



COMMERCIAL MOTOR VEHICLE INSURANCE

Policy Wording

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INTRODUCTION

WELCOME

Welcome to Ando. Thank you for selecting **us** as **your** insurer.

ABOUT THIS POLICY

Your Commercial Motor Vehicle Policy consists of:

1. this policy document, and
2. the **schedule**, and
3. any endorsements or warranties that **we** apply, and
4. the information **you** have provided in the **application** for insurance to **us**.

ABOUT STEADFAST

Steadfast NZ Ltd (Steadfast) is part of Steadfast Group Ltd, an Australian Stock Exchange listed company. It includes a network of insurance brokerages who operate in New Zealand as Steadfast Brokers. This policy is available exclusively to **you** through a Steadfast broker.

Steadfast does not issue, guarantee or underwrite this policy.

YOUR DUTY OF DISCLOSURE

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:

1. to accept or decline **your** insurance, and/or
2. the cost or terms of the insurance, including the **excess**.

You also have this duty every time **your** insurance renews and when **you** make any changes to it.

Information **you** will need to disclose includes:

- » 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.

Information **you** do NOT need to disclose includes:

- » 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.

Examples of relevant facts for Motor **Vehicle** insurance may include:

- a. any previous traffic violations including speeding, reckless driving, drink-driving or drug driving.
- b. any non-factory modifications (whether structural, performance or cosmetic) to an insured motor **vehicle**.
- c. any change of use of an insured motor **vehicle** (for example a private car now used for business use)
- d. any previous **accidents**, or history of **your losses**, whether **you** were insured at the time or not.

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.

EXAMPLES

We have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in italics 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.

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:

1. Full cover under Section 1 – Cover for the **Insured Vehicle**, and
2. Full cover under Section 2 – Liability to third parties

Third Party, Fire and Theft

Provides:

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 (including attempted theft), and
2. **Loss** covered in Section 1 – Automatic Extensions- Uninsured Third Party Protection, and
3. Full cover under Section 2 – Liability to third parties.

Third Party Only

Provides:

1. **Loss** covered in Section 1 – Automatic Extensions- Uninsured Third Party Protection, and
2. Full cover under Section 2 – Liability to third parties.

WHEN COVER APPLIES

There is only cover under this policy when any **vehicle** insured under this policy is being used by any **driver** with **your** consent:

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.

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 Theft 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.

Except as otherwise stated, 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'.

Accessories and spare parts away from the vehicle

You are insured for any **insured vehicle accessories**, ancillary equipment including buckets, hose, drill bits, and spare parts while not fitted to the **insured vehicle** and stored at:

- a. **your** office or depot,
- b. **your** home, or
- c. any secured worksite.

The most **we** will pay under this extension is \$5,000 for any one **event** unless a different amount is specified in the **schedule**.

Our liability will be within the maximum liability under 'Section 1: Basis of Settlement'.

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:

- a. The specified **market value** of the **mechanical plant** was accurate at the time of inception or renewal of this policy, and
- b. The appreciation shall be of no greater than 25% of the value specified in the **vehicle declaration**.

Car pooling agreement

Payment made by passengers as part of a car pooling agreement does not constitute the conveyance of passengers for hire or reward. A car pooling agreement is where **you** share a **vehicle** journey to a common destination with another passenger to reduce both person's travel costs.

Claim preparation costs

We shall be liable for costs and expenses as may be reasonably incurred by **you** for the preparation, presentation, negotiation, certification and/or justification of claims made under this policy (but not costs incurred in disputing a claim).

Salaries, wages and overheads of **your** employees and consultants shall be deemed to be part of such costs and expenses.

There shall be no liability under this clause for such costs and expenses for any one claim unless it exceeds \$250 in total nor shall there be any liability if any claim is not admissible under this policy.

The most **we** will pay under this extension is \$5,000 for any one **event**, unless a different amount is shown in the **schedule**.

Completion of journey costs and Emergency Accommodation

When, as a result of a **loss** covered under Section 1, **your** journey cannot be continued, this policy covers **your** reasonable costs not covered by any other insurance, warranty program, driver or vehicle assist program incurred in:

- 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
- 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; and
- c. Emergency accommodation Reasonably incurred to enable **You** or **Your** driver to return to where the journey first commenced.

The most **we** will pay under this extension is \$10,000 for any one **event**, unless a different amount is shown in the **schedule**.

Condemned buildings and carparks

- a. If as a result of a **natural disaster**, **you** are unable to recover the **insured vehicle** from a building or carpark due solely to the denial of access to that building or carpark **we** will pay for the reasonable costs of hiring a similar replacement **vehicle** subject to: a maximum cost of \$200 per **vehicle** per day, and
- b. \$15,000 in total; for any one **event**.

There is no cover for this extension for the first 7 days for any one **event**.

Death by Accident

If the **driver** of the **insured vehicle**, immediate family of the **driver**, or employee of the insured dies as a direct 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 deceased estate, regardless of any other insurance.

Disability Modifications

If **you** or one of **your** employees operating an **insured vehicle** (including riding as a passenger) are injured as a direct result of an **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**.

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**.

Employees' Vehicles

Section 1 is extended to cover **vehicles** (including **vehicle accessories** and spare parts normally carried on or used in connection with any such **vehicles**) owned by **your** employees that are used in the course of **your** business, provided:

- a. **your** employee has personal vehicle insurance for the **vehicle** but that policy does not respond because of this business use;
- b. the **vehicle** is not ordinarily and normally used in the course of **your** business, and is used in the course of **your** business for no more than 10 days during the 12 months prior to the **loss**.

The most **we** will pay under this extension is \$100,000 for any one **event**, unless a different amount is shown in the **schedule**.

Expediting Expenses

This policy is extended to cover **you** for the reasonable costs of express freight including airfreight and overtime which will materially expedite repairs to the **insured vehicle** as a result of **loss** covered under Section 1 of this policy.

The most **we** will pay under this extension is 10% of the total value of parts costs to enact the repair for any one **event**, unless a different amount is shown in the **schedule**.

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 the **vehicle** damaged or used as a result of that **accident**.

Fitout removal and reinstallation

If the **insured vehicle** has undergone customised fitout which is included in the sum insured (for the purpose of conducting **your** business, such as custom interiors, shelving and cabinetry, permanently affixed plant and equipment) and following **accidental loss**, is a **total loss**, should **you** wish to retain the fitout **we** will pay for the removal and reinstallation of the fitout from the **vehicle**.

The value of any fitout removed will be deducted from the final settlement of the **vehicle**.

The most **we** will pay under this extension is \$10,000 for any one **event** unless a different amount is specified in the **schedule**.

Funeral Expenses

If a **driver**, immediate family of the **driver**, or employee of the insured die within 1 year of the loss to an insured vehicle as the direct result of an **accident** covered by this policy, this policy covers all funeral expenses associated with the burial or cremation of the deceased, in excess to any amount payable by the Accident Compensation Corporation or any other insurer.

This policy also covers any travel costs within New Zealand of the deceased's immediate family (e.g. parents, spouse or partner, children, or siblings) necessarily incurred as a result of attending the funeral.

The most **we** will pay under this extension is \$10,000 for any one **event**, unless a different amount is shown in the **schedule**.

Goods in Transit

If an **insured vehicle** suffers **loss** caused by an **event** covered under Section 1, this extension covers **loss** directly caused by the same **event** to goods owned by **you** carried on or in the **insured vehicle** at the time of the **loss** for the specific purpose of a single relocation (such as a delivery to customer's premises or to a warehouse).

The most **we** will pay under this extension is \$10,000 for any one **event**, unless a different amount is shown in the **schedule**.

Hoists, hydraulic lifts and rams

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 or lack of regular maintenance.

Section 1: Exclusions - Vehicle Parts, does not apply to this extension.

The most **we** will pay under this extension is \$10,000 for any one **event** unless a different amount is shown in the **schedule**.

An **excess** of \$500 applies for any claim under this extension.

Ingestion or Entanglement of Foreign Objects

We will cover **you** for **accidental loss** resulting from entry, 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.

The most **we** will pay under this extension is \$50,000 for any one **event** unless a different amount is shown in the **schedule**.

Our liability will be within the maximum liability under 'Section 1: Basis of Settlement'.

Keys and Locks

Where any keys giving access to the **insured vehicle** are 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 digital recoding, replacing the keys and altering or replacing the locking mechanism.

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**.

Our liability will be within the maximum liability under 'Section 1: Basis of Settlement'.

An excess of \$250 applies for any one claim under this extension.

Lease Value

If the **insured vehicle** is **leased** and becomes a **total loss** as a result of 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:

- 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 and Debris Removal costs

Section 1 of this policy is extended to cover the reasonable costs incurred in salvaging and debris removal of any load carried by an **insured vehicle**. This includes the reasonable costs of reloading or trans-shipping the load to the nearest place of safe storage and necessary disposal costs.

The most **we** will pay under this extension is \$25,000 for any one **event**, unless a different amount is shown in the **schedule**.

Misfuelling and Fuel Contamination

You are insured for **loss** directly caused by:

1. operation of the **insured vehicle** with the incorrect fuel type (diesel into a petrol vehicle or petrol into a diesel vehicle),
2. the accidental introduction of other liquids (such as Ad-Blu and other emission control liquids) normally consumed by the **insured vehicle** as part of its normal operation into the fuel system,

provided **you** have taken reasonable care to avoid the **loss**.

The most **we** will pay under this extension is \$10,000 for any one **event** unless a different amount is specified in the **schedule**.

Our liability will be within the to the maximum liability under 'Section 1: Basis of Settlement'.

The exclusion "Vehicle Parts" does not apply to this extension.

Mutually Acceptable Assessors

An assessor mutually agreed upon by **us** and **you** will assess any **loss** under this policy.

New Replacement Vehicle

If a car, station wagon, utility, van or four-wheel drive **vehicle** under 3,500kgs suffers a **total loss** in terms of the basis of settlement under Section 1 of the policy within 12 months of it being first registered as a new **vehicle** in New Zealand, **we** will either:

- 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.

Off Road Tyre/Track Damage

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.

We will indemnify **you** by either:

- a. Repairing the damage; or
- b. Paying an amount equal to the reasonable cost of repair; or
- c. Replacing the tyre or tracks; or
- d. Paying an amount equal to the cost of the tyre or tracks.

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 damaged tyre's or track's wear and tear, but in all cases not exceeding \$5,000, during any one **period of insurance**.

No **excess** applies to this extension.

Section 1: Exclusions – Tyres, does not apply to this extension.

Personal effects

We will extend this insurance to cover **accidental loss** to the **driver** and employees of the insured's personal effects as a direct result of **accidental loss** to the **insured vehicle** that is covered under this policy.

For the purpose of this extension 'personal effects' means any item of clothing (including reading and sunglasses) or any personal item normally carried (such as a handbag, wallet, personal music device or mobile phone) but excluding any laptop or item of luggage.

The personal effects are insured for their **market value**.

The most **we** will pay for under this extension is \$3,000 for any one **event** unless a different amount is specified in the **schedule**.

An **excess** of \$500 applies to this extension.

Portable Electronic Equipment

When the **insured vehicle** suffers **loss** covered by Section 1 of this policy **we** will cover **you** for **accidental loss** to **portable electronic equipment**. **We** will pay the reasonable replacement cost of the property up to \$1,000 for any one item and \$5,000 in total.

An **excess** of \$250 applies to any claim under this extension including where the cause of **loss** is theft. However, the **excess** is waived if the **loss** is a result of the **insured vehicle** being stolen.

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.

Re-installation Costs

When an **insured vehicle** is a **total loss** as a result of an **event** covered under Section 1, **we** will contribute to the de-installation/re-installation costs associated with **loss** to LPG, CNG units, in-vehicle cameras, meters and the like. The value of any item that is de-installed/re-installed will be deducted from the final settlement of the **vehicle**.

The most **we** will pay under this extension is \$2,500 per **event**, unless a different amount is shown in the **schedule**.

Reinstatement of Amount of Insurance

Where **loss** is covered under Section 1, the amount by which that cover reduces the sum insured, is automatically reinstated after the repair of the **vehicle loss** and prior to any additional premium required for such reinstatement.

Relief Driver Costs

If as the result of an **accident** involving an **insured vehicle** primarily used for the purpose of transporting goods for reward or fare-paying passengers following **loss** covered under Section 1 of this policy, **your driver** is

- a. injured and unable to return to work; or
- b. temporarily stood down for counselling purposes (such as for counselling following a fatal **accident**),

you are covered for the reasonable and necessarily incurred costs of employing a relief **driver** to continue **your** business.

The most **we** will pay under this extension:

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

You may authorise any reasonable repairs for **accidental loss** to an **insured vehicle** up to a maximum of \$1500 without prior notice to **us**.

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.

Our liability will be within the maximum liability under 'Section 1: Basis of Settlement'.

Rewards

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.

The most **we** will pay under this extension is \$5,000 for any one **event**, unless a different amount is shown in the **schedule**.

Salvage, Safety and Security

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, as a result of **loss** covered under section 1 of this policy.

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**.

Sets (wheel rims)

Where **accidental loss** to an **insured vehicle** includes damage to a wheel rim that is part of a set and is unable to be repaired or replaced **we** will:

- a. replace the set with a set that is equivalent in style, quality, and pre-damage condition, or
- b. pay **you** an amount equal to the cost of replacing the set that is equivalent in style, quality, and pre-damage condition.

The most **we** will pay under this extension is \$10,000 for any one **event**. Our liability will be within the maximum liability under 'Section 1: Basis of Settlement'.

Signwriting

When the **insured vehicle** suffers **loss** covered by Section 1 of this policy, **we** will pay the reasonable cost of repair or replacement of signwriting, artwork, wraps and or graphics existing at the time of **loss**, provided that:

- 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
- b. The value of the signwriting does not exceed \$2,500 per **insured vehicle**.

Theft Costs

If a **loss** caused by theft of the **insured vehicle** is covered under Section 1, this extension covers the necessary and reasonable costs incurred by **you** of hiring another **vehicle** of a similar make and model provided that:

- a. **you** make all reasonable efforts to purchase a replacement **vehicle** as soon as possible; and
- 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;
- c. the cost of the first 7 days of hire is not covered; and
- d. This extension does not cover costs charged by the hire company for insurance, petrol or normal running costs.

The most **we** will pay under this extension is \$5,000 for any one **event**, unless a different amount is shown in the **schedule**.

Uninsured Third Party Protection

You are covered for any uninsured **accidental 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:

- a. full liability is admitted by that third party, or **you** have provided **us** with evidence establishing full liability of that third party;
- b. And that **you** did not cause or contribute to the **loss**; and
- c. **you** supply **us** with enough information to identify the third party (such as the correct registration, their name and address).

The most **we** will pay under this extension for any one **insured vehicle** for any one **event** is \$5,000.

Unspecified Trailers

You are covered for any unspecified trailer **you** own, hire or borrow for **accidental loss** or damage, or stolen, not otherwise insured.

We will pay at our option either:

- a. The **market value**
- b. The cost to repair the trailer

The most **we** will pay for under this extension is \$2,000 for any one **event** unless a different amount is specified in the **schedule**.

Windscreens and Window Glass

Unless otherwise noted in the **schedule**, **you** are insured for **accidental 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).

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.

No **excess** applies to this extension, unless otherwise shown in the **schedule**.

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.

Agreed Value

In the **event** of a **total loss** covered under Section 1, **we** will pay the amount specified in the **schedule**.

Loss of Use

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 make, model and specification that is capable of carrying out the activities of the **insured vehicle** during the Period of Cover (as defined below) subject to the following:

- 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.

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 **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.

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.

In this extension, 'Period of Cover' means the period:

- a. Beginning:
 - i. When the **insured vehicle** is delivered to a repairer agreed to by **us** to start the repair; or
 - ii. The date of the **loss**, if the **insured vehicle** cannot be driven, or is deemed a **total loss** at that date; and
- b. Ending:
 - i. in the case of repair, when the repairs are completed and the **insured vehicle** is available to be collected or delivered, or
 - ii. in the case of a **total loss**, when **we** have settled **your** claim under Section 1 in full, or
 - iii. when **you** have returned the substitute hire **vehicle**,

whichever occurs first.

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

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.

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.

Faulty Design

This policy does not insure **loss** caused by or in connection with the **insured vehicle's** faulty or defective design, specification or materials. 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**.

Tyres

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.

Theft By Purported Purchaser

This policy does not insure loss arising from theft by any purported purchaser including any fraudulent scheme, device or false pretence

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,
 - 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:
 - 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. hail, snow, storm or lightning,
- h. **natural disaster**,
- i. impact or damage by animals.

Wear and Tear

This policy does not insure **loss** caused by or in connection with:

- 1. wear and tear; or
- 2. rust or corrosion; or
- 3. action of light and fading.

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.

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 carried out 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
 - 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 **we** will pay the **market value** of that **vehicle** to a maximum of \$250,000.
 - g. indemnify **you** in accordance with the terms of the Automatic Extension - New Replacement Vehicle.
- 2. Unless specified in an extension, the maximum amount **we** will pay is:
 - a. the sum insured provided it represents no more than 120% of the **market value** of the **vehicle** at the time of the **loss**, otherwise reverting to **market value**.
- 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**.
- 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:
 - 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.
- 5. The **excess** shown in the **schedule** and any **excess** payable under any extension in Section 1: Automatic Policy Extensions or Section 1: Optional Policy Extensions will be deducted from the amount of the **loss** for each **event**.

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.

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 extension in Section 1: Automatic Policy Extensions or Section 1: Optional Policy Extensions.

SECTION 2: LIABILITY TO THIRD PARTIES

Cover

We will insure **you** against **your** liability to pay damages for:

1. **accidental bodily injury** to any person; or
2. **accidental 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).

Provided all criteria above are met, this cover extends to **your** liability:

1. in connection with the lawful movement by **you** of any **vehicle** which:
 - a. is parked in a position which prevents or impedes the loading or unloading of the **insured vehicle**; or
 - b. prevents or impedes the legitimate passage of the **insured vehicle**.

Section 2: Exclusion - Property in Care, Custody or Control will not apply to the **vehicle** being moved; and

2. 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.

We will insure **you** for **your** legal defense costs and expenses reasonably and necessarily incurred, provided that they are incurred:

- a. with our consent,
- b. to defend any civil proceeding (or threat of a civil proceeding) brought against **you**.

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

The most **we** will pay for legal defense costs and expenses is \$1,000,000 for any **event**. **We** will not pay for legal defense costs and expenses in connection with any criminal proceeding, whether actual or threatened, including where a victim is seeking **reparation**. The legal defense costs and expenses cover is additional to the Section 2: Basis of Settlement liability limit.

SECTION 2: AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'Section 2: Liability to third parties', **we** also provide the following Automatic Policy Extensions. All amounts in the Extensions are subject to and not additional to the limits of our liability shown on the **schedule** for Section 2 in respect of any one claim or claims arising directly or indirectly from any one **loss**.

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

Airside Liability

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.

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**.

Section 2: Exclusions – Airside Liability' does not apply to claims under this extension.

Carriage of Dangerous Goods

Section 2 is extended to cover **your** liability arising out of the transportation or storage of Dangerous goods (as defined by the Land Transport Rule: Dangerous Goods 2005 and its amendments).

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**.

Section 2: Exclusions – Carriage of Dangerous Goods' does not apply to claims under this extension.

Cleaning up Costs

Section 2 is extended to cover all costs lawfully charged by any government body or authority or any other entity for cleaning or restoring the site of an **accident** following **loss**, which is covered under Section 1 of this policy.

The most **we** will pay under this extension is \$50,000 for any one **event**, unless a different amount is shown in the **schedule**.

A minimum **excess** of \$500 for each **event** applies to claims under this extension.

Criminal Court Action/Inquiries/Inquests

Section 2 is extended to cover legal costs and expenses necessarily and reasonably incurred to:

- 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;

resulting from any person covered under Section 2 of this policy using a **vehicle** insured under this policy.

The most **we** will pay under this automatic extension for any **event** is \$10,000.

Section 2: Exclusions – Criminal Offences does not apply to claims under this extension.

Driver's Indemnity

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:

- 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.

Exemplary Damages

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:

- a. **accidental bodily injury**, or
- b. **accidental loss** to any property

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**.

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**.

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.

There is no indemnity under this extension:

- 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.

Section 2: Exclusions – Exemplary Damages does not apply to claims under this extension.

Financial Charge

Section 2 covers the balance of any outstanding charge on an **insured vehicle** where:

- a. the **insured vehicle** is purchased during the **period of insurance**; and
- b. the **insured vehicle** suffers **loss** which is covered under Section 1 of the policy; and
- c. **you** have made proper enquires in relation to the existence of any charge before making the purchase; and
- d. **you** are liable to pay the outstanding charge.

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**.

Hazardous Substance Emergency

Section 2 extends to cover all costs lawfully charged by any government body or authority or any other entity , 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**.

The most **we** will pay under this extension for any **event** is \$50,000.

Marine Liability

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 and salvage charges recoverable from it at law.

This applies regardless of whether or not the **insured vehicle** suffers **loss**.

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.

Passenger Liability

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 under any other insurance or under any other clause in this policy.

Principal's Indemnity

Section 2 is extended to indemnify the principal of any construction or works project for their vicarious liability:

- a. where the liability arises in connection with the use by **you** of an **insured vehicle** on that project, and
- b. the liability is for **accidental loss** to property or **accidental bodily injury** occurring in New Zealand during the **period of insurance**.

Reparations

You are insured for any **reparation you** become legally liable to pay arising from **accidental bodily injury** or **accidental loss** to property happening during the **period of insurance** as a result of an **accident** caused by or in connection with any **insured vehicle**, including while it is being loaded or unloaded.

Amounts payable under this extension are included in, and not additional to, the limits of our liability shown on the **schedule** for Section 2: Liability to third parties, in respect of any one claim or claims arising directly or indirectly from any one **loss**.

Our liability for Sentencing Act Reparation claims is limited to the limit of indemnity shown on the **schedule** or \$1,000,000, whichever is the lesser.

Cover for defense costs do not apply to a claim under this extension. **We** will not pay defense costs in relation to an offence or where **your** liability is to pay **reparation**.

This extension does not cover **reparation** arising from prosecution of an offence under the Health and Safety in Employment Act 1992 and/or the Health and Safety at Work Act 2015 (or any replacement Act) and any subsequent amendments.

Vibration or Weight Damage

We will indemnify **you** and any **driver** who is in charge of the **insured vehicle** with **your** consent against liability for **accidental loss** to any property (including roads) during the **period of insurance** caused by:

- 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**.

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**.

An **excess** of \$2,000 will apply to each **event**.

Section 2: Exclusions - Vibration or Weight does not apply to claims under this extension.

Vicarious liability

You are insured for **your** legal liability under Section 2 of this policy while:

- a. any **vehicle** not belonging to **you** and not provided by **you** is being used for **your** business by any person in **your** employment, or
- b. any **vehicle** hired in by **you** is being used for **your** business by any hired-in or temporary **driver**.

We will not cover **you** for:

- a. **loss** to that **vehicle** or to property being transported by it, or contained in it;
- b. any part of the liability which is also covered under any other existing insurance.

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

Liability arising out of the ownership, operation or maintenance of any **vehicle** within the restricted area of any airport used for scheduled commercial flights.

Note: Please see Section 2: Automatic Extensions, 'A. – Airside Liability'.

Carriage of Dangerous Goods

Liability arising out of the transportation or storage of Dangerous goods (as defined by the Land Transport Rule: Dangerous Goods 2005 and its amendments).

Note: Please see Section 2: Automatic Extensions, 'A. – Carriage of Dangerous Goods'.

Contractual Liability

Liability arising out of a contract or agreement unless **you** would have been liable even without such contract or agreement.

Criminal Offences

Any legal defense 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.

Note: Please see Section 2: Automatic Extensions, 'Criminal Court Action/Inquiries/Inquests'.

Drivers

Liability of any **driver**, including the insured, for or arising from:

- a. **bodily injury** to, or
 - b. **loss** to any property owned by,
- that **driver**, who claims under Section 2 of this policy.

Exemplary Damages

Liability for punitive or exemplary damages.

Note: Please see Section 2: Automatic Extensions – Exemplary Damages.

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. the operation of a crane or back hoe); 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**.

Note: Please see Section 2: Automatic Extensions - Vibration or Weight Damage.

SECTION 2: BASIS OF SETTLEMENT

Basis of Settlement

1. The most **we** will pay for any **event** under Section 2:
 - a. for legal liability is \$10,000,000 unless otherwise stated in the **schedule**
 - b. for legal defense costs and expenses is \$1,000,000 unless otherwise stated in the **schedule**.
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:
 - a. the amount specified in the policy; or
 - b. the amount specified in the **schedule**.

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

1. Additions

Any similar **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**.

The maximum amount **we** will pay under 'Section 1: Basis of Settlement' for each purchased or **leased vehicle** covered under this extension is \$500,000.

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.

3. Premium adjustment

- a. If there are 14 or less **vehicles** noted on the **schedule** at policy inception **you** must advise of all acquisitions within 30 days, and an additional premium is paid.
- b. For 15 or greater **vehicles**, 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**.
- c. **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.

Breach of Condition

This policy will not be invalidated by any breach of condition, where the breach occurs prior to the **loss** and 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.

Counselling

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 Accident Compensation Corporation.

The most **we** will pay under this extension is \$5,000 for any one **event**, unless a different amount is shown in the **schedule**.

No **excess** applies to this extension.

Emergency Public Relations

You are insured for the reasonable costs of public relations expenses incurred with our prior written consent, as a result of a claim payable under this policy.

The most **we** will pay under this extension for any one **event** is \$25,000 unless a different amount is shown in the **schedule**.

An **excess** of \$2,500 applies to this extension.

Hired In Vehicles

If **you** hire in or rent in a **vehicle** during the **period of insurance** and do not accept the rental owner's statutory offer of insurance, this extension covers:

1. the hired **vehicle** as an **insured vehicle**, whether or not it is a similar substitute **vehicle** as set out in the definition of **insured vehicle**;
2. covers **your** liability to the owner of that **vehicle** for consequential losses caused by **loss** covered under Section 1. The most **we** will pay under this extension for any one **event** \$50,000 unless a different amount is shown on the **schedule**.

This extension prevails over 'Section 2: Exclusions, Property in Care, Custody or Control'.

If **you** hire in or rent in a **vehicle** during the **period of insurance** and accept the rental owner's statutory offer of insurance, this extension covers:

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 had **you** accepted the offer of such cover, 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 that would have been applicable under the rental **vehicle** owner's insurance had **you** accepted the offer of such cover, for any **event**.

For the sake of clarity, this includes non-owned trailers.

Hired Out Vehicle

If **you** hire out or rent out an **insured vehicle** during the **period of insurance**, this extension provides cover:

1. for **loss** to the **insured vehicle** under Section 1;
2. for the liability of the hirer under Section 2;

provided that:

- a. the hirer does not breach any express or implied term of the agreement to hire or rent the **insured vehicle**;
- b. there is no other insurance which covers the **loss**; and
- c. use by the hirer is comparable with **your** business or occupation.

This extension prevails over 'General Exclusions, Vehicle Use (a)'. 'Automatic Extension, Invalidation' does not apply to any claim under this extension.

Invalidation

This policy covers **you** for **loss** or liability that arises when an **insured vehicle** is being used in the circumstances excluded in:

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',
6. General Exclusions 'Work Time Rules',

provided that:

- 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 compensation from the **driver**.

The liability of the **driver** or person responsible for the **loss** or liability is not insured under this extension.

For the purposes of this extension only, **your** knowledge is deemed to include the knowledge of:

- 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.

Release of Liability

Where **you** are required by legislation or by contractual agreement to release any of:

- a. Any fire protection equipment suppliers;
- b. New Zealand Government trading as Kiwi Rail;
- c. Any oil company; or
- d. Any other party to an agreement which has been declared to and accepted by **us**,

from liability arising from **loss** insured by this policy, the release is allowed without prejudice to this insurance.

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.

Burning Cost

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:

- b. 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**.
- c. 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**.
- d. 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.

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**.

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.

Profit Share

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:

1. 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
2. A loss ratio will be calculated by comparing the Net Premium to the total Incurred Claims costs, and
3. 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.

Profit Share Percentage

- a. If the loss ratio is 40% or less = 20% profit share refund
- b. If the loss ratio is between 41% and 50% = 15% profit share refund
- c. If the loss ratio is 51% or more but not greater than 60% = 10% profit share refund

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.

For the purposes of this extension:

'Net Premium' will mean gross premium and any additional or return premium adjustment, less commission if applicable

'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.

GENERAL POLICY EXCLUSIONS

These exclusions apply to all parts of this policy.

Accident Compensation Act

This policy does not insure:

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:
 - 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

This policy does not insure **loss** or liability when a **vehicle** is being driven by any person, including **you**, who:

1. has a proportion of alcohol in their breath or blood that exceeds the legal limit, or
2. is under the influence of alcohol or 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).

This exclusion does not apply to any claim for **loss** arising from theft of an **insured vehicle**.

It will be assumed that for 1. above that at the time of the **loss** or when liability arose the proportion of alcohol was no less than the proportion of alcohol in any subsequent blood sample or breath test subsequently carried out.

Asbestos

This policy does not insure **loss** or liability arising from use or driving of any vehicle insured under this policy in connection with asbestos in any form, whether used, carried, stored, worked upon or otherwise.

Confiscation

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.

Driving Hours

This policy does not insure **loss** or liability when a vehicle is being driven by any person, including you, who drives or operates a vehicle in breach of any enactment or regulation relating to driving hours under New Zealand Law.

Electronic Data

This policy does not insure **loss** or liability of any type in connection with:

1. **loss** of, alteration of, or damage to, or
2. reduction in functionality, availability or operation of,

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**:

- 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,

provided that this exclusion will not apply where such **loss** occurs as a direct result of physical damage which is otherwise covered by this policy and any such **loss** will be settled in accordance with the policy conditions and sum insured limits.

Intentional or reckless acts

This policy does not insure loss, damage, or liability in connection with any actual or alleged:

- a. dishonest, fraudulent, criminal, unlawful, or malicious act or omission;
- b. wilful breach of any statute, contract, or duty;
- c. conduct intended to cause damage, loss, or liability with reckless disregard for the consequences.

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.

Sanctions

This policy does not insure any **loss** where any payment under this policy would be against any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.

Seepage, Pollution and Contamination

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:

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

This policy does not insure **loss** or liability if the **insured vehicle** is being used or driven by any person who:

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.

This exclusion will not apply if:

- 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

This policy does not insure **loss** or liability if the **vehicle** is being used in an unsafe condition. This includes any condition:

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,

when **you**, or any **driver** was (or should have been) aware of that condition.

This exclusion does not apply to any claim for **loss** arising from theft of the **vehicle**.

Vehicle use

This policy does not insure **loss** or liability arising from use or driving of any **vehicle** insured under this policy:

- b. hired out or **leased** out to a third party for reward; or
- c. 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.

War

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.

HOW TO CLAIM

What You Must Do

If anything happens that may lead to a claim under this policy, **you** must:

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:
 - 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.

What You Must Obtain Our Agreement To Do

You, and anyone else entitled to cover under this policy, must obtain our agreement before **you**:

1. incur any expenses in connection with any claim under this policy, or
2. negotiate, pay, settle, admit or deny any claim or **reparation** order made against **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.

Things You Must Do After We Pay A Claim

You, and anyone else entitled to cover under this policy, must:

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.

Actions We May Take

1. SUBROGATION

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.

2. CONDUCT OF DEFENSE

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 third parties' as **we** see fit (this will be done at our expense).

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 defense 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.

The lawyers **we** instruct to act on **your** behalf or on the behalf of any other person 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.

3. WAIVER OF SUBROGATION (GROUP OF RELATED COMPANIES)

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.

A 'group of related companies' means a group of companies related to one another by virtue of such ownership.

4. RECOVERIES

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.

5. REPARATION

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.

GENERAL CONDITIONS

YOUR OBLIGATIONS

1. BREACH OF ANY CONDITION

If:

- a. **you**, or
- b. any other person **we** insure under this policy, or
- c. anyone acting on **your** behalf,

breaches any of the conditions of this policy, **we** may:

- i. decline the claim either in whole or in part, and/or
- ii. declare either this policy or all insurance **you** have with **us** to be unenforceable.

This is at our sole discretion.

2. TRUE STATEMENTS AND ANSWERS

The **application** is the basis of this policy. Complete and correct statements and answers must be given (whether by **you** or any other person) when **you**:

- a. apply for this insurance, and/or
- b. notify **us** regarding any change in circumstances, and/or
- c. make a claim under this policy.

3. REASONABLE CARE

You, and anyone using an **insured vehicle**, must take reasonable care at all times to avoid circumstances that could result in a claim.

There is no cover if **you** are reckless or grossly negligent.

4. COMPLYING WITH THIS POLICY

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.

5. CHANGES IN CIRCUMSTANCES

You must tell **us** immediately if there are any:

- a. modifications to an **insured vehicle**, or
- b. change in the use of an **insured vehicle**, or
- c. material changes that might alter the nature of the risk insured or increase the chance of a claim under this policy.

Information is 'material' where **we** would have made different decisions about either:

- i. accepting **your** insurance, or
- ii. setting the terms of **your** insurance, if **we** had known that information. If in any doubt, notify **us** anyway.

The 'risk insured' refers to both:

- i. the actual property or liabilities covered (known as physical hazard), and
- ii. **you** or other persons covered by this policy (known as moral hazard).

6. VEHICLE VALUES

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.

We may require **you** to provide **vehicle declarations** showing their book value, depreciated cost, written down value or **residual value** in **your** business records.

7. PRIORITY OF CLAUSES

If there is any conflict or inconsistency between an extension and any other terms of this policy (other than the Policy Exclusions or Conditions), then the terms most favourable to **you** prevail.

8. PRIORITY LIMITS OF INDEMNITY

Should the indemnity provided under this policy be insufficient to indemnify both **you** and any other person indemnified herein, it shall apply in priority to **you** as named in the **schedule**.

CANCELLATION

BY THE INSURED

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**.

BY US

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**.

HOW WE ADMINISTER THIS POLICY

Change of Terms

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.

Other Insurance

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.

Joint Insurance

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.

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.

Interests of Other Parties

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.

However, anyone recorded as having a financial interest under this policy is not covered by it and has no right to make a claim.

We are also authorised by **you** to disclose personal information about **you** to anyone who holds a financial interest in an **insured vehicle**.

Total loss

If **we** pay a claim for an **insured vehicle** that **we** determine is a **total loss**:

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**.

LAWS AND ACTS THAT GOVERN THIS POLICY

Governing Law and Jurisdiction

The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.

Legislation Changes

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.

Insurance Law Reform Acts

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

Currency

Any amount shown in this policy or the **schedule** is in New Zealand dollars.

Goods and Services Tax

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

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

GST will be added, where applicable, to claim payments.

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'.

accessories

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**), 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**, ropes, tarpaulins and racking installed in tradesmen's **vehicles**, but not any mobile telephone or personal audio equipment unless permanently attached to the **vehicle**.

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 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

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.

application

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.

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.

driver

The person driving or operating any component of the **insured vehicle** (for example a crane or hoist).

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 programs, 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.

insured vehicle

1. All **vehicles** listed in the **vehicle declaration** provided to **us**; and
2. Any other **vehicle** not owned by **you** that is
 - a. hired in or rented in (and do not accept the rental owner's statutory offer of insurance), or
 - b. borrowed or loaned (for example a motor mechanic's or panel beater's loan **vehicle**)

For the sake of clarity, this includes non-owned trailers.

Note additional **vehicles** that **you** purchase or **lease** during the **period of insurance** are covered under the General Extensions - Additions and Deletions automatic extension.

lease/leased

A contract between **you** and someone else under which **you** have the right to use a **vehicle** for a term not less than one year in return for payment of money.

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**.

portable electronic equipment

Portable electronic equipment (such as a laptop, tablet, portable eftpos machine, printer, but excluding mobile phones) for the purpose of transacting, receipting, or invoicing sales for your business, and portable appliances (such as mixers, fryers, mini refrigerators) used in the preparation of food and beverage.

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

Ando Insurance Group Limited on behalf of the Underwriters noted in the Schedule.

We may also use the words 'us' 'our' or 'company' to describe Ando.

you

The person(s) or entity named in the **schedule** as 'Insured' including any:

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**;
5. **driver** with your consent.

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

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



Steadfast

STRENGTH WHEN YOU NEED IT

Steadfast New Zealand

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