



Landlord's Home and Contents Insurance Change Summary

STATE

Important changes

This change summary applies if you have any of the policies listed below that started before **10 March 2024**:

- **State Home Essentials Insurance ('Tenants via a Landlord' occupancy)**
- **State Contents Essentials Insurance ('Tenants via a Landlord' occupancy).**

When your policy renews, it will renew on the new **State Landlord's Home and Contents Insurance policy wording SI6996/1**.

This document provides an overview of the most important changes to your policy, which include a number of new and updated benefits as well as new and updated terms and conditions. These changes will take effect from your next policy renewal date on or after **27 May 2024**.

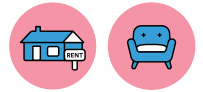
What do you need to do?

1. Check Part 1 of this document and decide whether you need to take any action.
2. See Part 2 of this document for a summary of your new policy.
3. Read your new policy wording at state.co.nz/documents, select the 'Landlord's Home and Contents Insurance' policy wording and refer to the relevant sections.

If you have any questions about your cover, please contact us on **0800 80 24 24** or go to state.co.nz/contact and we will be happy to help.

State Insurance is a business division of IAG New Zealand Limited.

The availability of insurance cover is subject to your application being approved. Terms, conditions and exclusions apply.



Part 1: You may need to take action

Policy	What you need to know	What you need to do
<p>Landlord's Home Insurance</p>	<p>Changes to your rental home cover</p> <p>Cover for your rental home is no longer limited to its present value. This means if we accept a claim for loss or damage to your rental home, we will pay the reasonable repair or replacement costs up to your Total Sum Insured. This is called 'Sum insured replacement' cover.</p> <p>It is important to ensure your rental home is covered for the amount it would cost to rebuild it (including materials and labour, demolition costs, council consents and professional fees). One way to do this is by getting an estimate using the <u>Cordell Sum Sure calculator</u>.</p> <p>You could also qualify for 'Replacement' cover for fire or explosion. To qualify, you need to insure your rental home for an amount that is equal to or greater than the Cordell Sum Sure Estimate generated by the Cordell Sum Sure calculator above.</p> <p>Home Sum Insured</p> <p>These items are now included within your Home Sum Insured:</p> <ul style="list-style-type: none"> • All retaining walls up to \$50,000 • Permanently fixed swimming pools, including their necessary equipment such as pumps, up to \$50,000 per item • Bridges, culverts, permanent fords or dams up to \$15,000 per item • Tennis courts • Permanently fixed spa pools • Wells and boreholes including their pumps, linings and casings • Private utility plant and associated equipment, such as wind and water mills, and diesel generators. 	<p>Review your Home Sum Insured and any Special Feature Sum Insured amounts in your Policy Schedule. You can also use the <u>Cordell Sum Sure calculator</u> to get an estimate. Contact us if you need to increase these amounts or make any changes.</p> <p>Refer to your new policy wording for more details on how 'Sum insured replacement' or 'Replacement' cover works, or contact us for more information.</p>



Policy	What you need to know	What you need to do
Landlord's Home Insurance	<p>New option – Additional costs for heritage homes</p> <p>The additional costs usually required for repairing or rebuilding a heritage home are no longer included automatically.</p> <p>Cover is available under the new 'Additional costs for heritage homes' optional benefit.</p>	<p>Contact us if you want to purchase this optional benefit.</p> <p>See the summary of this and other options in Part 2: Landlord's Home Insurance below and refer to your new policy wording for details.</p>
Landlord's Home Insurance	<p>Cover for your rental home</p> <p>Your new Landlord's Home Insurance policy is not designed for owner-occupied properties.</p> <p>Cover for owner-occupied properties is available under the Home Comprehensive Insurance policy.</p>	<p>Contact us if you want to purchase the Home Comprehensive Insurance policy or for more information about the cover.</p>
Landlord's Contents Insurance	<p>Cover for landlord's contents</p> <p>Your new Landlord's Contents Insurance policy only covers contents that you, as a landlord, provide for your tenants to use, such as furniture, electrical appliances and other household goods. It does not cover contents in your own household. This also means the 'Electronic data and programs' automatic benefit is no longer included.</p> <p>If you are a tenant (rather than a landlord), or an owner-occupier needing contents cover for your residence, secondary home or holiday home, the Contents Comprehensive Insurance policy is available.</p>	<p>Contact us if you want to purchase the Contents Comprehensive Insurance policy or for more information about the cover.</p>
Landlord's Home and Contents Insurance	<p>New option – Rent default</p> <p>Cover is available for the amount of rent you lose in certain circumstances outlined in your new policy wording.</p>	<p>Contact us if you want to purchase this optional benefit.</p> <p>See the summary of this option in Part 2: Landlord's Home Insurance or Landlord's Contents Insurance below and refer to your new policy wording for details.</p>
Landlord's Home and Contents Insurance	<p>Changes to discounts</p> <p>There may be changes to the discounts available to you.</p>	<p>Go to statenz.custhelp.com/app/discount for more information about these changes.</p>



Part 2: Summary of your new policy

We have summarised the cover available under the Landlord's Home Insurance and Landlord's Contents Insurance policies below. However this is a summary only. Make sure to read your new policy wording. It is important that you understand the full details of what you are covered for, as well as the exclusions, conditions and limitations that apply. This summary does not form part of your insurance contract.

Landlord's Home Insurance

Automatic cover and benefits

These are automatically included in your Landlord's Home Insurance policy.

Sudden and accidental loss or damage	Covered, no longer limited to specified perils
Legal liability	Higher limit of \$5,000,000. This limit now includes defence costs.
Abandoned possessions	\$10,000 per event
Electronic programs	Covered
Hidden gradual damage	\$3,000 per period of insurance
Landscaping	\$1,500 per event
Loss of rent	\$30,000 per event
Methamphetamine contamination	\$30,000 per event, minimum \$2,500 excess applies
Natural disaster	Covered
One incident – one excess	Applies to a boat, car, caravan, contents, home, landlord's, motorcycle, motorhome, residential contract works or trailer policy, at the same address
Post-event inflation	10%
Removal of debris	Covered
Replacement of keys and locks	\$1,000 per event. No excess if your claim is only for keys that are lost, stolen or duplicated without your permission. If your claim is for keys that are damaged, your standard excess applies.



Sale and purchase	Covered
Sustainability upgrade	\$15,000 following a total loss
<h2>Optional benefits</h2> <p>These are available to purchase under your Landlord's Home Insurance policy.</p>	
Additional costs for heritage homes	Covers the additional costs or fees required to comply with any heritage covenant or order, when repairing or rebuilding your heritage rental home on the same site
Excess-free glass and bathroom fixtures	No excess if your claim is only for the breakage of glass or bathroom fixtures. If you do not purchase this benefit your standard excess applies on any claim for these items.
Lifestyle block fencing	\$5,000 per event
Rent default	Covers the amount of rent you lose if your tenants are evicted for non-payment of rent, are released from the tenancy agreement as a result of hardship, leave without notice, or if your sole tenant dies
<h2>Other important things to know</h2>	
Section	What is new
<p>Part one – cover for your rental home</p> <p>What we mean by 'rental home'</p>	<p>Your 'rental home' now includes any of the following you own.</p> <ul style="list-style-type: none"> • Items used only for domestic purposes: <ul style="list-style-type: none"> - sheds within or on the residential boundary of your rental home - retaining walls - tennis courts, permanently fixed spa pools and swimming pools, including their necessary equipment such as pumps. • Items used primarily for domestic purposes but may also have rural lifestyle use: <ul style="list-style-type: none"> - outbuildings within or on the residential boundary of your rental home - bridges, culverts, permanent fords or dams - wells and boreholes including their pumps, linings and casings - private utility plant and associated equipment, such as wind or water mills, and diesel generators.



Section	What is new
Part one – cover for your rental home What we pay – the most we pay	Within your Home Sum Insured we pay up to a certain amount for the following items: <ul style="list-style-type: none"> • all retaining walls: \$50,000 • a permanently fixed swimming pool, including its necessary equipment such as pumps: \$50,000 • a bridge, culvert, permanent ford or dam: \$15,000. You may be able to insure these items for a higher amount. Contact us for more information.
Part one – cover for your rental home When the most we pay is the replacement cost	In certain circumstances, we do not apply the limits of your Home Sum Insured and Special Feature Sum Insured, and instead we replace your rental home up to its floor area and replace your special feature
Part one – cover for your rental home What we pay – how we settle a claim	Changes to how we settle a claim: <ul style="list-style-type: none"> • When your rental home is economic to repair – we pay our estimate of the cost to repair the part of your rental home that sustained loss or damage. Previously, we paid the difference between the present value of your rental home before and after the loss or damage. • When your rental home is uneconomic to repair – the following settlement options are available: <ul style="list-style-type: none"> - Rebuild on the same site - Rebuild on another site - Buy another home - Accept a cash payment with our approval. • Standard of repair or rebuild – we pay the cost of repairing or rebuilding your rental home to a similar condition to when it was new. Previously, the cost of repair was limited to the amount it would cost to put your rental home back to the condition it was in before the loss or damage happened.



Section	What is new
Exclusions – what we do not cover	<p>Updated exclusions:</p> <ul style="list-style-type: none"> • Causes of loss – excludes loss or damage caused by insects, rodents or vermin (but not possums) • Types of loss: <ul style="list-style-type: none"> - excludes undamaged parts of a bathroom suite or kitchen suite - now excludes the accidental burn out of any mechanical, electrical or electronic equipment, or its parts, over 15 years old where the burn out is caused by an external force • Liability – no cover for liability connected to asbestos • Intentional or reckless acts – no longer excludes loss or damage that is intentionally caused by your tenant, any guest of your tenant, or a person who occupies your rental home • Terrorism – now only excludes terrorism involving biological, chemical, radioactive or nuclear pollution, contamination or explosion. <p>New exclusions:</p> <ul style="list-style-type: none"> • Communicable disease • Computer systems • Criminal acts • Sanctions.
Conditions of your cover	<p>If you pay the premium by instalments, we deduct any premium you owe us up to the end of the period of insurance before we settle a total loss claim. This is because we agreed the premium at the start of the period of insurance, and you must pay the premium in full, whether you pay in one lump sum or by instalments.</p>



Section	What is new
Definitions	<p data-bbox="645 260 842 288">New definitions:</p> <ul data-bbox="645 304 965 560" style="list-style-type: none"><li data-bbox="645 304 920 333">• contamination claim<li data-bbox="645 349 958 378">• contamination damage<li data-bbox="645 394 913 422">• contamination level<li data-bbox="645 438 965 467">• hidden gradual damage<li data-bbox="645 483 904 512">• methamphetamine<li data-bbox="645 528 808 557">• remediate. <p data-bbox="645 580 1615 609">There are other updated definitions – refer to your new policy wording for details.</p>



Landlord's Contents Insurance

Automatic cover and benefits

These are automatically included in your Landlord's Contents Insurance policy.

Sudden and accidental loss or damage	Covered, no longer limited to specified perils
Legal liability	Higher limit of \$5,000,000. This limit now includes defence costs.
Abandoned possessions	\$10,000 per event
Cover when replacing a whiteware appliance with a more energy-efficient model	Covered
Hidden gradual damage	\$3,000 per period of insurance
Landlord's fixtures and fittings	Covered, but only if your rental home is insured by a policy that does not cover these items
Loss of rent	\$30,000 per event. Extends to loss or damage to landlord's contents that leaves your rental home unliveable and compulsory evacuation due to impending damage.
Natural disaster	Covered
One incident – one excess	Applies to a boat, car, caravan, contents, home, landlord's, motorcycle, motorhome, residential contract works or trailer policy, at the same address
Removal of unrepairable items	Covered

Optional benefit

This is available to purchase under your Landlord's Contents Insurance policy.

Rent default	<p>Covers the amount of rent you lose if your tenants are evicted for non-payment of rent, are released from the tenancy agreement as a result of hardship, leave without notice, or if your sole tenant dies.</p> <p>IMPORTANT: If you have both Landlord's Home and Landlord's Contents Insurance for the same rental property, you only need to add 'Rent default' once.</p>
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Other important things to know

Section	What is new
	<ul style="list-style-type: none"> • An excess now applies if we settle a total loss claim for landlord's contents. • Landlord's contents that are temporarily removed from your rental home are not covered.
Part one – cover for landlord's contents	<p>New clause:</p> <ul style="list-style-type: none"> • Landlord's contents covered for repair or replacement – furniture, furnishings, appliances and linen, that are 10 years old or newer are now covered for replacement. <p>Updated clauses:</p> <ul style="list-style-type: none"> • What we mean by 'landlord's contents' – household goods that you own or are legally responsible for, that you provide for your tenants to use. It does not include items such as personal effects, contents owned by your tenant, works of art or ornaments, or watercraft and their parts and accessories. Refer to your new policy wording for the full details of what is included and not included as part of landlord's contents. • Landlord's contents covered for repair or present value – all other landlord's contents are still covered for present value, except for the items listed in 'Landlord's contents covered for repair or replacement'.
Exclusions – what we do not cover	<p>Updated exclusions:</p> <ul style="list-style-type: none"> • Causes of loss – excludes loss or damage caused by insects, rodents or vermin (but not possums) • Types of loss: <ul style="list-style-type: none"> - excludes undamaged parts of a pair or set - now only excludes loss or damage arising from any fault, defect, error or omission to landlord's contents directly affected, not to resultant loss or damage to other landlord's contents - now only excludes the accidental burn out of any mechanical, electrical or electronic equipment, or its parts, over 15 years old where the burn out is caused by an external force • Liability – no cover for liability connected to asbestos, or the ownership of your rental home or its grounds, or any other building or permanent structure • Intentional or reckless acts – no longer excludes loss or damage that is intentionally caused by your tenant, any guest of your tenant, or a person who occupies your rental home • Terrorism – now only excludes terrorism involving biological, chemical, radioactive or nuclear pollution, contamination or explosion.



Section	What is new
	<p>New exclusions:</p> <ul style="list-style-type: none">• Communicable disease• Computer systems• Criminal acts• Sanctions.
Conditions of your cover	<p>If you pay the premium by instalments, we deduct any premium you owe us up to the end of the period of insurance before we settle a total loss claim. This is because we agreed the premium at the start of the period of insurance, and you must pay the premium in full, whether you pay in one lump sum or by instalments.</p>
Definitions	<p>New and updated definitions:</p> <ul style="list-style-type: none">• closest equivalent item• hidden gradual damage• motor vehicle. <p>There are other updated definitions – refer to your new policy wording for details.</p>

