

JLT RISK SERVICES AS MANAGING AGENT FOR

LUMLEY GENERAL INSURANCE (NZ) LTD

EMPLOYERS LIABILITY POLICY

AND

FINES & PENALTIES INSURANCE POLICY

INSURED : SOCIETY OF CREATIVE ANACHRONISM NZ INC

PREPARED BY : JARDINE LLOYD THOMPSON LTD
CHRISTCHURCH

DATE : 2004/2005

Policy Schedule

THE INSURED: Society of Creative Anachronism NZ Inc

POLICY NO: JLT LUMFacility 2001

ADDRESS: C/ - P O Box 13-501, Christchurch

BUSINESS: Community Groups

PERIOD OF INSURANCE: **From** 1 November 2004 **To** 30 June 2005 **At 4.00pm**

SECTION ONE	EMPLOYERS LIABILITY
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LIMIT OF INDEMNITY: \$250,000 Any one claim
\$500,000 Annual Claim aggregate

EXCESS: \$500 Each and every claim (Costs inclusive).

RETROACTIVE DATE: 30 November 2002

SECTION TWO	FINES AND PENALTIES
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LIMIT OF INDEMNITY: \$250,000 Any one claim
\$500,000 Annual Claim aggregate

EXCESS: \$500 Each and every claim (Costs inclusive).

RETROACTIVE DATE: 30 November 2002

The cover provided by the Company under this Policy is given in consideration of the payment of the premium and in reliance upon the Insureds written proposal and declaration which forms the basis of this Policy.

This Policy has been issued November 2004.

Signed
For and on behalf of JLT Risk Services as managing agent for Lumley General Insurance (NZ) Ltd

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A DEFINITIONS (Applicable to Section One And Two)

The following words have the following meaning unless the context requires otherwise:

1. BUSINESS

Means the Business specified in the schedule and shall include:

- (a) The ownership, repair and maintenance of the Insured's own property;
- (b) The provision and management of canteen, social, sports and welfare organisations for the benefit of the Insured's employees and first aid, fire, ambulance and security services.

2. CLAIM

With respect to the Employers Liability section (Section One), "Claim" means any proceeding or other legal or arbitral process, cross-Claim or counterclaim issued against or served upon the Insured seeking an award of damages; or

Any written or oral demand seeking an award of damages against the Insured communicated to the Insured by whatever means.

With respect to the Fines and Penalties section (Section Two), "Claim" means Occurrence.

Claims arising out of one act, error or omission or a series of related acts, errors or omissions, shall be deemed to be one Claim.

3. EXCESS

In respect of each Claim under this Policy the Insured shall bear the amount of the Excess specified in the schedule. The Excess shall apply also to the legal costs and expenses relating to the Claim and costs, awarded against the Insured.

4. INSURED

Means the Insured named in the schedule and:

- (a) Any trustee, director, employee, executive officer, partner or shareholder of the Insured but only whilst acting within the scope of their duties as such.

5. PERIOD OF INSURANCE

Means:

- (a) The period specified in the schedule;
- (b) Any subsequent period for which the Insured shall have paid and the Company shall have agreed to accept a renewal premium.

6. THE COMPANY

Means Lumley General Insurance (N.Z.) Limited.

B EXCLUSIONS (Applicable to Section One and Two)

The Company will not indemnify in respect of:

1. Liability assumed by the Insured by agreement unless and insofar as such liability would have attached to the Insured notwithstanding such agreement.
2. Any amount awarded under and by virtue of any judgement of any court other than a New Zealand court, whether or not that judgement is enforceable by any means in New Zealand, and the costs and expenses of litigation arising out of any proceeding or judgement of any court other than a New Zealand court.
 - (b) i. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission;
 - ii. Nuclear weapons material.
3.
 - (a) Any Claim made, threatened or in any way intimated against the Insured and not notified to the Company prior to the commencement of the Period Of Insurance, or, if this policy is renewed, prior to the effective date of renewal;
 - (b) Any circumstance or Occurrence of which, at the commencement of the Period Of Insurance or, if this policy is renewed, the effective date of renewal, the Insured is aware or ought reasonably to be aware that may give rise to a Claim.
4. Any Claim arising from or relating to:
 - (a) Any express term of any contract or agreement;
 - (b) The unjustifiable dismissal of any person or other personal grievance arising out of a contract of employment or its termination.
5. Any Claim arising directly or indirectly out of or contributed to or caused by:
 - (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
6. Claims resulting from asbestosis and/or related diseases directly or indirectly caused by or contributed to by or arising from:
 - (a) Mining, processing, transport, distribution and/or storage of asbestos;
 - (b) Manufacturing of asbestos products and/or storage of asbestos;
 - (c) Any process of decontamination, treatment or control of asbestos.
7. War and Terrorism Exclusion

This Policy does not insure death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, or in connection with, any of the following regardless of any other contributing cause or event:

- (a) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power: or
- (b) any act of Terrorism.
For the purpose of this Exclusion, Terrorism means an act including but not limited to the use or threat of force or violence by 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 committed 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 Policy also excludes death , injury, illness, loss, damage, liability, cost or expense of any 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, the above Exclusions.

CONDITIONS (Applicable to Section One and Two)

1. ADMISSIONS AND DEFENCE OF CLAIMS

The Insured shall not without the consent in writing of the Company repudiate liability, negotiate or make any admission, offer, promise or payment in connection with any Claim, circumstance or Occurrence and the Company shall be entitled if it so desires to take over and conduct in the name of the Insured the negotiation, settlement or defence of any Claim.

The Company shall have full discretion in the conduct of any proceeding and in the settlement of any Claim and having taken over the defence of any Claim may relinquish the defence.

2. ASSIGNMENT

No assignment of any interest under this Policy shall bind the Company unless the Company has given its written consent.

3. ASSISTANCE

The Insured shall give all necessary information and assistance and provide all documents to enable the Company to defend, negotiate or settle any Claim, litigation or proceedings as the Company may reasonably require.

4. CANCELLATION

This Policy may be cancelled by the Insured at any time by notice in writing delivered to the Company in which case the Company shall retain or be entitled to recover as the case may be, the customary short term premium or minimum premium for the time that the Policy has been in force.

The Company may at any time cancel this Policy by sending written notice to the last known address of the Insured. Such cancellation shall be effective from 4.00 pm on the 14th day after despatch of the notice. After such cancellations the Company will refund a pro rata portion of the premium for the unexpired Period of Insurance.

Notwithstanding the cancellation of the Policy the Insured shall furnish to the Company such particulars as the Company requires for the adjustment of the premium.

5. CESSATION

The insurance provided by this Policy ceases absolutely at the time and date specified in the schedule. Provided however that if notice referred to in Condition 1 above has been given to the Company prior to expiry of the Period of Insurance any Claim arising from circumstances thus notified which is made after expiry of the Period of Insurance shall be deemed to have been made during the Period of Insurance.

6. CLAIMS

The Insured shall give to the Company immediate notice in writing:

- (a) Of any Claim made against them;
- (b) Of the receipt of notice from any person of any intention to hold the Insured responsible for the results of a Personal Injury;
- (c) Of the receipt of notice from any person of any intention to hold the Insured responsible for the results of any alleged breach of any of the Acts for which this policy provides indemnify;
- (d) Of any circumstance of which the Insured shall become aware which may give rise to a Claim under this policy;

irrespective of whether the quantum is likely to be within or above the amount of the Excess.

7. COMPLIANCE

The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy insofar as they

relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the Proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

8. FRAUD

If any Claim under this Policy shall be in any respect fraudulent or any statement incorrect or if any fraudulent means or devices shall be used by the Insured or anyone acting on the Insured's behalf to obtain benefit under the Policy all benefit hereunder shall be forfeited.

9. GOVERNMENT GOODS AND SERVICES TAX

Where the Insured is liable to pay tax under Section 5(13) of the Goods and Services Tax Act 1985 (or any statutory amendment or re-enactment of the Section or Act) on receiving any indemnity payment under this Policy the Company will indemnify the Insured for that expense. The amount payable under this clause is payable by the Company in addition to the Limit of Indemnity specified in the schedule.

10. JURISDICTION

This Policy shall be governed by the law of New Zealand whose courts shall have jurisdiction in any dispute.

11. MATERIAL FACTS

If any change occurs that materially varies any of the facts existing at the commencement of this Policy the Insured must give immediate written notice to the Company.

12. OTHER INSURANCE

If at the time of any Claim under this Policy the Insured has the right to any other insurance or compensation, or would but for the existence of this Policy, covering all or part of the same Claim whether for the benefit of the Insured or their Employee or otherwise this Policy shall be in excess of such other insurance or compensation.

13. PRECAUTIONS AND INSPECTIONS

The Insured shall take all reasonable precautions to prevent Personal Injury and to comply with all statutory requirements and obligations. The Company shall have the right and opportunity at all reasonable times to inspect the plant, works, machinery and appliances used in the Business.

14. PREMIUM ADJUSTMENT

If any part of the premium for this Policy has been calculated on any estimates furnished by the Insured, the Insured shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow the Company to inspect such record. The Insured shall within one calendar month from 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 shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be.

15. SUBROGATION

The Company shall be entitled to use the name of the Insured in any proceedings to enforce for the benefit of the Company any order made for costs or otherwise and shall have the right of subrogation in respect of all rights which the Insured may have against any person or persons who may be responsible to the Insured, their Employees or otherwise in respect of any Claim under this Policy.

The Insured shall as and when required execute any necessary documents for the purpose of vesting such rights in the Company, or enabling the Company to have the full benefit of them.

Any moneys recovered pursuant to the exercise of such right shall be applied: first for the Insured to the extent of the Excess: second for the Company to the extent of the total amount paid by the Company in respect of that Claim: third for the Insured for any uninsured loss.

SECTION ONE – EMPLOYERS LIABILITY

1. POLICY COVERAGE

THE COMPANY AGREES to INDEMNIFY THE INSURED in respect of:

- (a) All sums which the Insured shall become legally liable to pay as damages including any award of costs as the result of Claims first made against the Insured and reported to the Company during the Period of Insurance as a result of any Employee of the Insured sustaining Personal Injury during the Period of Insurance arising out of or in the course of their employment in the Business;
- (b) Defence Costs.

2. LIMITS OF INDEMNITY

The liability of the Company shall not exceed the Limit of Indemnity for this section set out in the schedule in respect of any one Claim or series of Claims arising from one source or original cause. Provided that the maximum amount payable in the aggregate in any one Period of Insurance inclusive of costs and expenses and claimant's costs shall not exceed the Limit of Indemnity specified in the schedule regardless of the number of Claims made.

3. DEFENCE COSTS

Means the reasonable costs and expenses incurred with the prior written consent of the Company in investigating defending or settling any Claim.

4. EMPLOYEE of the Insured:

Means an Employee directly employed by the Insured in the Business specified in the schedule and from whose remuneration the Insured makes PAYE tax deductibles, and any consultant or temporary Employee while working for the Insured in connection with the Business.

5. PERSONAL INJURY

Means bodily injury, sickness or disease, including death resulting therefrom, disability, shock, fright, mental anguish or mental injury but shall not include:

- (a) Personal Injury sustained by an Employee of the Insured prior to the retroactive liability date specified in the schedule;
- (b) Personal Injury arising out of or caused by sexual harassment or sexual abuse.
For the purpose of this Policy, Personal Injury shall be sustained when the Employee is first exposed to conditions in New Zealand out of which the injury, sickness or disease the subject of the Claim arose.

6. EXTENDED REPORTING PERIOD

Notwithstanding anything to the contrary in this Policy the Company will indemnify the Insured against any Claims or circumstance under this section notified to the Insured in the 21 days after the expiry of the Period of Insurance provided the Insured gives the Company immediate written notification of such a Claim or circumstance. This extension of indemnity shall not apply to Personal Injury sustained before the retroactive liability date specified in the schedule or after expiry of the Period of Insurance.

7. EXCLUSIONS (applicable to Section One only)

This Policy shall not indemnify the Insured in respect of:

- (i) Any Personal Injury for which cover is to any extent provided by The Accident Rehabilitation and Compensation Insurance Act 1992 or any replacement Act, or would have been provided had a Claim been lodged under that Act or if the Insured were not an Exempt Employer under the Act.

SECTION ONE – EMPLOYERS LIABILITY

7. EXCLUSIONS (Continued)

- (ii) Any Employee not directly employed to carry out the normal activities of the Business described in the schedule unless the Company has acknowledged in writing prior notice by the Insured of such engagement and the Insured has paid such additional premium as the Company may require.
- (iii) Any Claim arising in any way out of any failure by the Insured to comply with any improvement, prohibition or suspension notice issued to the Insured or their Employees under the Health and Safety in Employment Act 1992 or equivalent notices issued under any legislation enacted in substitution.
- (iv) Any fine or penalty. This exclusion does not apply to Claims seeking punitive or exemplary damages.
- (v) Any Claim brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by the Insured.

8. RETROACTIVE LIABILITY EXCLUSION CLAUSE

Notwithstanding anything to the contrary in this Policy no liability shall attach under this section in respect of any Personal Injury sustained by any Employee prior to the retroactive liability date specified in the schedule for this Section.

SECTION TWO – FINES AND PENALTIES

1. POLICY COVERAGE

THE COMPANY AGREES to INDEMNIFY THE INSURED in respect of:

- (a) Any Penalty;
- (b) Defence Costs:

arising out of an Occurrence which is connected with the Business and is notified to the Company during the Period of Insurance provided that the Occurrence has taken place on or after the retroactive liability date specified in the schedule for this section.

2. LIMITS OF INDEMNITY

The liability of the Company under this Policy shall not exceed the Limit of Indemnity set out in the schedule for this section in respect of any one Claim or series of Claims arising from one source or original cause.

Provided that the maximum amount payable in the aggregate in any one Period of Insurance inclusive of all costs and expenses and claimant's costs shall not exceed the Limit of Indemnity specified in the schedule for this section regardless of the number of Claims made.

3. DEFENCE COSTS

Means the costs and expenses necessarily and reasonably incurred by the Insured in investigating and defending any criminal action (including but not limited to any threat or intimation of any such action and any circumstances which may give rise to any such action) arising out of an Occurrence.

4. ACT:

Means as the context requires any Act of the New Zealand Parliament (including any amendment to or re-enactment of any Act or any regulations or other subordinate legislation made under any Act) in force at the commencement of the Period of

Insurance but shall not include the following Acts (or any amendment to or re-enactment of any such Act or any regulations or other subordinate legislation made under any such Act):

Arms Act 1983
Aviation Crimes Act 1972
Crimes Act 1961
Proceeds of Crimes Act 1991
Summary Offences Act 1981
Transport Act 1962
Transport (Vehicle and Driver Registration and Licensing) Act 1986

5. OCCURRENCE (in relation to any Act)

Means any event neither expected nor intended by the Insured which results in an allegation of a breach of any section of an Act.

6. PENALTIES

Means any fine payable by the Insured upon conviction of an offence arising out of an Occurrence.

7. EXTENDED REPORTING PERIOD

The Company will indemnify the Insured against any Penalty or Defence Costs in respect of any Occurrence notified to the Insured in the 21 days after the expiry of the Period of Insurance provided the Insured gives the Company immediate written notification of such Occurrence. This extension of indemnity shall not apply to any Occurrence which took place before the retroactive liability date specified in the schedule or after expiry of the Period of Insurance.

SECTION TWO – FINES AND PENALTIES

8. EXCLUSIONS (applicable to Section Two only):

This Policy shall not indemnify the Insured in respect of Penalties or Defence Costs arising out of:

- (i) Any Occurrence which results from:
 - (a) The deliberate or reckless conduct of the Insured which breaches any provision of any Act:
 - (b) The failure of the Insured to comply with any lawful consent, determination, memoranda, notice, order or schedule issued under any Act or equivalent notices issued under any legislation enacted in substitution.
 - (c) Any fines or penalty for a continuing offence under an Act which is imposed for the period after the Insured knew or ought to have known, that an offence was being committed.
- (ii) The handling or disposal of materials by any person or organisation acting on behalf of the Insured unless the Insured has taken all reasonable steps to ensure that the materials will be handled or disposed of in lawful manner.
- (iii) Any sum payable in respect of any tax (penalty or otherwise), interest, compliance costs, duty or monetary obligation to the Inland Revenue Department.
- (iv) Any sum payable pursuant to sections 80, 83 or 89 (3)(b) of the Commerce Act 1986.
- (v) Any order for the payment of costs made under the Commissions of Inquiry Act 1908.

9. RETROACTIVE LIABILITY EXCLUSION CLAUSE

Notwithstanding anything to the contrary in this Policy no liability shall attach under this Policy in respect of any Penalty or Defence Costs arising directly or indirectly from an Occurrence which took place before the retroactive liability date specified in the schedule for this section.