

COMMERCIAL MOTOR VEHICLE



INTRODUCTION

WELCOME	<p>Welcome to QBE Insurance (Australia) Limited, ABN 78 003 191 035, incorporated in Australia.</p> <p>Thank you for selecting us as your insurer.</p>
ABOUT THIS POLICY	<p>Your Commercial Motor Vehicle Policy consists of:</p> <ol style="list-style-type: none"> 1. this policy document, and the schedule, and <p>any endorsements or warranties that we apply, and the information you have provided in the application for insurance to us.</p>
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"> 1. to accept or decline your insurance, and/or 2. 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>Examples of relevant facts for Motor Vehicle insurance may include:</p> <ul style="list-style-type: none"> • <i>any previous traffic violations including speeding, reckless driving, drink-driving or drug driving.</i> • <i>any non-factory modifications (whether structural, performance or cosmetic) to an insured motor vehicle.</i> • <i>any change of use of an insured motor vehicle (for example a private car now used for business use)</i> • <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	<p>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.</p>
HEADINGS	<p>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.</p>

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'.
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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	<p>Provides:</p> <ol 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	<p>Provides:</p> <ol 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 General Policy Extensions Applicable to Sections 1 and 2 – Automatic Extensions- Uninsured Third Party Protection, and 3. Full cover under Section 2 – Liability to the Public.
Third Party Only	<p>Provides:</p> <ol style="list-style-type: none"> 1. Full cover under Section 2 – Liability to the Public.

WHAT YOU ARE COVERED FOR

SECTION 1: COVER FOR THE INSURED VEHICLE

Cover	We will insure you for accidental loss to an insured vehicle and its accessories occurring anywhere in New Zealand, including transit between islands of New Zealand, during the period of insurance .
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SECTION 1: AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'What You Are Covered For – Section 1: Cover for the Insured Vehicle' above, **we** also provide the following Automatic Policy Extensions.

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

- a) Comprehensive **cover option** shown in the **schedule**; or
- b) 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
- c) There is a valid claim under Section 1 of this policy, 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: Cover for the Insured Vehicle, Basis of Settlement, 2. Otherwise, any payment under an extension will be within the maximum liability under Section 1: Cover for the Insured Vehicle, Basis of Settlement, 2.

Appreciation - Mechanical Plant	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: <ol style="list-style-type: none"> (a) The specified market value of the mechanical plant was correct at the time of inception or renewal of this policy, and The appreciation shall be of no greater than 25% of the value of the vehicle declaration .
Car sharing agreement	Payment made by passengers as part of a car sharing/pooling agreement does not constitute the conveyance of passengers for hire or reward.
Claim preparation costs	This policy covers reasonable costs incurred by you (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).

	The most we will pay under this extension is \$5,000 for any one accident , unless a different amount is shown in the schedule .
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 accident, 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 to the driver's estate, regardless of any other insurance.</p> <p>The most we will pay under this extension is \$10,000 for any one accident, 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 an accident covered under Section 1, and this results in permanent disability which necessitates vehicle modifications (such as 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 addition 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 accident, unless a different amount is shown in the schedule.</p>
Employees' Vehicles	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.
Expediting Expenses	This policy is extended to cover you for the additional 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.
First Aid Kits	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 your vehicle damaged or used as a result of that accident .
Funeral Expenses	If a driver dies as the direct result of an accident causing loss to an insured vehicle , 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

	<p>addition of 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 (<i>e.g. 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 accident, 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> <ol style="list-style-type: none"> 1. Fire, or 2. Collision, or 3. Impact, or 4. Overturning, or 5. 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 accident, unless a different amount is shown in the schedule.</p> <p>An excess of \$100 applies to any claim under this extension.</p>
<p>Hazardous Substance Emergencies</p>	<p>We will indemnify you for any charge that the New Zealand Fire Service makes and is authorised to make in respect to any Hazardous Substance Emergency during the period of insurance arising out of or in connection with the insured vehicle. The indemnity will be payable regardless of whether the insured vehicle has sustained loss.</p> <p>'Hazardous Substance Emergency' has the same meaning as defined in the Fire Service Act 1975 or its amendments.</p> <p>The most we will pay under this extension is \$5,000 for any one accident, unless a different amount is shown in the schedule.</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> <ol 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>

Hoists , hydraulic lifts and rams	<p>Section 1 covers mechanical breakdown or mechanical failures 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 one claim under this extension.</p>
Keys and Locks	<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 is a total loss, 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"> (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, where there is a guaranteed buy back arrangement.
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 suffers a total loss covered under Section 1 of the</p>

	<p>policy within 12 months of it being first registered as a new vehicle in New Zealand, we will either:</p> <p>(a) provide a new replacement vehicle of the same make, model and specification, or</p> <p>(b) if a new replacement is not available, pay the price for which such a vehicle was last available in New Zealand.</p> <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.</p>
Relief Driver Costs	<p>If as the result of an accident involving the insured vehicle, 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 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 accident 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 \$1,500 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 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, and its delivery to where it is usually garaged after its repair or recovery.</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 your vehicle is repairable we will pay the reasonable cost of reinstatement of signwriting, artwork, wraps and or graphics existing at the time of loss in connection with a claim payable under Section 1.</p> <p>In the event of a total loss, we will pay the reasonable cost to have a replacement vehicle sign written to an equivalent specification.</p>

	<p>The most we will pay under this extension is \$10,000 for any one event unless a different amount is shown on the schedule.</p> <p>Where the insured vehicle is a total loss, the amount payable under this extension is included within the market value of the insured vehicle.</p>
Tarpaulins, Sheets, Ropes	<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 claim, 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>
Theft Costs	<p>If 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 cost of the first 7 days of hire is not covered; and</p> <p>(c) 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.</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 loss unless a different amount is shown in the schedule.</p>
Tyre Damage	<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's or tracks.</p> <p>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>Windscreens and Window Glass</p>	<p>You are insured for loss to windscreens, sunroof, headlights, tail lights 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 stated in the schedule.</p>
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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, unless a different amount is shown in the schedule.</p>
<p>Ingestion or Entanglement of Foreign Objects</p>	<p>We will insure 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 during the period of loss (as defined below). This extension is subject to the following:</p> <p>(a) It only applies to the insured vehicle(s) stated in the schedule as being subject to this extension;</p> <p>(b) The substitute vehicle must be similar or of a similar specification to the insured vehicle;</p>

	<p>(c) The extension does not apply if you have available a free substitute vehicle or once you purchase an additional vehicle;</p> <p>(d) The repair of the insured vehicle must be carried out as soon as reasonably practicable;</p> <p>(e) This extension does not cover costs charged by the hire company for insurance, petrol or normal running costs;</p> <p>(f) This extension does not apply if you have made a claim under Section 1: Automatic Policy Extensions - Theft Costs.</p> <p>(g) 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), following a total loss or pending repair of loss covered under Section1, while the insured vehicle is unfit to be driven, subject to the application of and compliance with all other terms of this extension, we will pay to you the daily rate shown in the schedule from the date cover under this extension begins to the date cover under this extension ends.</p> <p>The most we will pay under this extension shall not exceed the maximum limit for any one insured vehicle stated in the schedule. The maximum period of loss for any one insured vehicle is 90 days. An excess equal to the cost of the first 7 days hire will apply.</p> <p>In this extension, 'Period of Loss' means the period:</p> <p>(a) Beginning;</p> <p style="padding-left: 40px;">(i) When the insured vehicle is delivered to the 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 can no longer be driven, or is deemed a total loss at that date; and</p> <p>(b) Ending</p> <p style="padding-left: 40px;">(i) when the repairs are completed and the insured vehicle is available to be collected or delivered, or</p> <p style="padding-left: 40px;">(ii) when you have returned the substitute hire vehicle</p> <p>whichever occurs first.</p> <p>(c) In the case of a total loss, the period ends on:</p> <p style="padding-left: 40px;">(i) the date we make payment for the total loss; or</p> <p style="padding-left: 40px;">(ii) when we have settled your claim in full,</p> <p>whichever occurs first.</p>
<p>Portable Electronic Equipment</p>	<p>You are insured for accidental loss to portable electronic equipment associated with your business (<i>such as scanners/Eftpos or wireless remote controls/wireless printers and tablets</i>) whilst in or on the vehicle. We will pay the reasonable replacement cost of this property.</p> <p>The most we will pay for any one event is \$2,500, unless a different amount is shown in the schedule.</p>

	<p>An excess of \$250.applies to claims under this extension.</p> <p>Where the insured vehicle suffers a total loss, the amount payable under this extension is in addition to the market value of the insured vehicle.</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, 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 employees 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>

SECTION 1: EXCLUSIONS

Exclusions	The following exclusions apply only to Section 1. The General Exclusions also apply to Section 1 of this policy.
Consequential Loss	This policy does not insure; (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 (b) depreciation or reduction in value.
Deliberate damage by you	This policy does not insure loss where the insured vehicle is deliberately damaged by any person with a financial or ownership interest in the insured vehicle or in your business.
Drilling Equipment	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.
Hired Vehicles	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 .
Ingestion and Entanglement of Foreign Objects	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.
Tyres	This policy does not insure damage to or destruction of tyres by application of brakes or by punctures, cuts or bursts. However this exclusion will not apply if the damage or destruction results from separate loss that is covered by this policy.
Vehicle Parts	1. This policy does not insure loss to the following parts of an insured vehicle : (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,

	<ul style="list-style-type: none"> (h) pumping and vacuuming systems, (i) any fixed plant machinery (including but not limited to food /drink preparation equipment), (j) underground exploratory devices. <p>2. However, this exclusion does not apply to loss the direct result of:</p> <ul 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> <ul 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. (d) Gradual damage, action of light, or cleaning process. <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

<p>Basis of Settlement</p>	<p>1. We will, at our option, settle your claim for loss in one of the following ways:</p> <ul style="list-style-type: none"> (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
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	<p>(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</p> <p>(f) If the insured vehicle is hired, rented, or borrowed or loaned without financial or other consideration (<i>for example a motor mechanic or panel beater's loan vehicle</i>) we will pay the market value of that vehicle to a maximum of \$250,000.</p> <p>(g) Provide indemnity in accordance with the terms of the Automatic Extension New Replacement vehicle.</p> <p>2. 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>3. 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>4. 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

We will insure **you** against the following:

1. **your** liability for:

- (a) **accidental bodily injury** to any person; or
- (b) **loss** to any property

occurring in New Zealand during the **period of insurance** and arising from the use of an **insured vehicle** (including whilst being loaded or unloaded).

2. **your** liability for:

- (a) **accidental bodily injury** to any person; or
- (b) **loss** to any property;

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:

- (i) is parked in a position which prevents or impedes the loading or unloading of the **insured vehicle**; or
 - (ii) prevents or impedes the legitimate passage of the **insured vehicle**.
- (c) Section 2: Exclusion - Property in Care, Custody or Control will not apply to the **vehicle** being moved.

3. **your** liability for:

- (a) **accidental bodily injury** to any person; or
- (b) **loss** to any property;

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.

4. Legal defence costs and expenses, provided that they are incurred:

- a) to defend any civil proceeding (or threat of a civil proceeding) brought against **you**, and
- b) in respect of any alleged liability that, if proven, would be covered under Section 2 of this policy,
- c) provided that those costs are reasonable and incurred with **our** consent.

We will meet these costs even if the civil proceeding seems groundless.

The most **we** will pay is \$1,000,000 for any event, but excluding legal costs and expenses in 5. below.

These legal costs and expenses are additional to the Section 2: Basis of Settlement liability limit.

	<p>5. Legal costs and expenses you incur to:</p> <ul style="list-style-type: none"> a) defend a charge of dangerous or careless driving causing death arising out of the use of the vehicle by any driver, or b) be legally represented at any enquiry or coroner's inquest concerning a death from the use of the vehicle by any driver, <p>provided that you are otherwise covered under Section 2: Liability to the Public of this policy.</p> <p><i>Refer to Section 2. Automatic Policy Extensions - Criminal Court Action/Inquiries/Inquests</i></p>
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SECTION 2: AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'What You Are Covered For – 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.

Airside Liability	<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 \$2,000,000, unless a different amount is shown in the schedule.</p>
Cleaning up Costs	<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 accident applies to claims under this extension.</p>
Criminal Court Action/Inquiries/Inquests	<p>Section 2 is extended to cover legal costs and expenses necessarily and reasonably incurred to:</p> <ul style="list-style-type: none"> 1. defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death, and 2. 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 \$10,000.</p> <p>Section 2: Exclusions – Criminal Offences does not apply to claims under this extension.</p>
Driver's Indemnity	<p>Section 2 is extended to cover the legal liability and litigation defence costs 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> <ol style="list-style-type: none"> 1. such use has your permission, and 2. their liability is not covered by any other insurance, and <p>the person using the insured vehicle meets all the same terms of this policy that you must meet.</p>
Exemplary Damages	<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 from:</p> <ol style="list-style-type: none"> 1. accidental bodily injury, or 2. 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 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> <ol 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>
Financial Charge	<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>
Forest and Rural Fires	<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 a 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:</p> <p>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>
Hazardous Substance Emergency	<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 a 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>
Hired Vehicles	<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> <ol style="list-style-type: none"> 1. liability to third parties as provided under 'Section 2: Liability Cover' 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: Legal Liability Cover', and 2. 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>Section 2: Exclusions, Property Owned, In Care, Custody Or Control', General Exclusions, – Rented Vehicles' do not apply to this extension.</p>
Hired Vehicle – Consequential loss	<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>
Marine Liability	<p>If an insured vehicle is transported by sea or air 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>
Passenger Liability	<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. Provided that the person 's liability is not covered any other insurance or under any other clause in this policy.</p>
Principal's Indemnity	<p>Section 2 is extended to indemnify the principal of any construction or works project for their vicarious liability:</p> <ol style="list-style-type: none"> 1. where the liability arises in connection with the use by you of an insured vehicle on that project, and 2. the liability is for accidental loss to property or accidental bodily injury occurring in New Zealand during the period of insurance.
Reparations	<p>You are insured for any reparation you become legally liable to pay arising from accidental bodily injury or accidental loss to property following a claim payable under this policy, provided:</p> <ol style="list-style-type: none"> (a) the reparation did not arise from any deliberate disregard by you of any of the provisions of any Act of Parliament which you have contravened; and (b) we are notified of any charges laid against you or the driver as soon as possible; and (c) no offer of reparation is made without our prior agreement. <p>The most we will pay under this extension is \$1,000,000 for any one event, unless a different amount is shown on the schedule.</p> <p>The reparation figure is included within the Section 2: Basis of Settlement liability limit.</p> <p>Section 2: Exclusions – Criminal Offences does not apply to this extension.</p>

Vibration or Weight Damage	<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 accident, unless a different amount is shown in the schedule.</p> <p>An excess of \$2,000 will apply to each accident.</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:

Contractual Liability	Liability arising out of a contract or agreement you would have been liable even without such contract or agreement.
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 to any driver, including the insured, for or arising from:</p> <ol style="list-style-type: none"> 1. bodily injury to, or 2. loss to any property owned by, <p>that driver, who claims under Section 2 of this policy.</p>
Exemplary Damages	<p>Liability for punitive or exemplary damages.</p> <p><i>Note: Please see Section 2: Automatic Extensions – Exemplary Damages.</i></p>

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 (<i>e.g. 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 the 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 .

SECTION 2: BASIS OF SETTLEMENT

Basis of Settlement	<p>1. The most we will pay under this Section 2 is:</p> <ul style="list-style-type: none"> a) for legal liability is \$10,000,000, or the limit stated in the schedule; b) for legal defence costs and expenses is \$1,000,000 or the limit stated in the schedule. <p>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.</p> <p>3. We are not liable for any excess shown in the schedule.</p> <p>4. The most we will pay under each automatic or optional extension will be the higher of:</p> <ul 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

Cover	These extensions automatically apply. They are subject to the terms of the policy.
Additions and Deletions	<p>1. Additions 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> <p>2. Deletions 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> <p>3. Premium adjustment 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>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</p>

	<p>for that period of insurance, and you will pay any additional premium, or we will refund such sum.</p> <p>4. Our total liability will not exceed \$300,000 in respect of any new addition that has not been advised to us.</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 for 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 to an insured vehicle and for any liability provided pursuant to Section 2 of the policy while that vehicle is being driven in the circumstances excluded in General Policy Exclusions 1, provided:</p> <p>(a) the driving in those excluded circumstances was without your knowledge or consent; and</p> <p>(b) you have not waived any right of recovery against the driver.</p> <p>(c) you cooperate fully with us and the police in pursuit of reparation from the driver</p> <p>For the purposes of this extension only, the knowledge of the insured is deemed to include the knowledge of:</p> <ul style="list-style-type: none"> (i) any person employed by you with your delegated authority to control the conduct of the driver; or (ii) 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>The liability of the driver or person responsible for the loss or liability is not insured under this extension.</p>

<p>Release of Liability</p>	<p>Where you are required by legislation or by contractual agreement to release any of:</p> <ol style="list-style-type: none"> 1. the New Zealand Fire Service; 2. any fire protection equipment supplies; 3. New Zealand Government trading as Kiwi Rail; 4. Any oil company; or 5. Any other party to an agreement which has been declared to and acknowledged by us, <p>from liability arising from loss insured by this policy, the release is allowed without prejudice to this insurance.</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> <ol style="list-style-type: none"> 1. full liability is admitted by that third party, or you have provided us with evidence establishing liability of that third party, and 2. you supply us with enough information to identify the third party (<i>such as the correct registration, their name and address</i>). <p>The most we will pay under this extension for any one insured vehicle for any one event is \$5,000.</p>
<p>Waiver of Subrogation</p>	<p>In the event of any claim arising under this policy, we agree to waive any right of recovery to which we may become entitled by way of subrogation against any Insured.</p> <p>Where the Insured named in the schedule is a parent or subsidiary in a group of related companies, this policy will not be invalidated by the Insured waiving or having waived any right of recovery it may have against any other company in the same group.</p> <p>For the purpose of this extension, a subsidiary company means a company, more than half the nominal value of whose equity share capital is owned by a parent company either directly or through other subsidiaries; and a group of related companies means a group of companies related to one another by virtue of such ownership.</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> <p>(a) 30 days after the end of the period of insurance the total premium shall be adjusted by dividing the claims cost incurred by the multiplier as agreed in the schedule.</p> <p>(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.</p> <p>(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> <p>For the purposes of this extension, total premium shall mean deposit premium plus any additional or return premium adjustments processed during the period of insurance.</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> <p>(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</p> <p>(b) A loss ratio will be calculated by comparing the Net Premium to the total of Incurred claims costs, and</p> <p>(c) If this incurred claim loss ratio is more than 60%, no profit share is payable. If the Incurred Claim cost loss ratio is 60% or less, the amount of profit share will be calculated by using one of the following profit share percentages:</p> <p>Profit Share Percentage</p> <p>(a) If the incurred Claim costs ratio is 40% or less =20% profit commission</p> <p>(b) If the incurred Claim costs ratio is between 41% and 50% = 15% profit commission</p>

	<p>(c) If the incurred Claim costs ratio is 51% or more but not greater than 60% =10% profit commission</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, 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.

There is no claim under this policy for any claim, **loss**, damage, liability, death, disablement, injury, **illness**, or any other form of cover otherwise available under this policy resulting from or directly or indirectly caused by or arising in connection with:

Confiscation	Confiscation, requisition, destruction of, or damage to property by order of any Government, Public or Local Authority unless is the order is given to prevent or control any accidental loss or damage that would otherwise have been covered by this policy.
Electronic Data	<ol style="list-style-type: none"> 1. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data; 2. error in creating, amending, entering, deleting or using electronic data; 3. total or partial inability or failure to receive, send, access or use electronic data for any time or at all; 4. communication, display, distribution or publication of electronic data but not where this causes bodily injury if otherwise covered by this policy but for this exclusion; <p>regardless of any other contributing cause or event whenever it may occur.</p>
Nuclear	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.
Sanctions	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.
Terrorism	Any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to such loss , damage, liability, death, injury, illness , disablement, cost or expense or action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism .
Unlawful to Insure	Any activity, event or occurrence deemed to be unlawful to insure against.
War	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.
There is no cover under either Section 1 or Section 2 (except that exclusions Breath test refusal, Driving hours, Intoxicating liquor or drug, Non-allowable use, Overloaded vehicle, and Unlicensed drivers below will not apply when the insured vehicle has been stolen or illegally converted):	
Accident Compensation Act	In respect of any costs that are recoverable (including by the victim of an offence) under the provisions of the Accident Compensation Act 2001 (or any replacement Act) and any subsequent amendments, or would be recoverable but for: <ol style="list-style-type: none"> 1. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or to claim any amount he or she would be entitled to under the Act for any other reason whatsoever; or 2. the decision of any authority including the Accident. Compensation Corporation to decline a claim or limit its liability in whole or in part for any reason whatsoever.
Breath test refusal	If the insured vehicle is being used or driven by any person who following the loss fails to stop or leaves the scene of the loss when it is an offence to do so, or refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so. This exclusion does not apply to any claim for loss arising from theft or illegal conversion of an insured vehicle .
Driving hours	For loss or liability when any insured vehicle is being used in breach of any enactment or regulations relating to work time or logbook rules.
Hired or Rented Vehicles	Any vehicle hired or rented by you when you have purchased insurance offered by the rental vehicle hirer.

	<i>Note: Refer to Section 2: Automatic Policy Extensions – Hired Vehicles.</i>
Intentional or reckless acts	<p>For loss or liability arising from any intentional or reckless act or omission.</p> <p>This exclusion does not apply to any claim for loss arising from theft or illegal conversion of an insured vehicle.</p>
Intoxicating liquor or drug	<p>If the insured vehicle is being used or driven by any person who at the time of the loss giving rise to a claim under this policy is under the influence of intoxicating liquor or a drug or who has a proportion of alcohol in their blood or breath higher than that allowed under New Zealand road traffic law.</p> <p>It will be assumed that the proportion of alcohol in the blood or breath at the time of the loss was no less than the proportion of alcohol in any subsequent blood sample or breath test carried out following the loss.</p> <p>This exclusion does not apply to any claim for loss arising from theft or illegal conversion of an insured vehicle.</p>
Liability by agreement	<p>For any liability that attaches by virtue of an agreement unless such liability would have attached in the absence of such agreement.</p>
Non-allowable use	<p>If the insured vehicle is being used or driven:</p> <ol style="list-style-type: none"> 1. other than in accordance with the description of use; or 2. for hire or carrying of fare-paying passengers; or 3. for motor sport events, demonstrations, hill climbs, pace-making, racing, tests, trials, or any similar or like activities whether organised or not; or 4. being tested in preparation for any of the purposes in 3. Above; or 5. outside of New Zealand.
Overloaded vehicle	<p>If the insured vehicle is loaded or has been loaded in excess of the manufacturer's recommended specifications or loaded or operated contrary to regulations or statute.</p> <p>This exclusion does not apply to any claim for loss arising from theft or illegal conversion of an insured vehicle.</p>
Unlicensed drivers	<p>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; or <p>is excluded from this policy cover.</p> <p>This exclusion will not apply if:</p>

	<p>(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</p> <p>(ii) the insured vehicle is being used for the purpose of teaching a learner to drive, if all requirements of the law are being complied with.</p>
Unsafe vehicle	<p>If the insured vehicle is in an unsafe or damaged condition unless you:</p> <ol style="list-style-type: none"> 1. can prove that such condition did not cause or contribute to the loss; or 2. can prove that you and the driver were unaware of such condition; and 3. had taken all reasonable steps to maintain the insured vehicle in a safe condition.

CLAIMS CONDITIONS

<p>Conditions for Section 1</p>	<p>1. Minimise the Loss</p> <p>If there is a claim under Section 1, you:</p> <p>(a) must take prompt steps to minimise the loss and to prevent further loss, and:</p> <p style="padding-left: 40px;">(i) if the insured vehicle can be driven safely and without causing further loss, you must take it to any repairer, or otherwise have it towed to the nearest suitable repairer or tow yard, and</p> <p style="padding-left: 40px;">(ii) inform us as soon as possible and complete and return a claim form;</p> <p>and</p> <p>(b) are responsible for the payment of the excess to the repairer;</p> <p>2. Progress Payments</p> <p>If a claim under Section 1 is covered, we may make progress payments to you. You must supply interim statements for approval by us.</p>
<p>Conditions for Section 2</p>	<p>1. Notification and Conduct</p> <p>If there is a claim, or possible claim, under Section 2 you must, as soon as possible, notify us and obtain, complete and return a claim form.</p> <p>You and anyone else entitled to cover under this policy must tell us immediately if you or they are charged with any offence in connection with the use of the vehicle or another vehicle which resulted in the loss of property or bodily injury to another person.</p>

	<p>You must forward any relevant correspondence and court documents to us as soon as possible after receipt.</p> <p>You must not, without our written consent:</p> <p>(a) incur any expense in making good any loss to the property of others or incur any legal expense;</p> <p>(b) admit you are liable, or do or say anything that may prejudice our ability to defend the claim against you or take recovery action in your name; or</p> <p>(c) negotiate, offer to pay or pay any reparation, including but not limited to, offers made as part of any case management conference or sentencing hearing.</p> <p>We have the sole right to act in your name to defend, negotiate or settle the claim as we see fit, at our expense.</p> <p>2. Settlement Option</p> <p>We have the option to pay to you the full amount of our liability under Section 2, or any lesser amount for which the claim can be settled, plus defence costs incurred to the date of payment.</p> <p>We will then give up the conduct of the defence or proceedings. We will not be liable for any further costs or expenses after this payment has been made.</p>
<p>Conditions Applicable to Both Sections of the Policy</p>	<p>1. Additional Information</p> <p>You, and any other person covered under this policy, must:</p> <p>(a) whenever reasonably required by us, allow themselves to be examined under oath by a person nominated by us; and or</p> <p>(b) supply any information or documentation that we reasonably require; and or</p> <p>(c) disclose to or authorise the disclosure to us of any personal information which is relevant to the claim or this policy. This includes information about them which is held by other parties.</p> <p>2. Notification to Authorities</p> <p>You must notify the police immediately in respect of loss or liability as a result of theft, conversion, arson, malicious damage, or bodily injury to any person.</p> <p>3. Recoveries</p> <p>Where property for which we have paid a claim is found or recovered, you must inform us immediately and return the property to us, if requested.</p> <p>Where we make a payment under this policy in respect of any property, we will have the right to keep that property or the proceeds of the property if it is sold.</p> <p>4 Reparation</p> <p>If any person is ordered to make reparation to you for loss to any property in respect of which we have made a payment under this policy, you must inform us of the order immediately. Where reparation payments are made to you, you will be entitled to retain the amount of any excess paid under the policy. We will then</p>

be reimbursed for all payments made under this policy in respect of the **loss**, up to the total amount of reparations received.

5. Subrogation

If **we** agree to indemnify **you** for **loss** under this policy, **we** may exercise any legal right of recovery **you** have in connection with the **loss**, for **our** benefit. **We** will do this at its own expense, but **you** must assist and cooperate with **us** in the recovery action.

GENERAL CONDITIONS

1. Alteration

This policy is entered into on the basis of the information supplied to **us** by **you**. If any of the information changes during the **period of insurance** which:

- (a) increases the nature of the risk covered; or
- (b) alters the nature of the risk covered;

you must tell **us** as soon as **you** become aware of the change.

Once **you** have informed **us** of the change, **we** may cancel the policy, and/or alter the premium and/or the terms of the policy.

2. Cancellation

This policy may be cancelled by **you** at any time by notice in writing to **us**. **We** will refund to **you** any unexpired premium already paid on a pro rata basis.

We may also cancel this policy by letter to **you** delivered personally, posted, or emailed to the address last known to **us**. Cancellation will be effective from 4.00pm on the 30th day after the day the letter is delivered, posted, or emailed.

3. Compliance

It is a condition precedent to **our** liability under this policy that:

- (a) the information given by **you**, and anyone on **your** behalf, in connection with this policy and any claim is true and complete; and
- (b) **you**, and anyone else covered under this policy, has complied with its terms.

4. Cross Liability

Where **you** are comprised of more than one person or entity as named on the **schedule**, the term "**you**" will be considered as applying to each person or entity separately (as though a separate insurance policy had been issued to each person).

The maximum combined amount we will pay to all parties, is the amount stated in the **schedule**

5. Currency

All amounts in shown in this policy and in the **schedule** are in New Zealand dollars.

6. Fraud

If **you**, or anyone else covered by this policy, is dishonest or fraudulent in any way in connection with a claim, **we** may, at our option:

- (a) decline part or all of the claim; or
- (b) elect to treat the policy as unenforceable by **you**, and anyone else covered, from the date of the dishonesty or fraud.

7. Goods and Services Tax (GST)

Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

- (a) all sums insured exclude GST, and
- (b) all sub limits exclude GST, and
- (c) all excesses include GST, and
- (d) GST will be added, where applicable, to claim payments.

8. Headings

Headings used in this policy are for reference only. They do not form part of the policy and are not to be used as an aid to interpretation.

9. Laws and Acts that Govern this Policy

- (a) 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.
- (b) Governing Law and Jurisdiction - the law of New Zealand governs this policy, and the courts of New Zealand have exclusive jurisdiction over any matter arising from it.

10. One Contract

This policy and the **schedule** are one contract. The proposal or written submission by **you** is incorporated into this contract.

11. Other Interested Parties

If there is any mortgagee, debenture holder, hire purchase company, conditional purchaser or other party with a financial interest in any **insured vehicle** which has been notified to **us**, **we** may, at **our** option, pay any claim under Section 1 of this policy to the interested parties in the order of their legal priorities, and to the extent of their financial interest.

However, **our** total liability will not exceed the amount **we** would have paid to **you**.

12. Other Insurance

If at the time any claim arises under this policy there is any other insurance covering the **loss** or liability, this policy will not apply, even if there is a similar insurance condition in the other insurance policy.

13. Reasonable Care

You must take all reasonable steps at all times to:

- (a) protect the **insured vehicle** from **loss** and to avoid liability; and
- (b) maintain any protective devices, including any Fleet Management system or alarm, in an operational condition.

14. Several Insurance

If more than one person or entity is insured under this policy, they are insured separately as though a separate policy has been issued to each.

However, this will not increase **our** total liability under this policy.

15. Sums Insured

All values of **insured vehicles** stated in the **vehicle declaration** must represent, as nearly as possible, their **market value** including their **accessories**, signwriting, vehicle wraps and graphics. Values such as book value, depreciated cost, written down value and residual value are not sufficient to comply with this policy condition.

In the event of a claim **we** may require **you** to provide **vehicle declarations** showing their book value, depreciated cost, written down value or residual value in **your** business records.

16. Total Loss

If a claim for an **insured vehicle** is paid as a **total Loss**, the cover on that **insured vehicle** ceases entirely from the date of the **loss** and no premium will be refundable for the unexpired **period of insurance** in respect of that **insured vehicle**. In addition any outstanding premium(s) that is/was being paid by instalments is due immediately and can be deducted from any claims settlement payment made by **us**.

In the event of a **total loss**, the **insured vehicle** then becomes **our** property unless otherwise agreed in writing.

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	An act including but not limited to the use of force or violence and/or the threat of that, including the intention to influence any government or to put in fear the public or any section of the public which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons 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).
bodily injury	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.
Cover Option	One of the following levels of cover: <ol style="list-style-type: none"> 1. 'Comprehensive': All Sections of this policy apply; or 2. 'Third Party Liability Only': Only Section 2 and loss covered by the Uninsured Third Party Protection automatic extension under the General Policy Extensions Applicable to Sections 1 and 2 apply; 3. 'Third Party Fire Theft and or Conversion': Sections 1 and 2 of this policy apply. However, in respect of Section 1 the cover is restricted to loss caused directly by fire, lightning, explosion, theft or conversion of the insured vehicle, and loss covered in General Policy Extensions Applicable to Sections 1 and 2: Uninsured Third Party Protection.
driver	The person driving or operating any component of the insured vehicle <i>(for example a crane or hoist)</i> .
electronic data	Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic

	and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.
excess	The first amount of any claim that you must pay for an event specified in the schedule or in this policy.
event	An event or series of events, arising from one source or original cause.
illness	Illness, sickness, disease or debilitating or degenerative condition that is not an injury.
insured	Named on the schedule , including any: <ol style="list-style-type: none"> 1. subsidiary company; or 2. associated managed company; or 3. associated social or sporting club; and 4. new company or organisation formed or acquired by the insured during the current period of insurance.
insured vehicle	<ol style="list-style-type: none"> 1. All vehicles listed in the vehicle declaration provided to us; or 2. Any additional vehicles purchased or leased by you during the current period of insurance; or 3. 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, and where no other insurance responds. <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 are covered under the General Policy Extensions Applicable to Sections 1 and 2 Additions and Deletions extension.</i></p>
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 , and 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 or if this policy is renewed, the period of time stated in the most recent renewal schedule .
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.
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 , signwriting on and fit out of such a machine.
vehicle declaration	The list of insured vehicles stating their values provided by you at the inception of this policy, and any subsequent endorsement or renewal.
we, us, our	QBE Insurance (Australia) Limited, ABN 78 003 191 035, incorporated in Australia.
you, Insured	The person(s) or entity named in the schedule as 'Insured' including any new entity or subsidiary companies or subsidiaries thereof or any controlled or managed entity now or hereafter formed or acquired.

We may also use the word **'Insured'** to describe you.

FAIR INSURANCE CODE

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