

COMMERCIAL MOTOR VEHICLE



INTRODUCTION

WELCOME	Welcome to NZI. Thank you for selecting us as your insurer.
ABOUT THIS POLICY	<p>Your Commercial Motor Vehicle Policy consists of:</p> <ol style="list-style-type: none">1. this policy document, and2. the schedule, and3. any endorsements or warranties that we apply, and4. the information you have provided in the application for insurance to us.
YOUR DUTY OF DISCLOSURE	<p>When you apply for insurance, you have a legal duty of disclosure. This means you or anyone acting on your behalf must tell us everything you know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:</p> <ol style="list-style-type: none">5. to accept or decline your insurance, and/or6. the cost or terms of the insurance, including the excess. <p>You also have this duty every time your insurance renews and when you make any changes to it.</p> <p>Information you will need to disclose includes:</p> <ul style="list-style-type: none">• circumstances which could increase the risk of an insurance claim;• any criminal offences or convictions;• any cancellation, refusal to renew insurance or imposing of special terms by another insurer;• insurance claims you have made in the past. <p>Information you do NOT need to disclose includes:</p> <ul style="list-style-type: none">• circumstances which would diminish the risk of an insurance claim;• anything that we know or would be expected to know in the ordinary course of our business;• anything that we advise you do not need to disclose. <p><i>Examples of relevant facts for Motor Vehicle insurance may include:</i></p> <ol style="list-style-type: none">(a) <i>any previous traffic violations including speeding, reckless driving, drink-driving or drug driving.</i>(b) <i>any non-factory modifications (whether structural, performance or cosmetic) to an insured motor vehicle.</i>(c) <i>any change of use of an insured motor vehicle (for example a private car now used for business use)</i>(d) <i>any previous accidents, or history of your losses, whether you were insured at the time or not.</i> <p>If you or anyone acting on your behalf breaches this duty, we may treat this policy as being of no effect and to have never existed.</p> <p>Please ask us if you are not sure whether you need to tell us about something.</p>

EXAMPLES	We have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in <i>italics</i> and do not affect or limit the meaning of the section they refer to.
HEADINGS	The headings in this policy document are for reference only and do not form part of it. They must not be used when interpreting the policy document.
DEFINED WORDS	If a word is shown in bold , it has a specific meaning. There is a list of these words and what they mean in this policy in the section 'DEFINITIONS'.

INSURANCE AGREEMENT

OUR AGREEMENT	You agree to pay us the premium and comply with this policy. In exchange, we agree to insure you as set out in this policy.
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POLICY COVER OPTIONS

Your vehicles will be insured under one of the following Cover Options. The option that applies will be shown on the schedule.

Comprehensive Cover	Provides: <ul style="list-style-type: none"> 1. Full cover under Section 1 – Cover for the Insured Vehicle, and 2. Full cover under Section 2 – Liability to the Public
Third Party, Fire and Conversion	Provides: <ul style="list-style-type: none"> 1. Limited cover under Section 1 – Cover for the Insured Vehicle only covering accidental loss to the insured vehicle caused by: fire, lightning, explosion, theft or illegal conversion (including attempted theft or illegal conversion), and 2. Loss covered in Section 1 – Automatic Extensions- Uninsured Third Party Protection, and 3. Full cover under Section 2 – Liability to the Public.
Third Party Only	Provides: <ul style="list-style-type: none"> 1. Full cover under Section 2 – Liability to the Public.

WHEN COVER APPLIES

There is only cover under this policy when any **vehicle** insured under this policy is being used:

1. for **your** business or occupation as advised to **us** prior to inception of this policy or any renewal, or
2. for **your** private, social or domestic purposes, or
3. for a business or occupation comparable with **your** business or occupation as above, when hired, rented or lent out by **you**, with or without a **driver**, provided that:
 - (a) all policy terms and conditions are observed at the time that any **loss** to the **insured vehicle** occurs, and
 - (b) there is no other insurance which covers the **loss**.

There is no cover under this policy when any **vehicle** insured under this policy is used on a race track, or for pace making, reliability trials, hill climbs or speed tests, or while being used in preparation for any one of these activities.

SECTION 1: COVER FOR THE INSURED VEHICLE

Cover

We will insure **you** for **accidental loss** to an **insured vehicle** occurring anywhere in New Zealand, including transit between islands of New Zealand, during the **period of insurance**.

SECTION 1: AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'Section 1: Cover for the Insured Vehicle', **we** also provide the following Automatic Policy Extensions.

These extensions apply automatically where **you** have:

1. Comprehensive cover option shown in the **schedule**; or
2. Third Party Fire and Conversion cover option shown in the **schedule** and there is a claim under Section 1 of this policy for fire or theft of the **insured vehicle**; and
3. There is a valid claim under 'Section 1: Cover for the Insured Vehicle', unless specified otherwise.

These extensions are otherwise subject to the terms and exclusions of the policy.

Where a limit is specified in the extension, this is in addition to the maximum liability under 'Section 1: Basis of Settlement'. Otherwise, any payment under an extension is subject to the maximum amount payable under 'Section 1:

Basis of Settlement'.	
Appreciation - Mechanical Plant	<p>Section 1 is extended to cover you for appreciation of the market value of the mechanical plant specified in the vehicle declaration as a result of loss covered under Section 1, subject to the following:</p> <p>(a) The specified market value of the mechanical plant was correct at the time of inception or renewal of this policy, and</p> <p>(b) The appreciation shall be of no greater than 25% of the value specified in the vehicle declaration.</p>
Car sharing agreement	<p>Payment made by passengers as part of a car sharing/pooling agreement does not constitute the conveyance of passengers for hire or reward.</p>
Claim preparation costs	<p>This policy covers reasonable and necessarily incurred costs (other than your own internal costs) in having a claim prepared for a loss covered under Section 1, or proving that a loss is a claim under Section 1 (but not costs incurred in disputing the claim if it is declined).</p> <p>The most we will pay under this extension is \$5,000 for any one event, unless a different amount is shown in the schedule.</p>
Completion of journey costs	<p>When, as a result of a loss covered under Section 1, your journey cannot be continued, this policy covers your reasonable costs incurred in:</p> <p>(a) hiring another vehicle of similar make and model to complete the journey, or to return you or your driver to where the journey first commenced; and</p> <p>(b) returning the insured vehicle to the premises where it is normally based following its repair, or the cost of recovering it in the event of theft or conversion.</p> <p>The most we will pay under this extension is \$10,000 for any one event, unless a different amount is shown in the schedule.</p>
Death by Accident	<p>If the driver of the insured vehicle dies as a result of an accident covered by this policy, whether or not death occurs at the time of the accident, we will pay \$10,000</p>

	<p>to you, regardless of any other insurance.</p> <p>The most we will pay under this extension is \$10,000 for any one event, unless a different amount is shown in the schedule.</p>
Disability Modifications	<p>If you or one of your employees is injured as a direct result of accident covered under Section 1, and this results in permanent disability which necessitates vehicle modifications (e.g. hand controls), Section 1 covers the reasonable cost of these modifications to any one vehicle.</p> <p>However, we are only liable for the amount in excess of any amount payable by the Accident Compensation Corporation, or any other insurer and the most we will pay under this extension is \$10,000 for any one event, unless a different amount is shown in the schedule.</p>
Employees' Vehicles	<p>Section 1 is extended to cover vehicles owned by your employees that are used in the course of your business, but only if this business use results in your employee's personal vehicle insurance no longer applying and the employee using the vehicle meets all of the same terms of this policy that you must meet.</p>
Expediting Expenses	<p>This policy is extended to cover you for the reasonable costs of express freight including airfreight and overtime to expedite repairs to the insured vehicle as a result of loss covered under Section 1 of this policy.</p>
First Aid Kits	<p>In the event of an accident covered under Section 1 of this policy, we will pay to replace or restock any first aid kits or equipment in the vehicle damaged or used as a result of that accident.</p>
Funeral Expenses	<p>If a driver dies as the direct result of an accident covered by this policy, whether or not death occurs at the time of the loss, this policy covers all funeral expenses associated with the burial or cremation of the driver, in addition to any amount payable by the Accident Compensation Corporation or any other insurer.</p> <p>This policy also covers any travel costs within New Zealand of the deceased driver's immediate family (e.g. <i>parents, spouse or partner, children, or siblings</i>) necessarily incurred as a result of attending the funeral.</p> <p>The most we will pay under this extension is \$10,000 for any one event, unless a different amount is shown in the schedule.</p>

<p>Goods in Transit</p>	<p>If an insured vehicle suffers loss arising from:</p> <ul style="list-style-type: none"> (a) fire, or (b) collision, or (c) impact, or (d) overturning, or (e) being stolen, <p>which is covered under Section 1, this extension covers loss to goods owned by you carried on or in the insured vehicle at the time of the loss.</p> <p>The most we will pay under this extension is \$10,000 for any one event, unless a different amount is shown in the schedule.</p> <p>An excess of \$100 applies to any claim under this extension.</p>
<p>Hired Use</p>	<p>The cover provided by this policy will continue to apply where there is periodic hiring out of any insured vehicle, with or without drivers, provided that:</p> <ul style="list-style-type: none"> (a) all policy terms and conditions are observed at the time that any loss to the insured vehicle occurs; and (b) there is no other insurance which covers the loss; and (c) use by the hirer is comparable with your business or occupation. <p>Section 1: Exclusions – Hired Vehicles, applies.</p>
<p>Hoists, hydraulic lifts and rams</p>	<p>Section 1 covers mechanical breakdown or mechanical failure of any hoists or hydraulic rams permanently attached to the insured vehicle, where such failure or breakdown is not due to wear and tear.</p> <p>Section 1: Exclusions - Vehicle Parts, does not apply to this extension.</p> <p>The most we will pay under this extension is \$10,000 for any one event unless a different amount is shown in the schedule.</p> <p>An excess of \$500 applies for any claim under this extension.</p>
<p>Keys and Locks</p>	<p>Where any key giving access to the insured vehicle is lost, stolen or believed on reasonable grounds to have been duplicated without your permission during the period of insurance, we will cover the costs reasonably incurred in replacing that key and altering or replacing the locking mechanism.</p>

	<p>The most we will pay under this extension is \$5,000 for any one claim to one insured vehicle or \$20,000 any one event, unless a different amount is shown in the schedule.</p> <p>An excess of \$250 applies for any one claim under this extension.</p>
Lease Value	<p>If the insured vehicle is leased and becomes a total loss following an event covered under Section 1 of this policy, we will pay the greater of the reasonable market value or residual value of the insured vehicle. This does not include:</p> <ul style="list-style-type: none"> (a) penalties for early termination, or (b) penalties for any additional distance travelled, or unpaid obligations under the lease at the time of the loss, or (c) penalties resulting from lack of servicing or poor maintenance, or (d) 'balloon' payments, or (e) the amount by which the residual value of the insured vehicle exceeds 120% of its market value.
Load Recovery	<p>Section 1 of this policy is extended to cover the reasonable costs incurred in salvaging any load carried by an insured vehicle which has spilled onto a road, carriageway or parking area. This includes the reasonable costs of reloading or trans-shipping the load to the nearest place of safe storage.</p> <p>The most we will pay under this extension is \$25,000 for any one event, unless a different amount is shown in the schedule.</p>
Mutually Acceptable Assessors	<p>An assessor mutually agreed upon by us and you will assess any loss under this policy.</p>
New Replacement Vehicle	<p>If a car, station wagon, utility, van or four wheel drive vehicle under 3,500kgs owned or leased by you becomes a total loss following an event covered under Section 1 of the policy within 12 months of it being first registered as a new vehicle in New Zealand, we will either:</p> <ul style="list-style-type: none"> (a) provide a new replacement vehicle of the same make, model and specification, or (b) if a new replacement is not available, pay the price for which such a vehicle was last available in New Zealand.

	<p>If you elect not to have the insured vehicle replaced in accordance with this extension, we will indemnify you in accordance with Section 1: Basis of Settlement clause below.</p>
Relief Driver Costs	<p>If as the result of an accident involving the insured vehicle following an event covered under Section 1 of this policy, your driver is</p> <p>(a) injured and unable to return to work; or</p> <p>(b) temporarily stood down for counselling purposes (<i>such as for counselling following a fatal accident</i>),</p> <p>you are covered for the reasonable and necessarily incurred costs of employing a relief driver to continue your business.</p> <p>The most we will pay under this extension:</p> <ol style="list-style-type: none"> 1. for any single day is \$250, and 2. in total for any one event is \$5,000, unless a different amount is specified in the schedule.
Repair Authorisation	<p>You may authorise any reasonable repairs for loss to an insured vehicle up to a maximum of \$2,500 without prior notice to us.</p> <p>If the estimated repair costs exceed this amount, repairs must not be commenced without our consent or our assessor's consent. We or our assessor must be given the opportunity of examining the loss to the insured vehicle prior to repair.</p>
Rewards	<p>This extension covers any reward offered with our prior approval, to successfully secure the return of an insured vehicle that has been stolen if the theft is covered under Section 1 of this policy.</p> <p>The most we will pay under this extension is \$5,000 for any one event, unless a different amount is shown in the schedule.</p>
Salvage, Safety and Security	<p>This extension covers the reasonable costs incurred in salvaging or recovering the insured vehicle, including the costs of ensuring its safety, security and delivery to a place of suitable repair or inspection, following a loss insured by Section 1 of this policy.</p> <p>We will also cover the reasonable costs of storage of the insured vehicle after a claim for loss has been lodged and which has been accepted by us.</p>
Signwriting	<p>When the insured vehicle suffers loss covered by Section 1 of this policy and that loss is repairable, we will pay the reasonable cost of reinstatement of signwriting,</p>

	<p>artwork, wraps and or graphics existing at the time of loss.</p> <p>Where the insured vehicle suffers loss covered by Section 1 of this policy and is a total loss, we will pay the reasonable cost to have a replacement vehicle sign written to an equivalent standard and the amount payable under this extension will be additional to the market value of the insured vehicle provided that:</p> <p>(a) The market value plus the value of the replacement signwriting does not exceed the insured vehicle's value as provided in the vehicle declaration; and</p> <p>(b) The value of the signwriting does not exceed \$10,000 per insured vehicle.</p>
<p>Tarpaulins, Sheets, Ropes</p>	<p>This extension covers loss to tarpaulins, sheets, ropes, twitches or chains whilst in or on the insured vehicle. The most we will pay under this extension is \$5,000 for any one event, and an excess of \$250 applies.</p> <p>Where the insured vehicle suffers a total loss, the amount payable under this extension is in addition to the amount payable for the loss to the insured vehicle.</p>
<p>Theft Costs</p>	<p>If a loss caused by theft of the insured vehicle is covered under Section 1, this extension covers the reasonable costs incurred by you of hiring another vehicle of a similar make and model provided that:</p> <p>(a) you make all reasonable efforts to purchase a replacement vehicle as soon as possible; and</p> <p>(b) the period of cover for the extension begins at the date the insured vehicle is stolen and ends when we have settled the claim in full or the insured vehicle is recovered and is not a total loss, and;</p> <p>(c) the cost of the first 7 days of hire is not covered; and</p> <p>(d) This extension does not cover costs charged by the hire company for insurance, petrol or normal running costs.</p> <p>The most we will pay under this extension is \$5,000 for any one event, unless a different amount is shown in the schedule.</p>
<p>Tyre Damage</p>	<p>Section 1 of this policy is extended to cover loss during the period of insurance to any tyre (including its inner tube) or tracks fitted to an insured vehicle not principally used for driving on public roads, regardless of whether there has been loss to any other part of the insured vehicle or not.</p> <p>We will indemnify you by either:</p> <p>(a) repairing the damage; or</p>

	<p>(b) paying an amount equal to the reasonable cost of repair; or</p> <p>(c) replacing the tyre or tracks; or</p> <p>(d) paying an amount equal to the value of the tyre or tracks.</p> <p>The most we will pay under this extension is the purchase price of a new replacement tyre or tracks, less a reasonable deduction for the use and wear and tear on the damaged tyre or tracks. The most we will pay for all claims under this extension during the period of insurance is \$5,000.</p> <p>No excess applies to claims under this extension.</p> <p>Section 1: Exclusion – Tyres, does not apply to this extension.</p>
<p>Uninsured Third Party Protection</p>	<p>You are covered for any uninsured losses (including any excess) caused by an identifiable and uninsured driver of another vehicle occurring in New Zealand during the period of insurance, provided that:</p> <p>(a) full liability is admitted by that third party, or you have provided us with evidence establishing liability of that third party, and</p> <p>(b) you supply us with enough information to identify the third party (<i>such as the correct registration, their name and address</i>).</p> <p>The most we will pay under this extension for any one insured vehicle for any one event is \$5,000.</p>
<p>Windscreens and Window Glass</p>	<p>You are insured for loss to windscreens, sunroof, headlights, tail lights, indicator light glass, mirror glass or window glass (including scratching or damage to bodywork resulting solely from broken glass).</p> <p>Where there was tinting or signwriting affixed to any of the above, we will also pay to have the tinting or signwriting reinstated on that part that suffered the loss, however we will not pay for any costs associated with joining or associated tinting or signwriting on other parts of the insured vehicle under this extension.</p> <p>No excess applies to this extension, unless otherwise shown in the schedule.</p>

SECTION 1: OPTIONAL POLICY EXTENSIONS

These optional extensions only apply where specified in the **schedule**. They are subject to the terms and exclusions of the policy.

<p>Agreed Value</p>	<p>In the event of a total loss covered under Section 1, we will pay the amount specified in the schedule.</p>
<p>Goods and Service Vehicles - Additional Cover</p>	<p>When an insured vehicle is a total loss, we will contribute to the de-installation/ re-installation costs associated with loss to LPG, CNG units, in-vehicle cameras, meters and the like.</p> <p>The most we will pay under this extension is \$2,500 per event, unless a different amount is shown in the schedule.</p>
<p>Ingestion or Entanglement of Foreign Objects</p>	<p>We will cover you for loss resulting from entanglement or ingestion of any foreign object into any mulching, chipping or agricultural implement or machine, provided this occurs whilst the insured vehicle is being operated for the purpose for which it was designed, and the insured vehicle is being used in conjunction with the agricultural implement or machine.</p> <p>Section 1: Exclusions – Ingestion and Entanglement of Foreign Objects, does not apply to this Optional Policy Extension.</p>
<p>Loss of Use</p>	<p>If loss to an insured vehicle covered under Section 1 prevents you from using it, this extension covers the reasonable cost of you hiring a substitute vehicle of a similar specification to the insured vehicle during the Period of Cover (as defined below) subject to the following:</p> <ul style="list-style-type: none"> (a) It only applies to the insured vehicle(s) stated in the schedule as being subject to this extension; (b) The extension does not apply if you have available a free substitute vehicle or once you purchase an additional vehicle; (c) The repair of the insured vehicle must be carried out as soon as reasonably practicable; (d) This extension does not cover costs charged by the hire company for insurance, petrol or normal running costs; and (e) This extension does not apply if you have made a claim under Section 1: Automatic Policy Extensions - Theft Costs. <p>If no vehicle of a similar make, model and specification is available for hire (you having consulted with us as to availability of such a vehicle), subject to the</p>

	<p>application of all other terms of this extension, we will pay to you the daily rate shown in the schedule for the Period of Cover subject to the following terms.</p> <p>The most we will pay under this extension for any one insured vehicle is the limit stated in the schedule. The maximum Period of Cover for any one insured vehicle is 90 days. An excess equal to the cost of the first 7 days hire applies to all claims under this extension.</p> <p>In this extension, 'Period of Cover' means the period:</p> <p>(a) Beginning;</p> <p style="padding-left: 40px;">(i) When the insured vehicle is delivered to a repairer agreed to by us to start the repair; or</p> <p style="padding-left: 40px;">(ii) The date of the loss, if the insured vehicle cannot be driven, or is deemed a total loss at that date; and</p> <p>(b) Ending:</p> <p style="padding-left: 40px;">(i) in the case of repair, when the repairs are completed and the insured vehicle is available to be collected or delivered, or</p> <p style="padding-left: 40px;">(ii) in the case of a total loss, when we have settled your claim under Section 1 in full, or</p> <p style="padding-left: 40px;">(iii) when you have returned the substitute hire vehicle,</p> <p>whichever occurs first.</p>
<p>Portable Electronic Equipment</p>	<p>We will cover you for accidental loss to other property specified in the schedule. We will pay the reasonable replacement cost of the other property. The most we will pay under this extension for any one event is the limit shown on the schedule.</p> <p>An excess of 10% of the sum insured with a minimum of \$250 applies to any claim under this extension including where the cause of loss is theft.</p> <p>Where the insured vehicle suffers a total loss, the amount payable under this extension is in addition to the basis of settlement of the loss of the insured vehicle itself.</p>
<p>Taxi's – Additional Cover</p>	<p>(a) De-installation/ Re-installation:</p> <p>When an insured vehicle is a total loss, we will contribute to the de-installation/ re-installation costs associated with loss to LPG, CNG units, in-vehicle cameras,</p>

	<p>meters and the like.</p> <p>The most we will pay under this extension is \$2,500, unless a different amount is shown in the schedule.</p> <p>(b) Employee and passenger effects:</p> <p>We will cover accidental loss of passenger's baggage and employee's personal effects if the loss occurs during the driver's paid shift period and the items are not covered under any other insurance policy.</p> <p>The most we will pay under this extension is \$2,500, unless a different amount is shown in the schedule.</p>
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SECTION 1: EXCLUSIONS

The following exclusions apply only to Section 1. The General Policy Exclusions also apply to Section 1 of this policy.

Consequential Loss	<p>This policy does not insure;</p> <p>(a) loss of use of any kind whatsoever, or costs or expenses that result from that loss of use, unless expressly insured under Section 1, or the Automatic or Optional Extensions applicable to Section 1; or</p> <p>(b) depreciation or reduction in value.</p>
Drilling Equipment	<p>This policy does not insure loss to any drill shaft or bit of any type of drilling rig or machinery whilst being used for the purpose of drilling below ground or surface level.</p>
Hired Vehicles	<p>This policy does not insure loss resulting from theft or conversion of the insured vehicle by a person to whom the insured vehicle has been hired, rented or lent by you.</p>
Ingestion or Entanglement of Foreign Objects	<p>This policy does not insure loss connected with entanglement, ingestion or entry of any foreign object into any mulching, chipping or agricultural implement or machine.</p>
Tyres	<p>This policy does not insure damage to or destruction of tyres. However this exclusion will not apply if the damage or destruction results from separate loss that is covered by this policy.</p>

<p>Vehicle Parts</p>	<ol style="list-style-type: none"> 1. This policy does not insure loss to the following parts of an insured vehicle: <ol style="list-style-type: none"> (a) engine and all engine parts, (b) cooling systems, including but not limited to radiators, heat exchangers, cooling fans, pressure caps, water pumps, thermostats and hoses, (c) hydraulic system, including but not limited to shock absorbers and suspension systems, (d) transmission system, including but not limited to gearbox, drive shafts, axles, differentials, clutches, and wheel hubs, (e) fuel systems, (f) braking systems, (g) electrical/electronic systems, computer systems, and mechanical systems, (h) pumping and vacuuming systems, (i) any fixed plant machinery (including but not limited to food /drink preparation equipment), (j) underground exploratory devices. 2. However, this exclusion does not apply to loss that is the direct result of: <ol style="list-style-type: none"> (a) fire, (b) the insured vehicle or a conveying vehicle overturning, (c) the insured vehicle suffering an impact or collision with an external object, (d) the insured vehicle being partly or fully immersed in a body of water, (e) the insured vehicle being stolen or converted, (f) the insured vehicle being maliciously damaged, (g) the insured vehicle being accidentally operated with the incorrect fuel type (<i>e.g. diesel in a petrol engine or petrol in a diesel engine</i>). This does not include operating the insured vehicle with fuel of the correct type which is contaminated, (h) hail, snow, storm or lightning, (i) natural disaster, (j) impact or damage by animals.
<p>Wear and Tear</p>	<p>This policy does not insure loss caused by or in connection with:</p> <ol style="list-style-type: none"> (a) wear and tear; or (b) rust or corrosion; or (c) the insured vehicle's faulty or defective design, specification or materials. <p>However, this exclusion is limited to the part immediately affected and does not apply to any resultant loss to any other part of the insured vehicle.</p>

SECTION 1: BASIS OF SETTLEMENT

Basis of Settlement

1. **We** will, at **our** option, settle **your** claim for **loss** in one of the following ways:
 - (a) pay the reasonable cost of repairs to the **insured vehicle**; or
 - (b) pay the cash equivalent of the reasonable cost of repairs to the **insured vehicle**; or
 - (c) replace the **insured vehicle**; or
 - (d) pay the **market value** of the **insured vehicle** or the value stated in the **vehicle declaration**, whichever is the lesser; or
 - (e) if any **insured vehicle** is subject to the Agreed Value option shown in the **schedule** then in the event of a **total loss**, **we** will pay the Agreed Value sum shown in the **schedule**, or
 - (f) if the **insured vehicle** is hired, rented, or borrowed or loaned without financial or other consideration (*for example a motor mechanic or panel beater's loan vehicle*) **we** will pay the **market value** of that vehicle to a maximum of \$250,000.
 - (g) if the **insured vehicle** is leased at the time of the **loss**, **we** will pay the greater of the **market value** or **residual value** of the **insured vehicle**. This does not include:
 - (i) penalties for early termination; or
 - (ii) penalties for any additional distance travelled; or
 - (iii) unpaid obligations under the lease at the time of the **loss**; or
 - (iv) penalties resulting from lack of servicing or poor maintenance; or
 - (v) 'balloon' payments; or
 - (vi) the amount by which the **residual value** of the **insured vehicle** exceeds 120% of its **market value**.
 - (h) indemnify **you** in accordance with the terms of the Automatic Extension - New Replacement Vehicle.
2. Unless specified elsewhere in this policy, the maximum amount **we** will pay is:
 - (a) the **market value** of the **insured vehicle**; or

	<p>(b) the value stated in the vehicle declaration for the insured vehicle, whichever is the lesser.</p> <p>3. We are not liable for that portion of any repair or replacement that improves the condition of the insured vehicle beyond its condition before the loss.</p> <p>4. If any part or component of the insured vehicle is no longer manufactured, we are not liable for more than the supplier's or manufacturer's list price. Where no such list price applies, the most we will pay will be the lesser of:</p> <ul style="list-style-type: none"> (a) the price of the part's closest New Zealand equivalent; or (b) the last known list price in New Zealand; or (c) the cost of making a new part. <p>5. The excess shown in the schedule and any excess payable under any Section 1: Automatic Policy Extension or Section 1: Optional Policy Extension will be deducted from the amount of the loss for each event.</p> <p>Where the cause of loss is theft or fire (fire not resulting from impact) to the insured vehicle, no excess will apply to the Section 1 claim unless stated in the schedule or payable under any Section 1: Automatic Policy Extension or Section 1: Optional Policy Extension.</p> <p>If more than one insured vehicle suffers loss from a single event, only one excess shown in the schedule will apply, being the highest excess, together with any excess payable under any Section 1: Automatic Policy Extension or Section 1: Optional Policy Extension.</p>
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SECTION 2: LIABILITY TO THE PUBLIC

Cover	<p>We will insure you against the following:</p> <ol style="list-style-type: none"> 1. your liability for: <ul style="list-style-type: none"> (a) accidental bodily injury to any person; or (b) accidental loss to any property, <p>occurring in New Zealand during the period of insurance and arising from the use of an insured vehicle (including whilst being loaded or unloaded).</p> 2. your liability for:
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	<p>(a) accidental bodily injury to any person; or</p> <p>(b) accidental loss to any property;</p> <p>occurring in New Zealand during the period of insurance and arising from an event in connection with the movement by you of any vehicle which:</p> <p>(i) is parked in a position which prevents or impedes the loading or unloading of the insured vehicle; or</p> <p>(ii) prevents or impedes the legitimate passage of the insured vehicle.</p> <p>Section 2: Exclusion - Property in Care, Custody or Control will not apply to the vehicle being moved.</p> <p>3. your liability for:</p> <p>(a) accidental bodily injury to any person; or</p> <p>(b) accidental loss to any property;</p> <p>occurring in New Zealand during the period of insurance and arising from an event in connection with the insured vehicle being used in accordance with the permitted use, for the purpose of towing any one trailer or caravan, or any one incapacitated vehicle, while attached to the insured vehicle. However, the towing must not be for hire or reward.</p> <p>4. Legal defence costs and expenses reasonably and necessarily incurred, provided that they are incurred:</p> <p>(a) to defend any civil proceeding (or threat of a civil proceeding) brought against you,</p> <p>(b) in respect of any alleged liability that, if proven, would be covered under Section 2 of this policy,</p> <p>(c) provided that those costs are incurred with our consent.</p> <p>We will meet these costs even if the civil proceeding seems groundless.</p>
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SECTION 2: AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'Section 2: Liability to the Public' above, **we** also provide the following Automatic Policy Extensions.

They are subject to the terms and exclusions of the policy.

<p>Airside Liability</p>	<p>Section 2 is extended to cover your liability arising out of the ownership, operation or maintenance of any vehicles within the restricted area of any airport used for scheduled commercial flights.</p> <p>The most we will pay under this automatic extension for any event is \$1,000,000, unless a different amount is shown in the schedule.</p> <p>Section 2: Exclusions – Airside Liability' does not apply to claims under this extension.</p>
<p>Cleaning up Costs</p>	<p>Section 2 is extended to cover all costs lawfully charged by any local government body or authority, the New Zealand Fire Service, or any other entity for cleaning or restoring the site of an accident following loss, which is covered under Section 1 of this policy.</p> <p>The most we will pay under this extension is \$50,000 for any one event, unless a different amount is shown in the schedule.</p> <p>An excess of \$500 for each event applies to claims under this extension.</p>
<p>Criminal Court Action/Inquiries/Inquests</p>	<p>Section 2 is extended to cover to cover legal costs and expenses necessarily and reasonably incurred to:</p> <ul style="list-style-type: none"> (a) defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death, and (b) for legal representation at any inquiry or coroner's inquest in connection with the death; <p>resulting from any person covered under Section 2 of this policy using a vehicle insured under this policy.</p> <p>The most we will pay under this automatic extension for any event is \$5,000.</p> <p>Section 2: Exclusions – Criminal Offences does not apply to claims under this extension.</p>

<p>Driver's Indemnity</p>	<p>Section 2 is extended to cover the legal liability and legal costs and expenses of any other person caused by or through or in connection with their use of an insured vehicle or a vehicle covered under Section 1: Automatic Extensions – Employee's Vehicles', in the same manner as we cover you, provided:</p> <ul style="list-style-type: none"> (a) such use has your permission, and (b) their liability is not covered by any other insurance, and (c) the person using the insured vehicle meets all the same terms of this policy that you must meet.
<p>Exemplary Damages</p>	<p>Section 2 is extended to indemnify you and any driver who is in charge of the insured vehicle with your consent against liability for punitive or exemplary damages for:</p> <ul style="list-style-type: none"> (a) accidental bodily injury, or (b) accidental loss to any property <p>arising from an accident in connection with the insured vehicle (including whilst being loaded or unloaded) which occurs in New Zealand during the period of insurance.</p> <p>The most we will pay under this extension is \$500,000 for any one claim, or series of claims arising from one accident, and \$1,000,000 in the aggregate for all claims during the period of insurance, unless different amounts are shown in the schedule.</p> <p>In addition to any other policy excess, each claim under this extension will be subject to an excess of 10% of any sum for which you or the driver is found legally liable. However, a minimum excess of \$5,000 applies to each claim.</p> <p>There is no indemnity under this extension:</p> <ul style="list-style-type: none"> (i) arising from any dishonest, fraudulent or malicious act or omission by you or anyone acting on your behalf; or (ii) arising from any claim first notified to you but not notified to us within six months of that date. <p>Section 2: Exclusions – Exemplary Damages does not apply to claims under this extension.</p>
<p>Financial Charge</p>	<p>Section 2 covers the balance of any outstanding charge on an insured vehicle where:</p>

	<p>(a) the insured vehicle is purchased during the period of insurance; and</p> <p>(b) the insured vehicle suffers loss which is covered under Section 1 of the policy; and</p> <p>(c) you have made proper enquires in relation to the existence of any charge before making the purchase; and</p> <p>(d) you are liable to pay the outstanding charge.</p> <p>The most we will pay under this extension is \$5,000 for any one insured vehicle, unless a different amount is shown in the schedule.</p>
<p>Forest and Rural Fires</p>	<p>Section 2 covers your liability under the Forest and Rural Fires Act 1977 for:</p> <p>(a) costs and losses imposed on you by the Fire Authority or the New Zealand Fire Service under section 43;</p> <p>(b) levies imposed by a Fire Authority on you under sections 46 and 46A; arising out of or in connection with an accident with the insured vehicle during the period of insurance.</p> <p>The most we will pay under this extension is \$500,000 for any event unless a different amount is shown in the schedule.</p>
<p>Hazardous Substance Emergency</p>	<p>Section 2 extends to cover any charge the New Zealand Fire Service is authorised to impose on you under Section 47C of the Fire Service Act 1975, for their attendance at a hazardous substance emergency arising from the use of an insured vehicle. The indemnity will be payable regardless of whether the insured vehicle has sustained loss.</p> <p>The most we will pay under this extension for any event is \$5,000.</p>
<p>Hired Vehicles</p>	<p>If you hire or rent a vehicle during the period of insurance and accept the rental vehicle owner's statutory offer of insurance, this extension covers:</p> <p>(a) liability to third parties as provided under 'Section 2: Liability to the Public' and 'Section 2: Automatic Extensions', but only for the difference between the amount payable for liability under the statutory offer of insurance, and the maximum amount payable under 'Section 2: Liability to the Public', and</p> <p>(b) the difference between the Section 1 excess under this policy and any deductible applicable under the rental vehicle owner's insurance, for any event.</p>

	<p>Section 2: Exclusions- Property Owned, In Care, Custody Or Control', and General Exclusions: – Hired or Rented Vehicles' do not apply to this extension.</p>
<p>Hired Vehicle – Consequential loss</p>	<p>If you hire or rent a vehicle during the period of insurance and reject the rental vehicle owner's statutory offer of insurance, this extension covers your liability to the owner of that vehicle for consequential losses caused by loss covered under Section 1.</p> <p>The most we will pay under this extension for any event is \$50,000 unless a different amount is shown on the schedule.</p>
<p>Marine Liability</p>	<p>If an insured vehicle is transported by sea between places in New Zealand during the period of insurance, Section 2 covers your liability for any resulting General Average.</p> <p>This applies regardless of whether or not the insured vehicle suffers loss.</p> <p>General Average means the general average and salvage charges incurred to avoid a loss covered under this policy that are determined by the contract of carriage, and/or governing law and practice of carriage.</p>
<p>Passenger Liability</p>	<p>Section 2 is extended to cover the legal liability of any person in connection with their being a passenger in or getting into or out of any insured vehicle.</p> <p>Provided that the person's liability is not covered under any other insurance or under any other clause in this policy.</p>
<p>Principal's Indemnity</p>	<p>Section 2 is extended to indemnify the principal of any construction or works project for their vicarious liability:</p> <p>(a) where the liability arises in connection with the use by you of an insured vehicle on that project, and</p> <p>(b) the liability is for accidental loss to property or accidental bodily injury occurring in New Zealand during the period of insurance.</p>
<p>Vibration or Weight Damage</p>	<p>We will indemnify you and any driver who is in charge of the insured vehicle with your consent against liability for loss to any property (including roads) during the period of insurance caused by:</p> <p>(a) vibration caused by the insured vehicle, or</p> <p>(b) the weight of the load carried by the insured vehicle, or</p>

	<p>(c) the weight of the insured vehicle, or</p> <p>(d) the combined weight of the load and the insured vehicle.</p> <p>The most we will pay under this extension is \$500,000 for each claim or series of claims arising from one event, unless a different amount is shown in the schedule.</p> <p>An excess of \$2,000 will apply to each event.</p> <p>Section 2: Exclusions- Vibration or Weight does not apply to claims under this extension.</p>
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SECTION 2: EXCLUSIONS

The following exclusions apply only to Section 2. The General Exclusions also apply to Section 2 of this policy.

This policy does not insure:

Airside Liability	<p>Liability arising out of the ownership, operation or maintenance of any vehicle within the restricted area of any airport used for scheduled commercial flights.</p> <p><i>Note: Please see Section 2: Automatic Extensions, 'A. – Airside Liability'.</i></p>
Contractual Liability	<p>Liability arising out of a contract or agreement unless you would have been liable even without such contract or agreement.</p>
Criminal Offences	<p>Any legal defence costs, fines or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.</p> <p><i>Note: Please see Section 2: Automatic Extensions, 'Criminal Court Action/Inquiries/Inquests'.</i></p>
Drivers	<p>Liability of any driver, including the insured, for or arising from:</p> <p>(a) bodily injury to, or</p> <p>(b) loss to any property owned by,</p> <p>that driver, who claims under Section 2 of this policy.</p>
Exemplary Damages	<p>Liability for punitive or exemplary damages.</p>

	<i>Note: Please see Section 2: Automatic Extensions – Exemplary Damages.</i>
Liability Outside New Zealand	Liability determined by any court outside New Zealand.
Operation of Plant or Machinery	Liability arising directly or indirectly out of the use of any mechanical plant component while it is being used or operated for the purpose for which it was designed (e.g. <i>the operation of a crane or back hoe</i>); however this exclusion does not apply to the operation of any vehicle mounted crane whilst being used to load or unload from that vehicle , or of any fork hoist.
Property in Care, Custody or Control	Liability for loss to any property that belongs to, or is/was in your care, custody or control, other than: (a) personal baggage and wearing apparel of any passenger; or (b) a building leased or rented by you ; or (c) a vehicle (which is not insured under Section 1 of the policy or owned by you), which is being towed by an insured vehicle . However, this does not apply to vehicles which are towed or recovered for reward where your business includes a vehicle recovery service.
Transporting of a Load	Liability in connection with the transporting of a load to, or away from, the insured vehicle . However, this Exclusion does not apply to the actual loading or unloading of the insured vehicle .
Vehicles	Liability for loss to any vehicle that is insured under this policy.
Vibration or Weight	Liability for loss to property (including a road) arising from: (a) vibration caused by the insured vehicle , or (b) the weight of the load carried by the insured vehicle , or (c) the weight of the insured vehicle , or (d) the combined weight of the load and the insured vehicle . <i>Note: Please see Section 2: Automatic Extensions - Vibration or Weight Damage.</i>

SECTION 2: BASIS OF SETTLEMENT

Basis of Settlement	<ol style="list-style-type: none">1. The most we will pay for any event under Section 2:<ol style="list-style-type: none">(a) for legal liability is \$10,000,000 or the limit stated in the schedule whichever is less;(b) for legal defence costs and expenses is \$1,000,000 or the limit stated in the schedule whichever is less.2. If our maximum liability is insufficient to cover both the insured in the schedule and any other party entitled to cover under Section 2, it will apply first to the insured in the schedule.3. We are not liable for any excess shown in the policy or schedule.4. The most we will pay under each automatic or optional extension will be the higher of :<ol style="list-style-type: none">(a) the amount specified in the policy; or(b) the amount specified in the schedule.
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GENERAL POLICY EXTENSIONS APPLICABLE TO SECTIONS 1 AND 2

AUTOMATIC EXTENSIONS

These extensions automatically apply. They are subject to the terms of the policy.

Additions and Deletions	<ol style="list-style-type: none">1. Additions<p>Any vehicle purchased or leased by you during the period of insurance is an insured vehicle under this policy from the date of purchase or commencement of the lease.</p><p>The maximum amount we will pay under 'Section 1: Basis of Settlement' for each purchased or leased vehicle covered under this extension is \$300,000.</p>2. Deletions<p>If an insured vehicle is sold or the lease ends during the period of insurance, it ceases to be an insured vehicle under this policy from the date of sale or the date the lease ends.</p>3. Premium adjustment
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	<p>(a) The premium payable by you under this policy will be adjusted at the end of the period of insurance to reflect insured vehicles added or deleted under this extension during the period of insurance.</p> <p>(b) We will apply the additions and deletions premium rate as agreed, to 50% of the difference in value between all additions and deletions, to calculate any additional premium to be paid to us by you, or any refund of premium we are to pay to you for that period of insurance, and you will pay any additional premium, or we will refund such sum.</p>
Breach of Condition	<p>This policy will not be invalidated by any breach of condition, where the breach occurs without your knowledge or consent, provided that we are advised immediately after you become aware of the breach and you pay us any additional premium we may require.</p>
Counselling	<p>If an accident involving an insured vehicle that is covered under section 1 of this policy involves a fatality, we will cover you for the reasonable costs incurred in your driver obtaining professional counselling in excess of any entitlement under ACC.</p> <p>The most we will pay under this extension is \$5,000 for any one event, unless a different amount is shown in the schedule.</p> <p>No excess applies to this extension.</p>
Emergency Public Relations	<p>Following a claim payable under this policy, you are insured for the reasonable costs of public relations expenses incurred with our prior written consent.</p> <p>The most we will pay under this extension for any one event is \$25,000 unless a different amount is shown in the schedule.</p> <p>An excess of \$2,500 applies to this extension.</p>
Invalidation	<p>This policy covers you for loss or liability that arises when an insured vehicle is being used in the circumstances excluded in:</p> <ol style="list-style-type: none"> 1. General Exclusions 'Alcohol, Drugs and Other Intoxicating Substances', 2. General Exclusions 'Overloaded Vehicles', 3. General Exclusions 'Intentional or Reckless Acts', 4. General Exclusions 'Unlicensed Drivers', 5. General Exclusions 'Unsafe Vehicles',

	<p>6. General Exclusions 'Work Time Rules', provided that:</p> <ul style="list-style-type: none"> (a) the driving in those excluded circumstances was without your knowledge or consent; and (b) you have not waived any right of recovery against the driver, and, (c) you cooperate fully with us and the police in pursuit of reparation from the driver. <p>The liability of the driver or person responsible for the loss or liability is not insured under this extension</p> <p>For the purposes of this extension only, your knowledge is deemed to include the knowledge of:</p> <ul style="list-style-type: none"> (a) any person employed by you with your delegated authority to control the conduct of the driver; or (b) the driver, if the driver is of such senior position within your business that his/her knowledge or consent is by law deemed to be your knowledge or consent.
<p>Release of Liability</p>	<p>Where you are required by legislation or by contractual agreement to release any of:</p> <ul style="list-style-type: none"> (a) the New Zealand Fire Service; (b) any fire protection equipment suppliers; (c) New Zealand Government trading as Kiwi Rail; (d) Any oil company; or (e) Any other party to an agreement which has been declared to and accepted by us, <p>from liability arising from loss insured by this policy, the release is allowed without prejudice to this insurance.</p>

OPTIONAL POLICY EXTENSIONS

These extensions are optional and only apply when stated in the **schedule**. They are subject to the terms and exclusions of the policy.

<p>Burning Cost</p>	<p>The premium payable under this policy shall be adjusted on claim costs incurred (claim costs paid plus outstanding estimates) during the period of insurance. This will be calculated as follows:</p> <ul style="list-style-type: none"> (a) 30 days after the end of the period of insurance the Total Premium shall be adjusted by dividing the Incurred Claims cost by the multiplier as agreed in the schedule. (b) If the premium produced is greater than the Total Premium paid, you shall pay the difference but not exceeding the percentage of the deposit premium as agreed in the schedule. (c) If the premium produced is less than the Total Premium paid, we shall refund the difference to a minimum retained premium of the agreed percentage in the schedule of the deposit premium. <p>For the purposes of this extension:</p> <p>Total Premium shall mean deposit premium plus any additional or return premium adjustments processed during the period of insurance.</p> <p>'Incurred Claim costs' will mean the total amount of claims paid and reasonable estimates of claims yet to be paid, including fees, net of actual and estimated recoveries.</p>
<p>Profit Share</p>	<p>If, at the end of the period of insurance, you agree to renew the insurance with us, we will adjust the premium paid for that period of insurance as follows:</p> <ul style="list-style-type: none"> (a) 30 days after the end of the period of insurance the Net Premium will be totalled together with Incurred Claims costs as a result of accidents during the period of insurance, and (b) A loss ratio will be calculated by comparing the Net Premium to the total Incurred Claims costs, and (c) If this loss ratio is more than 60%, no profit share refund is payable. If the loss ratio is 60% or less, the amount of profit share refund will be calculated by using one of the following profit share percentages.

	<p>Profit Share Percentage</p> <p>(a) If the loss ratio is 40% or less =20% profit share refund</p> <p>(b) If the loss ratio is between 41% and 50% = 15% profit share refund</p> <p>(c) If the loss ratio is 51% or more but not greater than 60% =10% profit share refund</p> <p>If a profit share is payable, then it will be calculated by multiplying the profit share percentage against the sum of Net Premium less Incurred Claim costs. This adjustment is processed net of commission.</p> <p>For the purposes of this extension:</p> <p>'Net Premium' will mean gross premium and any additional or return premium adjustment, less commission if applicable</p> <p>'Incurred Claim costs' will mean the total amount of claims paid and reasonable estimates of claims yet to be paid for claims arising in the period of insurance, including fees, net of actual and estimated recoveries.</p>
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GENERAL POLICY EXCLUSIONS

These exclusions apply to all parts of this policy.

Accident Compensation Act	<p>This policy does not insure:</p> <ol style="list-style-type: none"> 1. liability for bodily injury which is covered by the Accident Compensation Act 2001 ('Act') , and 2. in particular, liability for bodily injury payable as reparation for any amounts which are covered by the Act, or would be covered but for: <ol style="list-style-type: none"> (a) a failure by the victim of offending to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, (b) the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, (c) a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.
Alcohol, Drugs and Other Intoxicating Substances	<p>This policy does not insure loss or liability when a vehicle is being driven by any person, including you, who:</p>

	<ol style="list-style-type: none"> 1. has a proportion of alcohol in their breath or blood that exceeds the legal limit, or 2. is under the influence of any other intoxicating substance or drug, or 3. fails or refuses to supply a breath or blood sample as required by law, or 4. fails or refuses to stop, or remain at the scene, following an accident (as required by law). <p>This exclusion does not apply to any claim for loss arising from theft or illegal conversion of an insured vehicle.</p>
Confiscation	<p>This policy does not insure loss or liability in connection with confiscation, nationalisation, requisition, destruction of, or damage to property by order of any Government, Public or Local Authority unless the order is given to prevent or control any accidental loss or damage that would otherwise have been covered by this policy.</p>
Electronic Data	<p>This policy does not insure loss or liability of any type in connection with:</p> <ol style="list-style-type: none"> 1. loss of, alteration of, or damage to, or 2. reduction in functionality, availability or operation of. <p>a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the insured's property or not, that do not in and of themselves constitute an event unless arising out of one or more of the following events:</p> <ol style="list-style-type: none"> (a) fire, lightning, explosion, or (b) aircraft or vehicle impact, falling objects, or (c) windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze, weight of snow.
Hired or Rented Vehicles	<p>This policy does not insure any vehicle hired or rented by you when you have purchased insurance offered by the rental vehicle hirer.</p> <p><i>Note: Refer to Section 2: Automatic Policy Extensions – Hired Vehicles.</i></p>
Intentional or reckless acts	<p>This policy does not insure loss or liability arising from any intentional or reckless act or omission.</p>

Nuclear	This policy does not insure loss or liability of any type in connection with nuclear weapons material, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion (including self-sustaining process of nuclear fission) of nuclear fuel.
Overloaded vehicles	This policy does not insure loss or liability if the vehicle is loaded or operated contrary to the manufacturer's recommended specifications or loaded or operated contrary to regulations or statute. This exclusion does not apply to any claim for loss arising from theft or illegal conversion.
Sanctions	This policy does not insure loss or liability of any type to the extent that the provision of such cover or the payment of such claim would contravene any sanction, prohibition or restriction under any United Nations resolution or trade or economic sanctions, laws or regulations of New Zealand, Australia, United Kingdom, the United States of America, or the European Union.
Seepage, Pollution and Contamination	<p>This policy does not insure loss or liability of any type in connection with seepage, pollution or contamination, unless sudden, unintended and unexpected, occurring during the period of insurance. The coverage under this policy is limited to costs and expenses reasonably and necessarily incurred to:</p> <ol style="list-style-type: none"> 1. remove, store and/or dispose of debris or the decontamination, demolish, dismantle, dewater, shore up, prop, underpin or carry out other temporary repairs consequent upon damage which is covered by the policy and caused by an insured event. 2. demolish and remove any property belonging to the insured which is no longer useful for the purpose it was intended for, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement. 3. clean up and remove pollutants from land confined to insured premises if the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by an insured event.
Terrorism	This policy does not insure loss or liability of any type in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence and including in connection with controlling, preventing, suppressing, retaliating against or responding to any act of terrorism .
Unlawful to Insure	This policy does not insure loss or liability of any type in connection with any

	activity, event or occurrence deemed to be unlawful to insure against.
Unlicensed drivers	<p>This policy does not insure loss or liability if the insured vehicle is being used or driven by any person who:</p> <ol style="list-style-type: none"> 1. does not have a licence that is in full force and effect to drive the insured vehicle at the time and place of the loss; or 2. is not complying with the conditions of their licence. <p>This exclusion will not apply if:</p> <ol style="list-style-type: none"> (i) prior to the loss, the driver had held the appropriate licence, is not disqualified from holding or obtaining the appropriate licence, and actually obtains the appropriate licence without carrying out a further test; or (ii) the vehicle is being used for the purpose of teaching a learner to drive, if all requirements of the law are being complied with.
Unsafe vehicles	<p>This policy does not insure loss or liability if the vehicle is being used in an unsafe condition. This includes any condition:</p> <ol style="list-style-type: none"> 1. which is contrary to any recommendation by the manufacturer of the vehicle, or 2. as a result of which the vehicle is not fit to deal with any peril likely to be encountered during the course of its operation, <p>when you, or any driver was (or should have been) aware of that condition.</p> <p>This exclusion does not apply to any claim for loss arising from theft or illegal conversion of the vehicle.</p>
War	<p>This policy does not insure loss or liability of any type in connection with controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, military rising, mutiny, rebellion, revolution, insurrection, military or usurped power.</p>
Work time Rules	<p>This policy does not insure loss or liability when any vehicle is being used in breach of any enactment or regulations relating to work time or logbook rules. This exclusion does not apply to any claim for loss arising from theft or illegal</p>

	conversion of the vehicle .
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HOW TO CLAIM

<p>What You Must Do</p>	<p>If anything happens that may lead to a claim under this policy, you must:</p> <ol style="list-style-type: none"> 1. do what you can to take care of the vehicle and to prevent any further loss, expense or liability, and 2. tell us as soon as possible, and 3. notify the police as soon as possible if it is believed any loss was caused by an illegal act of a person other than a person covered by this policy, and 4. allow us to examine the vehicle before any permanent repairs are started, and 5. send to us as soon as possible, anything received from anyone about a claim or possible claim against you, or anyone else entitled to cover under this policy, and 6. give us any information or help that we ask for, and 7. consent to your personal information in connection with the claim being: <ol style="list-style-type: none"> (a) disclosed to us, and (b) transferred to Insurance Claims Register Limited, and 8. tell us immediately if you, or anyone else entitled to cover under this policy, are charged with any offence in connection with the use of an insured vehicle which resulted in loss of property or bodily injury to another person.
<p>What You Must Obtain Our Agreement To Do</p>	<p>You, and anyone else entitled to cover under this policy, must obtain our agreement before you:</p> <ol style="list-style-type: none"> 1. incur any expenses in connection with any claim under this policy, or 2. negotiate, pay, settle, admit or deny any claim made against the you, or anyone else entitled to cover under this policy, or 3. negotiate, make or agree any offer of amends to a victim of offending by any person covered by this policy, or 4. do anything that may prejudice our rights of recovery.

<p>Dishonesty</p>	<p>If a claim is dishonest or fraudulent in any way, we may:</p> <ol style="list-style-type: none"> 1. decline the claim, either in whole or in part, and/or 2. declare either this policy, or all insurance you have with us, to be of no effect and to no longer exist from the date of the dishonest or fraudulent act. <p>This is at our sole discretion.</p>
<p>Things You Must Do After We Pay A Claim</p>	<p>You, and anyone else entitled to cover under this policy, must:</p> <ol style="list-style-type: none"> 1. tell us if any lost or stolen property which was part of the claim is found or recovered, and hand it over to us if we request it. 2. tell us if any person is ordered to make reparation to you for any loss or cost which is part of the claim, and reimburse us for that payment as soon as any reparation is received.
<p>Actions We May Take</p>	<ol style="list-style-type: none"> 1. Subrogation <p>Once we have accepted any part of a claim under this policy, we may assume your, or any other person entitled to cover under this policy's, legal right of recovery. If we initiate a recovery, we will include any excess, and any other uninsured losses suffered. Where we do this, you (or other person entitled to cover) agree to pay your or their proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that we will reimburse the excess first. You, or any other person entitled to cover, must fully co-operate with any recovery process. If you don't, we may recover from you the amount paid in relation to the claim.</p> 2. Conduct of defence <p>We have the sole right to act in your name, or in the name of any other person entitled to cover under this policy, and on your or their behalf to defend, negotiate or settle any liability covered under 'Section 2: Liability To The Public' as we see fit (this will be done at our expense).</p> <p>We may elect at any time to pay the maximum amount payable under this policy, or any lesser sum that the liability can be settled for. Once we have paid this (plus any defence costs and expenses covered by this policy and already incurred, but less any applicable excess) our responsibility to you or any other person covered under this policy is met in full.</p> <p>The lawyers we instruct to act on your behalf or on the behalf of any other person</p>

	<p>entitled to cover, are authorised by you or such other person, to disclose to us any information the lawyers receive in that capacity, including information they receive from you or any other person.</p>
	<p>3. Waiver of Subrogation (Group of Related Companies)</p> <p>Where you are a parent or subsidiary in a group of related companies, we waive any right of recovery you may have against any other company in the same group.</p> <p>A 'group of related companies' means a group of companies related to one another by virtue of such ownership.</p>
	<p>4. Recoveries</p> <p>If an insured vehicle or any property we have paid a claim for is later found or recovered, you must tell us immediately and hand it over to us if we request it. We have the right to keep the insured vehicle and any property that we have paid a claim for under this policy, including any proceeds if it is sold.</p>
	<p>5. Reparation</p> <p>If any person is ordered to make reparation to you for loss to an insured vehicle that we have paid a claim for under this policy, then you must tell us. Any payments received must first reimburse our claims payment up to the amount of any reparation received.</p>

GENERAL CONDITIONS	
<p>Your Obligations</p>	<p>1. Breach of any Condition</p> <p>If:</p> <ol style="list-style-type: none"> 1. you, or 2. any other person we insure under this policy, or 3. anyone acting on your behalf, <p>breaches any of the conditions of this policy, we may:</p> <ol style="list-style-type: none"> (a) decline the claim either in whole or in part, and/or (b) declare either this policy or all insurance you have with us to be

	<p>unenforceable.</p> <p>This is at our sole discretion.</p>
	<p>2. True Statements and Answers</p> <p>The application is the basis of this policy. True statements and answers must be given (whether by you or any other person) when you:</p> <ol style="list-style-type: none"> 1. apply for this insurance, and/or 2. notify us regarding any change in circumstances, and/or 3. make a claim under this policy.
	<p>3. Reasonable Care</p> <p>You, and anyone using an insured vehicle, must take reasonable care at all times to avoid circumstances that could result in a claim.</p> <p>There is no cover if you are reckless or grossly irresponsible.</p>
	<p>4. Complying with this Policy</p> <p>We will not pay any claim unless you, or any person who acts on your behalf, complies with this policy. This also applies to any other person who can claim under the policy.</p>
	<p>5. Changes In Circumstances</p> <p>You must tell us immediately if there are any:</p> <ol style="list-style-type: none"> 1. modifications to an insured vehicle, or 2. change in the use of an insured vehicle, or 3. material changes that might alter the nature of the risk insured or increase the chance of a claim under this policy. <p><i>Information is 'material' where we would have made different decisions about either:</i></p> <p><i>(a) accepting your insurance, or</i></p> <p><i>(b) setting the terms of your insurance, if we had known that information. If in any doubt, notify us anyway.</i></p> <p><i>The 'risk insured' refers to both:</i></p>

	<p>(a) the actual property or liabilities covered (known as physical hazard), and</p> <p>(b) you or other persons covered by this policy (known as moral hazard).</p> <p>6. Vehicle values</p> <p>All values of insured vehicles stated in the vehicle declaration must represent, as nearly as possible, their market value. Values such as book value, depreciated cost, written down value and residual value are not sufficient to comply with this policy condition.</p> <p>We may require you to provide vehicle declarations showing their book value, depreciated cost, written down value or residual value in your business records.</p>
<p>How We Administer This Policy</p>	<p>Cancellation</p> <p>BY THE INSURED</p> <p>You may cancel this policy at any time. If you do, we will refund any premium that is due based on the unused portion of the period of insurance.</p> <p>BY US</p> <p>We may cancel this policy by giving you notice in writing or by electronic means at your last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. We will refund you any premium that is due based on the unused portion of the period of insurance.</p>
	<p>Change of Terms</p> <p>We may change the terms of this policy (including the excess) by giving you notice in writing or by electronic means at the last known address we have for you. The policy will be changed from 4pm on the 30th day after the date of the notice.</p>
	<p>Other Insurance</p> <p>You must tell us as soon as you know about any other insurance which covers an insured vehicle. This policy does not cover loss or liability at all if it is insured to any extent under any other insurance policy. We will not contribute towards any claim under any other insurance policy.</p>
	<p>Joint Insurance</p>

	<p>If this policy insures more than one person, then all persons are jointly insured. This means that a breach of this policy by any one person affects everyone's ability to claim under this policy.</p> <p>We may choose to pay any claim in full to the person who is named first in the schedule, and this will meet all our obligations under this policy for that claim.</p> <hr/> <p>Interests of Other Parties</p> <p>If we know of anyone who has a financial interest over an insured vehicle, we can pay them part or all of any claim proceeds. This payment goes towards meeting our obligations under the policy.</p> <p>However, anyone recorded as having a financial interest under this policy is not covered by it and has no right to make a claim.</p> <p>We are also authorised by you to disclose personal information about you to anyone who holds a financial interest in an insured vehicle.</p> <hr/> <p>Total loss</p> <p>If we pay a claim for an insured vehicle that we determine is a total loss:</p> <ol style="list-style-type: none"> 1. that insured vehicle will become our property, and 2. that vehicle is no longer an insured vehicle under this policy, and 3. we will not give any refund of premium, and 4. in the event premium for the period of insurance is paid in instalments, any unpaid premium for the balance of the period of insurance is due immediately and may be deducted from any payment made by us.
<p>Laws And Acts That Govern This Policy</p>	<p>Governing Law and Jurisdiction</p> <p>The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.</p> <hr/> <p>Legislation Changes</p> <p>Where this policy refers to any Act of Parliament, it also includes any sub-ordinate legislation made under it, and any subsequent Acts or Regulations.</p> <hr/> <p>Insurance Law Reform Acts</p> <p>The exclusions and conditions in this policy are subject to your rights under the</p>

	Insurance Law Reform Acts 1977 and 1985.
	<p>Currency</p> <p>Any amount shown in this policy or the schedule is in New Zealand dollars.</p>
	<p>Goods and Services Tax</p> <p>Where GST is recoverable by us under the Goods and Services Tax Act 1985:</p> <ol style="list-style-type: none"> 1. all vehicle values specified in the vehicle declaration exclude GST, and 2. all limits and sub limits exclude GST, and 3. all excesses include GST, and <p>GST will be added, where applicable, to claim payments.</p>

DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words. *For example, the definition of 'accident' also applies to the words 'accidentally', 'accidental' and 'accidents'.*

accessory	A fitting or attachment that alters the performance, characteristics of, or is designed for use in, a vehicle to which it is attached but without which the vehicle would still operate, car tools, spare parts, and emergency aids, used exclusively for the insured vehicle (including when temporarily removed from the insured vehicle), <i>for example but not limited to: on board computers, telephone installations, satellite navigation devices, remote controls for attached plant, load securing or protection equipment in, on or in connection with the insured vehicle, and racking installed in tradesmen's vehicles, but not any mobile telephone or personal audio equipment unless permanently attached to the vehicle</i>
accident	An event occurring in New Zealand that is unintended, unexpected and unforeseen by you .
act of terrorism	Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division therefore, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation 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) de jure or de facto, and that

	<ol style="list-style-type: none"> 1. involves violence against one or more persons, or 2. involves damage to property, or 3. endangers life other than that of the person committing the action, or 4. creates a risk to health or safety of the public or a section of the public, or 5. is designed to interfere with or disrupt an electronic system.
annual period	<p>The period of insurance, but no more than 12 months. However, if</p> <ol style="list-style-type: none"> 1. you pay the premium monthly or quarterly, or 2. the period of insurance is for more than 12 months, <p>the annual period is any one 12 month period calculated from the date this policy first started, and consecutively thereafter</p>
application	<p>The information provided to us by you or on your behalf when you purchased this insurance or requested a quotation for this insurance from us. It also includes any subsequent information you provide us with.</p>
bodily injury	<p>The accidental death of or the accidental bodily injury to any person during the period of insurance, including sickness, disease, disability, shock, fright, mental anguish or mental injury.</p>
driver	<p>The person driving or operating any component of the insured vehicle (<i>for example a crane or hoist</i>).</p>
excess	<p>The first amount of any claim that you must pay for an event, specified in the schedule or in this policy.</p>
event	<p>An event or series of events, arising from one source or original cause.</p>
insured vehicle	<ol style="list-style-type: none"> 1. All vehicles listed in the vehicle declaration provided to us; and 2. Any other vehicle not owned by you that is hired, rented, or borrowed or loaned without financial or other consideration (<i>for example a motor mechanic's or panel beater's loan vehicle</i>) during the period of insurance <i>For the sake of clarity, this includes non-owned trailers.</i> <p><i>Note additional vehicles that you purchase or lease during the period of insurance</i></p>

	<i>are covered under the General Extensions - Additions and Deletions benefit.</i>
loss	Physical loss or physical damage.
market value	The reasonable sale price of the same or a comparable vehicle of similar pre-loss age, condition and specification, including the value of any accessories but excluding the value of any sign-writing.
mechanical plant	A vehicle , that has either plant or machinery attached to it, or is primarily designed as mobile plant or mobile machinery.
natural disaster	Earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, or subterranean fire, or fire following any of these.
period of insurance	The period of time stated in the schedule that specifies the start and end dates of this insurance contract.
permitted use	Used by you or anyone with your consent: 1. for your business or occupation; or 2. for your private, social or domestic purposes; or 3. for a business or occupation comparable with your business or occupation, when temporarily lent out by you .
reparation	An amount ordered by a New Zealand Court to be paid to the victim of an offence under Section 32 of the Sentencing Act 2002.
residual value	The residual value of a leased insured vehicle , calculated in accordance with the lease agreement relating to that insured vehicle .
schedule	The latest document issued to you which specifies limits and or sub limits and any applicable excesses under individual parts of the policy wording. This document forms part of your policy wording.
subsidiary	A company with more than half the nominal value of its equity share capital owned by a parent company, either directly or through other subsidiaries.
total loss	Actual total loss, or if we determine the insured vehicle is uneconomic to repair.

vehicle	Any type of motor vehicle, machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, and anything designed to be towed by such motor vehicle, or machine, including any accessories and fit out of such a machine.
vehicle declaration	The list of insured vehicles stating their values (including the value for any signwriting) provided by you at the inception of this policy, and any subsequent endorsement or renewal.
we	NZI, a business division of IAG New Zealand Ltd. <i>We may also use the words 'us' 'our' or 'company' to describe NZI.</i>
you	The person(s) or entity named in the schedule as 'Insured' including any <ol style="list-style-type: none"> 1. subsidiary, or 2. Associated management company, or 3. Associated social or sporting club , or 4. New organisation or company formed or acquired by you during the period of insurance. <p>We may also use the word 'Insured' to describe you.</p>

FAIR INSURANCE CODE

As a member of the Insurance Council of NZ, IAG is committed to complying with the Fair Insurance Code. A copy of the Code can be found at www.icnz.org.nz