

Business Protection Policy

Welcome!

***We welcome you** as a valued client of TOWER Insurance (Cook Islands) Limited.*

***You** have entrusted **us** with the insurance of **your** business.*

***We** value that trust.*

This policy consists of this wording, the proposal and declaration, and the **certificate of insurance** completed on the basis of information that **you** have provided to **us**.

Please read this wording and the **certificate of insurance**. If there is an error of any sort, if **your** needs are not met or if **you** are in doubt then please contact **us**. **We** are happy to help at all times.

The extra cover provided under the Special Benefits and Optional Special Benefits is also subject to the general conditions, exclusions, obligations and limits of this policy.

In this policy some words are in bold, e.g. **you**. This may indicate that the words have a special meaning. To find out the meaning, please refer to the section – Meanings of Words.

Our Guarantee

If **you** are not completely happy with **your** policy, please tell **us** within 30 days of its commencement date. **We** may agree to change the policy to suit **you**. If not, and **you** wish to cancel the policy, **you** can as long as **you** have not made any claims. **We** will then refund any premium **you** have paid and **we** will both regard this policy as never commencing.

WHAT YOU MUST TELL US

WE WOULD LIKE TO POINT OUT SOME OF THE IMPORTANT OBLIGATIONS YOU HAVE

It is essential all statements made in relation to this policy or any claim made under it are correct. **We** must receive all relevant information. This means that **you** must tell **us** everything **you** know, or could reasonably be expected to know, that may influence **our** decision to insure **you**. If any circumstances change or may change during the time **we** provide **your** insurance then **you** must tell **us**.

Examples of a change in circumstances or any other information may include:

- any change of **situation** of **your** business premises;
- any change in the security protection of **your** business premises;
- if **you** commit, are charged with, or convicted of, any criminal offence other than traffic offences.

These examples are a guide only. If **you** are in any doubt **you** should disclose information, whether or not **we** have asked questions that relate to it. If **we** are not told **we** have the option to decline any claim, or avoid this policy from the date of the change.

SECTION 1 BUSINESS ASSETS

(If selected)

WHAT YOU ARE COVERED FOR

We will provide cover for loss or damage to your **business assets** in accordance with the cover provided under **A. Multi Risks** or **B. Specified Risks**, as selected.

A. MULTI RISKS

Sudden and unforeseen accidental physical loss or damage to **your business assets** at the **situation**;

OR

B. SPECIFIED RISKS

Sudden and unforeseen accidental physical loss or damage to **your business assets** at the **situation** caused by:

- fire, lightning, explosion, thunderbolt;
- flood;
- water or oil discharged, overflowing or leaking from any water cooling or heating system installation;
- impact by vehicle, animals;
- aircraft, aerial devices;
- riot, strike, civil commotion, labour disturbance, locked out workers, malicious acts;

unless the loss or damage is not covered by this policy.

WHAT SPECIAL BENEFITS YOU ARE COVERED FOR

ACCIDENTAL BREAKAGE OF GLASS

We will pay the **replacement value** of internal and external fixed glass that may be accidentally broken, less the **excess** with a minimum of \$100. In addition **we** also will pay up to \$1,000 for emergency shuttering and repairs and \$500 for signwriting.

ADDITIONS AND IMPROVEMENTS

We will automatically insure **you** up to \$5,000 for additions and improvements to **your** building or plant.

FIRE EXTINGUISHMENT COSTS

We will pay up to \$5,000 to refill **your** extinguishers used to extinguish fire at **your** premises or threatening **your** premises.

FUSION

We will pay up to \$1,000 for damage caused by electric current burning out electric motors (not exceeding 4 hp), switchboards and permanent wiring, less an **excess** of \$100 in respect of each and every claim. This benefit does not insure **you** for damage caused by fluctuations in power supply.

LOCKS AND KEYS

We will pay up to \$1,000 for the cost of changing existing locks and keys if the keys have been stolen or unlawfully duplicated. If **you** have this cover under any other policy the maximum **we** will pay is \$1,000.

OTHER CONTENTS

We will pay up to \$200 per employee for loss or damage to **your** employee's personal effects caused by an event insured under Section 1 if they are not otherwise insured. The maximum amount **we** will pay is \$1,000 in total in any one period of insurance.

REMOVAL OF CONTENTS

We will pay up to \$5,000 for costs of removal and temporary protection of **your business assets** following loss or damage covered by this section to the building or **business assets**.

TEMPORARY REMOVAL

We will pay up to \$5,000 for loss or damage caused by an event insured under Section 1 to your **business assets** elsewhere in the Cook Islands when temporarily situated at other premises or by road transit.

WHAT OPTIONAL SPECIAL BENEFITS YOU ARE COVERED FOR

(If Selected)

EARTHQUAKE

If **you** have selected this benefit **we** will pay for physical loss or damage to **your business assets** at the **situation** arising from earthquake, volcanic eruption, geothermal or hydrothermal activity, tsunami or tidal wave.

GALE, WINDSTORM, HURRICANE, CYCLONE

If **your** building meets **our** standard criteria AND **you** have selected this benefit **we** will pay for physical loss or damage to **your business assets** at the **situation** caused by gale, windstorm, hurricane or cyclone.

We will not cover you for loss or damage caused:

- by deterioration of frozen, refrigerated or freezer/cooler goods resulting from electricity power failure or interruption of public electricity supply;
- by sea surge, high water, flood, erosion, subsidence, landslip;
- by water or rain, unless loss or damage is caused by water or rain entering **your** building through openings in the walls or roof caused by gale, windstorm, hurricane, cyclone;
- during construction, reconstruction or repair of the building unless entirely enclosed with all outside doors, windows and roofs permanently in place;
- to exterior metallic fittings or claddings including but not restricted to roofing iron, guttering, joinery, water tanks and the like resulting from rusting, oxidation, gradual deterioration;
- to solar heating equipment, water tanks, gates, fences, walls, underground services, awnings, blinds, signs, lettering, towers, underground tanks and all services, light and sign pylons, site improvements around and pertaining thereto including but not limited to landscaping, garden, ornamental trees and shrubs, roads, paths and yards, power or telephone poles and equipment, aerials, masts, satellite receiving dish, decorative masi, arches, thatching or any other outdoor fixtures or fittings;
- unless the building is entirely enclosed with all outside doors, windows and roofs permanently in place.

We will not cover you for loss or damage:

- occurring within seven days of taking out this policy;
- unless all fixed glass on the ground and first floor levels including external windows, fixed glass panels, skylights or glass doors be protected by cyclone shutters constructed and affixed in accordance with the minimum

standards laid down by **us**. The shutters are to be put in place immediately following an official cyclone warning and are to remain in place during the time the official warning remains in force.

Reinstatement of Optional Special Benefit - Gale, Windstorm, Hurricane, Cyclone

- The sum insured will be reduced by the amount of any claim **we** accept but **you** may reinstate with **our** consent and by payment of a further premium.

WHAT SECTION 1 DOES NOT COVER YOU FOR

The **excess**;

or

- Two percent (2%) of the sum insured at the **situation** with a minimum of \$1,000 to a maximum of \$10,000 for any loss or damage due to earthquake, volcanic eruption, geothermal or hydrothermal activity, tidal wave or tsunami if **you** have selected the Optional Special Benefit - Earthquake;
- Twenty percent (20%) of the amount of the loss or damage with a minimum of \$1,000 to a maximum of ten percent (10%) of the sum insured at the **situation** for any loss or damage due to gale, windstorm, hurricane or cyclone if **you** have selected the Optional Special Benefit – Gale, Windstorm, Hurricane, Cyclone.

Any loss, damage or destruction caused by, arising from, or claim for:

- **burglary**, theft or attempted theft other than provided under Section 3 - **Money** or Section 4 - **Burglary**, if selected;
- change in flavour, colour, texture, finish, odour;
- defect, error or omission in design, plan, specification or formula, inherent fault, defective workmanship, materials or design;
- earthquake, volcanic eruption, geothermal or hydrothermal activity, tsunami or tidal wave but this exclusion does not apply if **you** have selected the Optional Special Benefit - Earthquake;
- electric current other than provided under the Special Benefit – Fusion however loss or damage by resultant fire to **your** other **business assets** is covered;
- explosion, collapse, bursting, cracking, bulging, rupture or leakage of steam pressure vessels and pipes however resultant damage to **your** other **business assets** is covered;
- gale, windstorm, hurricane or cyclone but this exclusion does not apply if **you** have selected the Optional Special Benefit – Gale, Windstorm, Hurricane, Cyclone;
- insects, rodents, vermin, mildew, mould, rot, corrosion, rust, contamination, oxidation, gradual deterioration;
- mechanical, electrical or electronic breakdown;
- overflow of the sea;
- settling or cracking of land;
- shrinkage, evaporation, loss of weight, contamination, action of light, change in temperature;
- subsidence, landslip, erosion, any action of the sea;
- the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, alkalies, acids, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any body of water but this exclusion does not apply if such discharge, release or escape is sudden and unforeseen;
- vibration, removal or weakening of support;
- wear, tear, scratching, denting.

Any loss or damage to:

- cash, negotiable cheques, money orders, stamps, credit card invoices and other negotiable instruments other than provided under Section 3 - **Money**, if selected;
- glass other than the cover provided under the Special Benefit – Accidental Breakage Of Glass;
- jewellery, precious stones, works of art, furs, precious metals, bullion other than stock or plant of **your** business;

- livestock, trees, growing crops, retaining walls, land, drainage systems, dams, reservoirs, canals, culverts, aqueducts, tunnels, bridges, docks, piers, wharves, breakwaters or mining property;
- property undergoing manufacture, repair, erection or any production process or cleaning process;
- railway locomotives or rolling stock, motor vehicles, motor cycles, aerial devices, watercraft and accessories unless stock of **your** business. However **we** will not pay if such stock is being driven, towed, sailed or flown.

HOW WE WILL SETTLE YOUR CLAIM

If you have chosen replacement value on your building we will pay:

- any additional amount, if Government or Local Body bylaws require changes to be made;
- architects', engineers', and surveyors' fees in respect of the rebuilding or repairs where authorised by **us**;
- the costs actually incurred to rebuild or repair **your** building to the same condition and extent as when new. Building materials and construction methods commonly used at the time of rebuilding will be used;
- the cost to demolish and remove the debris including the contents.

If you have chosen replacement value on plant we will pay:

- the replacement or repair costs to the same condition and extent as when new.

If you have chosen indemnity value we will pay:

- the costs actually incurred to rebuild or repair **your** building or plant to the same condition and extent as when new, less an appropriate allowance for depreciation. In the case of buildings, building materials and construction methods commonly used at the time of rebuilding will be used;
- architects', engineers' and surveyors fees in respect of the rebuilding or repairs where authorised by **us**;
- for stock in trade, the present replacement cost;
- the cost to demolish and remove the debris including the contents.

We are not bound to:

- repair or reinstate **your business assets** exactly to their previous condition. In all cases **we** will have the option whether to make payment, rebuild, replace or repair;
- pay **you** more than the **indemnity value** until the cost of replacement is actually incurred;
- pay for carpet, floor or window coverings not located in the room or rooms damaged.

In all cases **we** will not pay more than the sums insured stated in the **certificate of insurance**.

SECTION 2 - BUSINESS INCOME

(If selected)

WHAT YOU ARE COVERED FOR

We will provide cover for loss of **business income** during the **indemnity period** resulting from loss or damage to **your business assets** as covered and selected under Section 1 – **Business Assets**.

WHAT SPECIAL BENEFITS YOU ARE COVERED FOR

ACCOUNTANTS FEES

We will pay up to \$2,500 for **your** accountants' fees for claim preparation expenses.

ADDITIONAL COSTS

We will pay up to \$5,000 for any additional increased cost of working or rewriting of records.

LEASED OR RENTED ASSETS

We will pay **your** loss of **business income** resulting from loss or damage to leased or rented **business assets** used in **your** business.

PREVENTION OF ACCESS

We will pay **your** loss of **business income** if **your** customers are prevented or hindered from being at **your** business premises due to fire anywhere in the Cook Islands.

PUBLIC UTILITIES

We will pay up to five percent (5%) of **your** loss of **business income** resulting from interruption of or interference to **your** business due to damage by fire occurring at any electric power station or sub-station anywhere in the Cook Islands or failure of waste disposal systems and underground services situated on or immediately adjacent to **your** premises. The **excess** is 48 hours commencing from the time of the fire.

SUPPLIERS PREMISES

We will pay up to five percent (5%) of **your** loss of **business income** resulting from loss or damage by fire affecting **your** suppliers premises anywhere in the Cook Islands.

HOW WE WILL SETTLE YOUR CLAIM

We will pay in accordance with the following formula:

- $\frac{\text{Loss of Business Income}}{\text{Standard Business Income}} \times \text{Sum Insured}$
limited to loss of actual **business income**

plus additional expenditure reasonably incurred to minimise the loss of **business income**
less savings in expenses paid out of **business income**.

In no case will **we** pay if a valid claim does not exist under Section 1 – **Business Assets** nor will **we** pay more than the sum insured stated in the **certificate of insurance**.

SECTION 3 MONEY

(If selected)

WHAT YOU ARE COVERED FOR

We will provide cover up to the sum insured stated in the **certificate of insurance** for loss or damage to **money** while:

- at **your** business premises during normal **business hours**;
- contained in an approved securely locked safe at **your** business premises outside **business hours**;
- in transit to and from **your** business premises and whilst in **your** bank's night safe.

We will also provide cover up to \$1,000 for loss or damage to **money** while:

- in **your** personal custody and in transit to and from **your** or **your** employee's home until commencement of banking hours the next working day;
- at **your** business premises outside **business hours** when not secured in an approved locked safe.

WHAT SPECIAL BENEFIT YOU ARE COVERED FOR

SAFES AND STRONGROOMS

We will pay up to \$1,000 for loss or damage to **your** safes or strongrooms caused by burglars.

WHAT SECTION 3 DOES NOT COVER YOU FOR

The **excess**;

Any loss:

- due to shortages resulting from clerical or accounting errors in receiving or paying out;
- from a safe or strongroom opened by key or combination left on the premises outside **business hours**;
- from an unlocked or unattended vehicle;
- not discovered within three working days of the occurrence;
- occurring outside the Cook Islands;
- while in the care, custody or control of professional **money** carriers, professional carriers or common carriers.

SECTION 4 BURGLARY

(If selected)

WHAT YOU ARE COVERED FOR

We will provide **indemnity value** cover up to the sum insured stated in the **certificate of insurance** for:

- loss or damage to **your business assets** at the **situation** caused by **burglary**;
- loss or damage to the premises at the **situation** caused by actual or attempted **burglary** for which **you** are responsible under any lease or tenancy agreement.

WHAT SPECIAL BENEFITS YOU ARE COVERED FOR

LOCKS AND KEYS

We will pay up to \$1,000 for the cost of changing existing locks and keys if the keys have been stolen or unlawfully duplicated.

OTHER CONTENTS

We will pay up to \$200 per employee for loss or damage to **your** employee's personal effects arising from **burglary** at **your** premises if they are not otherwise insured. The maximum amount **we** will pay is \$1,000 in total in any one period of insurance.

TEMPORARY REMOVAL

We will pay for loss or damage to **your business assets** arising from **burglary** when removed temporarily elsewhere in the Cook Islands for cleaning, repair, renovation, display or promotional purposes.

WHAT SECTION 4 DOES NOT COVER YOU FOR

The **excess**;

Any loss, damage or destruction:

- arising from fire or explosion, but explosion caused by burglars breaking open any safe or strongroom is covered;
- arising from fraudulent acts, embezzlement or misappropriation by **you** or **your** employees;
- arising from theft unless resulting from and following violent and forcible entry into or exit from a securely locked building at the **situation**;
- caused by **your** family or other persons lawfully on **your** premises;
- occurring outside of the Cook Islands;
- of **money**, documents, business books, plans, specifications or designs;

➤ to glass.

SECTION 5 BUSINESS LIABILITY

(If selected)

WHAT YOU ARE COVERED FOR

We will provide cover for **your legal liability** arising from accidents in connection with **your** business occurring during the period of insurance anywhere in the Cook Islands. In addition **we** will pay all costs incurred by **you** with **our** consent in defending claims including any costs and expenses awarded against **you**.

WHAT SPECIAL BENEFITS YOU ARE COVERED FOR

GOODS PRODUCTS – AUSTRALIA, NEW ZEALAND & SOUTH PACIFIC ISLANDS

We will pay for **your legal liability** in connection with products exported to Australia and New Zealand or any South Pacific island but excluding countries under United States of America jurisdiction.

OVERSEAS VISITS

We will pay for **your legal liability** arising from accidents during overseas visits in connection with **your** business occurring during the period of insurance by **you** or **your** employees for **you**.

SOCIAL RECREATIONAL ACTIVITIES

We will pay for **your legal liability** following accidents arising from social activities organised by **you**.

TENANTS LIABILITY

We will pay for **your legal liability** for loss or damage caused by or resulting from fire, explosion, water or impact to:

- premises occupied by **you** but not owned by **you** or members of **your** family;
- **your** landlords fixtures, fittings or furniture;
- property of other tenants in the premises.

WHAT OPTIONAL SPECIAL BENEFITS YOU ARE COVERED FOR

(If Selected)

BAILEE LIABILITY

We will provide cover up to the sum insured stated in the **certificate of insurance** for **your legal liability** as bailee for goods in **your** physical and legal control.

INNKEEPERS ACT LIABILITY

We will provide cover up to the sum insured stated in the **certificate of insurance** but not exceeding the amounts prescribed under the Innkeepers Act and amendments or any Act in substitution for **your legal liability** as an Innkeeper.

SERVICE AND REPAIR LIABILITY

We will provide cover up to the sum insured stated in the **certificate of insurance** for **your legal liability** arising from work performed by **you** or **your** employees on any motor vehicle, or watercraft under 5 metres in length, not owned by **you** or **your** employees. **You** are not covered for the costs of rectifying, repairing or replacing errors or defects in repairs, work or material but only for resultant loss or damage arising from those errors or defects.

WHAT SECTION 5 DOES NOT COVER YOU FOR

The **excess**;

Your legal liability for property:



- belonging to **you** or any employee or member of **your** family;
- not owned by **you** but in **your** care, custody or control other than cover provided under the Special Benefit – Tenants Liability or unless **you** have selected the Optional Special Benefits – Bailee Liability, Innkeepers Act Liability or Service and Repair Liability.

Nor loss, damage or liability caused by, arising from, or claim for:

- any error or omission in advice remedial or other treatment given, administered or prepared;
- **bodily injury** to any person resulting from acquired immune deficiency syndrome, asbestosis or any related diseases;
- **bodily injury** to **you**, **your** employees or members of **your** family;
- explosion, collapse, bursting, cracking, bulging, rupture or leakage of steam pressure vessels and pipes;
- products' own defect or deficiency;
- the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, alkali's, acids, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any body of water but this exclusion does not apply if such discharge, release or escape is sudden and unforeseen;
- the ownership, possession or use of any motor vehicle, watercraft, aircraft, aerial device, railway locomotive or rolling stock;
- vibration, removal or weakening of support;
- work being undertaken or which has been undertaken to any motor vehicle, watercraft, aircraft or any thing made or intended to travel on or in water, air or space, unless **you** have selected the cover provided for motor vehicles, or watercraft under 5 metres in length under the Optional Special Benefit – Service and Repair Liability.

Any claims for:

- any refund of payment received or cost of recall, repair or alteration of any product;
- fines;
- liability assumed by **you**;
- punitive, exemplary or liquidated damages;
- wrongful arrest, imprisonment, detention or prosecution.

In no case will **we** provide cover for more than the sum insured in the **certificate of insurance** any one accident. However for claims arising out of products **we** will only pay the sum insured in the **certificate of insurance** any one policy period.

WHAT YOUR BUSINESS IS NOT COVERED FOR

The **excess**.

Any loss or damage to:

- property in transit other than the cover provided under the Special Benefit - Temporary Removal under Section 1 - **Business Assets**, and Section 3 - **Money**, if selected.

Any loss, damage or liability caused by or arising from, or claim for:

- claims which are recoverable under any Workmen's Compensation Act and amendments or any Act in substitution;
- fraudulent acts, embezzlement or misappropriation by **you** or **your** employees;
- interruption of the supply to **your** business premises of water, gas, electricity, or any fuel or failure of waste disposals systems and underground services, other than the cover provided by the Special Benefit - Public Utilities, under Section 2 - **Business Income** if selected;
- inventory, clerical or accountancy shortage;

- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation, misappropriation, error in creating, amending, entering, deleting or using **electronic data** or total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, in the event that a peril listed below (where such a peril is insured by this policy but for this exclusion) is caused by any of the matters described above, this policy, subject to all its provisions, will insure physical loss of or damage or destruction to property insured directly caused by such listed peril.

Further, this exclusion does not apply in the event that a peril listed below (where such a peril is insured by this policy but for this exclusion) causes any of the matters described above.

Perils:

*Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped therefrom, impact by any road vehicle or animal, bursting overflowing discharging or leaking of water tanks apparatus or pipes, or theft of **electronic data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **electronic data**.*

For the purposes of any provision setting out the basis of settlement, computer systems records includes **electronic data**.

Any terrorism exclusion in this policy or any endorsement thereto prevails;

- total or partial stoppage of work.

WHAT GENERAL EXCLUSIONS APPLY TO THIS POLICY

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:

- any **act of terrorism**;
- any time or date device or any item of which it forms part, arising from its failure to recognise any date, character or value as the correct date, character or value (e.g. Year 2000);
- avian influenza or any other virus that is declared to be an outbreak or epidemic by the World Health Organisation or any Government or ruling body of a country that the outbreak or epidemic has occurred in;
- confiscation, nationalisation or requisition by the order of Government or Local Authority but loss or damage as a result of such an order is covered if it is to prevent loss or damage covered by this policy;
- mining, processing, transportation, treatment, removal, handling, distribution, storage, decontamination or manufacture of asbestos or asbestos products or material containing asbestos;
- mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means;
- nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel; for the purpose of this exclusion combustion includes any self-sustaining process of nuclear fission or fusion;
- war, invasion, acts of foreign enemy or enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means.

HOW TO MAKE A CLAIM

It is important **you** tell us immediately **you** become aware of any circumstances which may result in a claim.

You will be asked to complete a claim form. **We** must receive **your** completed claim form within 30 days. In order to avoid delays with **your** claim **you** should also provide **us** with full details of **your** loss for which **you** wish to claim.

SOME OF YOUR OTHER IMPORTANT OBLIGATIONS ARE

You must:

- advise **us** if there is any alteration in the risk;
- allow **us** to complete all necessary documents and authorities in respect of any claims under this policy as **your** authorised agent;
- allow **us** to inspect the loss or damage;
- allow **us** to take over for **our** own benefit and settle any legal right of recovery **you** may have and **you** must co-operate fully on any recovery action;
- comply with all **our** requests relating to **your** claim including providing all co-operation, information and assistance;
- comply with all statutory obligations, bylaws and regulations imposed by any public authority;
- establish that **you** have complied with all **your** obligations under this policy and that none of the exclusions apply;
- inform the Police if it appears there has been any arson, theft, **burglary**, fraud or malicious damage likely to give rise to a claim under this policy;
- maintain in good working order all fire, burglary protection systems and appliances;
- not admit liability to any other person;
- not cause or facilitate a loss or incur liability by any reckless or wilful act or omission;
- not make a claim that is false or fraudulent in any way;
- promptly give **us** whatever information **we** may from time to time reasonably require to properly consider **your** claim;
- provide **us** immediately with full particulars of any claim made against **you** by any other person, all legal documents served on **you**, and allow **us** the sole option to negotiate settlement, or defend the claim in **your** name;
- take all steps which **we** consider reasonable to prevent further loss or damage and see that repairs are carried out promptly when **your** claim has been approved;
- take reasonable care not to cause a loss or incur liability;
- tell **us** and have **our** prior written confirmation if **your** business premises are going to be unoccupied for more than 30 consecutive days;

You must not:

- admit liability or make an arrangement for settlement including legal expenses;
 - discuss a claim made on **you** by any other person. Instead refer them to **us**;
 - make **your** claim knowing that it is false or fraudulent in any way or make any false statement in relation to any claim. If **you** do, the policy will be cancelled automatically and **we** will not pay **your** claim;
 - start rebuilding or repairs without **our** prior approval except to reduce further damage or safeguard the property;
- otherwise **we** can decline **your** claim and/or recover any payment already made.

HOW WE WILL LOOK AFTER YOUR CLAIM

Once **we** receive advice of **your** claim **we**:

- will acknowledge that **we** have received **your** claim form and ask **you** for any further information or assistance **we** may require to enable **us** to consider **your** claim;

➤ may appoint an assessor or loss adjuster to look after **your** claim.

If **you** pay **your** premium by instalments and **your** loss is a total loss **you** must pay the rest of the annual premium before **we** settle **your** claim.

CANCELLING THIS POLICY

You may cancel this policy at any time by writing to **us**. **We** will refund 80% of **your** unused premium.

We may cancel this policy at any time by writing to **your** postal address on **our** policy records. This letter will contain at least 14 days notice. **We** will refund **your** unused premium.

If **you** make a claim which is false or fraudulent in any way **we** may avoid **your** policy or cancel it effective immediately.

MAKING CHANGES TO THIS POLICY

You can have this policy altered at any time as long as **we** agree in writing to such alteration before it takes effect. **We** can alter the terms of this policy by writing to **your** postal address on **our** policy records and the change will take effect 14 days after the date of that letter from **us**.

OTHER INSURANCE

We will only pay over and above the cover provided by any other policy.

AUTOMATIC REINSTATEMENT

In the case of partial loss under Sections 1 and 2 **we** will pay your premium to reinstate **your** insurance after **we** meet any claim. This does not apply to the Optional Special Benefit – Gale, Windstorm, Hurricane, Cyclone under Section 1 - **Business Assets**.

UNDERINSURANCE

If at any time of a claim it is found that **you** have understated the value of **your business assets** and/or **your business income** by more than 20% (twenty percent) then **you** will be considered to be **your** own insurer for the difference and **we** shall only pay **our** rateable proportion of the loss. This will not apply if the amount of the loss does not exceed 5% (five percent) of the sums insured at the **situation**.

OTHER INTERESTED PARTY

Where any property is subject to a lease agreement, mortgage or similar contract and such interests are noted in the **certificate of insurance** payment in respect of any loss will be made to such interested party whose receipt will discharge **us** completely.

LIQUIDATION OR RECEIVER-SHIP

This insurance will be automatically cancelled if **your** business is wound up or carried on by a liquidator, receiver or **you** cease trading.

JURISDICTION

The laws of the Cook Islands apply to this policy. The Cook Islands Courts have exclusive jurisdiction in relation to legal proceedings about this policy.

Any judgement for costs or damages awarded by any Court outside the Cook Islands or any judgement or order obtained in the Cook Islands for the enforcement of a judgement obtained outside the Cook Islands is not covered.

CURRENCY AND TAXES

All sums insured and policy limits are expressed in New Zealand currency and include Value Added Tax (VAT) and all other taxes. All claims will be paid in New Zealand currency.

MEANINGS OF WORDS

- **“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) or 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.
- **“Bodily injury”** means bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury.
- **“Buildings”** means buildings, including but not limited to landlord’s fixtures and fittings, solar heating equipment, water tanks, gates, fences, walls, underground services, light and sign pylons, signs, lettering, towers, foundations, underground tanks and all services, site improvements around and pertaining thereto including but not limited to landscaping, garden, ornamental trees and shrubs, roads, paths and yards.
- **“Burglary”** means loss or damage following violent and forcible entry into or exit from a securely locked building.
- **“Business assets”** means **your** business assets shown in the **certificate of insurance**.
- **“Business hours”** means normal working hours when **you** or **your** employees are on the premises to conduct **your** business.
- **“Business income”** means the **money** paid or payable to **you** for goods sold or services rendered in the course of **your** business, less the purchase cost of stock.
- **“Certificate of insurance”** means the certificate of insurance first issued to **you** or the current renewal certificate whichever applies and any endorsement certificates that have been added during the period of insurance.
- **“Electronic data”** means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.
- **“Excess”** means the amount of any claim which **you** must bear. The amounts are shown in the **certificate of insurance**.
- **“Indemnity period”** means the period starting with the interruption and continuing for the number of months shown in the **certificate of insurance**.
- **“Indemnity value”** for buildings or plant means the value of rebuilding, replacing or repair to a condition no better than new less an appropriate allowance for depreciation.
- **“Indemnity value”** for stock means the present replacement cost.
- **“Legal liability”** means **your** legal liability to pay compensatory damages to third parties as a direct result of accidental physical loss or damage to property or **bodily injury**.
- **“Money”** means cash, negotiable cheques, money orders, stamps, credit card invoices and other negotiable instruments.
- **“Plant”** means **your** plant, machinery and all other real and personal property of every kind or description **your** own or held by jointly or in trust or on commission or for which **you** are responsible prior to any loss or damage but excluding property deemed to be **buildings** or **stock** and any other property insofar as it is otherwise specifically insured.
- **“Replacement value”** means the costs actually incurred to rebuild, replace or repair **your business assets** to the same condition and extent as when new.
- **“Situation”** means the situation of **your** business premises shown in the **certificate of insurance**.

- **“Standard business income”** means the **business income** that would have been achieved but for the loss or damage.
- **“Stock”** means **your** stock in trade, merchandise, work in progress and consumables.
- **“We, “us” or “our”** means TOWER Insurance (Cook Islands) Limited.
- **“You” or “your”** means the person(s) or entity named in the **certificate of insurance**. Where **you** jointly own the business this policy insures **you** jointly.