on its behalf. In these circumstances such other parties will sign subject to a specific authorisation granted by the Company.
2. If at the time of any claim under this extension, there is any other valid and collectable insurance covering all or part of the same claim, this extension will apply only to the amount of the claim over that recoverable under the other insurance, subject to the Excess stated in the Schedule.
3. Except as provided at law, nothing in this extension can be varied, waived, discharged or released without the Company's prior written consent.

4. Any interest in this extension, can only be assigned by the Insured with the Company's prior written consent.
5. This extension is issued in New Zealand. The laws of New Zealand apply to it. Any arbitration or court proceedings that arise in relation to this extension must be brought and heard in New Zealand.

This Punitive & Exemplary Damages extension is not subject to any of the terms and conditions of the policy to which it is endorsed.

The Punitive & Exemplary Damages extension is subject only to the terms and conditions and exclusions of the extension.

FOREST AND RURAL FIRES ACT EXTENSION

The Company shall indemnify the Insured for all sums that the Insured shall become legally liable to pay for:

- (i) Costs (but excluding levies for expenditure under Sections 44 and 45 and fines and penalties) incurred and apportioned by any Fire Authority under the Forest and Rural Fires Act 1977 or any amendment or replacing Act, and
- (ii) Costs claimed by any other party in order to protect their property from fire.

All arising in connection with the Business of the Insured.

PROVIDED THAT

- (a) The liability of the Company under this extension shall not exceed the sub-limit stated in the Schedule;
- (b) The Insured shall bear the amount of the Excess shown in the Schedule in the aggregate for all sums payable to any claimant or any number of claimants in respect of or arising out of any occurrence or in respect of or arising out of all occurrences of a series consequent on or attributed to one source or original cause.

This Extension shall also:

- (c) apply whether Property Damage has occurred or not;
- (d) apply to machinery, plant, trailers or mechanically propelled vehicles (in so far as liability covered under this extension is not otherwise insured).

Subject always to the terms, exclusions, limits and conditions of the Policy in so far as they are not specifically varied hereby.

Vero Liability Insurance Limited

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