

Extended warranty insurance policy

▶ Important Notices

Read these carefully

State (referred to as 'We' or 'Us' in this Policy) is a business division of IAG New Zealand Limited who underwrite this Policy. First Assistance does not have any liability under this Policy except for the provision of Roadside Assistance.

Your Duty of Disclosure

You are required to tell Us everything you know or could reasonably be expected to know that may influence Our decision to insure You and the terms and conditions on which We will insure You.

If you do not tell us those things that may be relevant We may:

- Reduce the amount We pay for a claim;
- Refuse a claim;
- Cancel the Policy; or
- In some cases treat Your Policy as never having begun.

Money Back Guarantee

You may request cancellation of this Policy within 30 days of signing the Proposal. We will provide You with a full refund of the premium paid, provided You have not made a claim under the policy.

Your Contract

Your insurance Policy is a contract between You and Us.

Your contract is made up of:

1. The Proposal;
2. This Policy wording; and
3. Your current Policy Schedule.

Together these documents set out the terms and conditions of Your Policy. It is Your responsibility to ensure that all details contained on the Policy Schedule are correct.

▶ State's service commitment

State is proud of its service standards and supports the **Fair Insurance Code**. If you are not satisfied with:

- One of our products;
- Our service;
- The service of our agents, loss adjusters or investigators; or
- Our decision on your claim,

Please contact your nearest State office where our staff will help you in any way they can.

If they are unable to satisfy you they will refer your complaint to their manager who will immediately deal with the matter.

▶ Your rights if there is a dispute

If the manager cannot resolve the matter, it can be dealt with through our internal Dispute Resolution process.

You need to ask Our manager to refer the matter to a Dispute Resolution Officer. The Dispute Resolution Officer will investigate and try to reach a satisfactory outcome. You will be advised in writing of Our final decision, normally within 10 days. Our Dispute Resolution process is a free service to You.

If You do not agree with Our decision, Your complaint can be reviewed through the Insurance and Savings Ombudsman Office.

The Insurance and Savings Ombudsman Office is an independent disputes resolution body funded by the Insurance and Savings Ombudsman Commission to consider complaints against members within its jurisdiction.

The Insurance and Savings Ombudsman's jurisdiction is set out in its terms of reference and it considers complaints about personal insurance policies and makes decisions binding upon member companies up to a maximum of \$100,000.

You do not have to pay to take a complaint to the Insurance and Savings Ombudsman Office.

We must abide by the Insurance and Savings Ombudsman's ruling, but You are permitted to reject the Insurance and Savings Ombudsman's ruling and take Your case to an alternative means of dispute resolution. You may have other rights under the Consumer Guarantees Act 1993.

▶ The way we handle your personal information

State ('We') collects personal information from you for the purpose of providing You with insurance products, services, processing and assessing claims.

We will disclose information to the First Rescue and Emergency (NZ) Limited (First Assistance) about Your rights of access to Roadside Assistance.

We will not use Your personal information for direct marketing purposes unless it obtains your prior consent.

You can choose not to provide this information, however, We may not be able to process your requests.

We may disclose information We hold about You to other insurers, an insurance reference service or as required by law.

In the event of a claim, We may disclose information to and/or collect additional information about You from investigators or legal advisors.

If you wish to update or access the information We hold about You, contact Us, on 0800 203 041.

► Definitions

Authorised Repair Facility

- the authorised dealer who sold you this policy, or any other authorised dealer.
- a registered mechanical repair business authorised by State as an approved repairer.

Authorised Service Facility

- any authorised dealer or service agent.
- a registered mechanical repair business employing at least one (1) fully qualified automotive technician.

Covered Component

means a component of the *Vehicle* that was originally covered by the *Manufacturer's Vehicle Warranty*, but excludes those components described under 'What Is Not Covered'.

Lead Replacement fuels

mean any bio-fuel, any low sulphur bio-diesel fuel.

Manufacturer's Vehicle Warranty

means the warranty provided by the *Vehicle* manufacturer covering the mechanical components of the *Vehicle*.

Mechanical Failure

means the sudden or unforeseen failure of a *Covered Component*, excluding *Normal Wear*.

Normal Wear

means the gradual reduction in operating performance of a *Covered Component*, having regard to the age of the *Vehicle* and the distance the *Vehicle* has travelled since new.

Policy Schedule

means the most recent schedule *We* give *You* describing the terms and conditions that are specific to your *Policy*. This also includes any amendments *We* send *You* in writing.

Term In Months

means the time period for which *You* have requested insurance. The *Term In Months* is stated on the *Policy Schedule*.

Vehicle

means the *Vehicle* described in the *Policy Schedule*.

We, Us and Our

means State, a business division of IAG New Zealand Limited.

You and Your

means the insured person(s) named in the *Policy Schedule*.

► Period of cover

Cover will commence the later of:

1. The date *You* signed the Proposal;
2. The date that any part of the *Manufacturer's Vehicle Warranty* expires.

The Policy will cease:

1. At 4 p.m. on the date that the *Term In Months* has elapsed from the later of:
 - a) the date the cover commences;
 - b) the date the *Manufacturer's Vehicle Warranty* completely expires;
2. If any of the events set out in section B, page 4 occurs. or
3. When the *Vehicle* has travelled a total distance of 220,000 kilometres since new.

► What is covered?

If *Your Vehicle* suffers a *Mechanical Failure* of a *Covered Component* during the period of cover and *You* have complied with the terms and conditions of the *Policy*, *We* will pay reasonable costs of having the *Mechanical Failure* repaired by an *Authorised Repair Facility*.

The most *We* will pay in relation to any one *Mechanical Failure* is determined by the kilometres the *Vehicle* has travelled as at the date of that *Mechanical Failure*.

Where *We* believe it is uneconomical to repair the vehicle, *We* reserve the right to pay *You* a sum of money instead of paying for the carrying out of repairs.

These limits are as follows:

Kilometres at Date	Maximum claim amount of mechanical failure
Non European Vehicles Less than 150,000km	Current market value or \$6000 whichever is the lesser amount
European Vehicles Less than 150,000km	\$5000 (incl GST)
Non European Vehicles 150,000km or greater	\$4000 (incl GST)
European Vehicles 150,000km or greater	\$3500 (incl GST)

► Excess

All European New Zealand New and Imported European vehicles have a \$500 excess regardless to any excess *You* may have selected when purchasing this warranty.

For Non European vehicles *You* may have elected to pay an Excess per claim. If *You* have selected this option, it will be shown on the warranty proposal.

You must pay the excess to the *Authorised Repair Facility* before *You* collect *Your* vehicle.

► Contribution

You may also be asked to contribute towards the repair costs if the type of repair being performed will restore the vehicle to a better condition than that prior to the *mechanical failure*.

► Additional benefits

If the *Vehicle* suffers a *Mechanical Failure* during the period of cover, *We* will also provide the following benefits.

1. Quality Guarantee

All repairs to *Covered Components* authorised by *Us* prior to the commencement of repairs will be covered by this Policy for the remaining period of cover.

2. Consumable Items

Any items that require periodic replacement as part of normal vehicle maintenance are not covered by this Policy (refer 'What Is Not Covered'.) *We* will, however, pay to replace such items if they are required in relation to a *Mechanical Failure*.

► What Is Not Covered?

A. This Policy does not cover:

1. Any *Mechanical Failure* or costs covered by any other warranty or entitlement including any manufacturer or dealer warranty and or repairer's guarantee.
2. Any *Mechanical Failure* attributable to *Your* failure to comply with the *Vehicle* servicing requirements.
3. Any repairs required arising from defects which were in existence at the commencement of cover.
4. Any repairs required as a result of continued operation of the *Vehicle* once a defect or fault has occurred (including loss of lubricants and coolant).
5. Any vehicle not imported by the Manufacturer or their New Zealand distributor where the mechanical failure was caused by detonation and/or failure caused by poor quality fuel or incorrect grade of fuel. This includes damage caused by Bio-Fuels, lead replacement fuel and/or Diesel Engine low sulphur fuel.
6. Damage attributable to impact or road traffic accident.
7. Any consequential loss, damage or liability incurred as a result of a *Mechanical Failure* (including personal liability).
8. Any claims where *We* have not been contacted prior to the commencement of repairs or repairs where *We* have not issued a work authorisation number.
9. Any claim where the *Mechanical Failure* has been caused by abuse, misuse, negligence, and/or lack of normal maintenance, improper servicing, and/or any failure caused by the incorrect grade, the contamination of and/or the failure to maintain proper levels of any fluids or lubricants.
10. Any claim attributable to failure to follow the *Vehicle* manufacturer's operating guidelines or *Mechanical Failure* attributable to exceeding the manufacturer's operating limitations.
11. Any *Mechanical Failure* that can be attributed to the *Vehicle* being fitted with an LPG/LNG/CNG unit other than a unit supplied, fitted or endorsed by the *Vehicle* manufacturer.
12. Any claims where the repair has been performed by other than an *Authorised Repair Facility*.
13. Any items that require periodic replacement as a part of normal *Vehicle* maintenance. These items include (but are not limited to); spark plugs and leads, glow plugs, belts, filters, hoses, brake pads, disc rotors, friction materials, batteries and globes.
14. Tyres, paint work, panel or body work and their components including hinges and handles, components made of glass, trim, upholstery or decorative components.
15. Any maintenance, adjustments, upgrade, modification, and/or re-programming required to any *Covered Component*.
16. Exhaust system components subject to periodical replacement including: mufflers, pipes and catalytic converters.
17. Shock absorbers and the hydraulic portion of struts, where the failure relates to fluid leakage and/all internal or external seal failure.
18. Any claim relating to the excessive use and/or burning of oil where no *Mechanical Failure* has occurred and the condition relates to *Normal Wear*.
19. The cleaning of any component, including the removal of any carbon or sludge:
 - (i) Except where the contamination is directly caused by the *Mechanical Failure*.
 - (ii) Unless authorised by the claims control centre having regard to the repair being performed.
20. Failure caused by corrosion, electrolysis or rust.
21. Any tappings, threads and/or fixing and fastening devices.
22. Diagnostic costs, unless accepted as part of an authorised claim.
23. Audio equipment.
24. Any costs associated with locating, importing or transporting any parts required in conjunction with any repairs, where such parts are not available within New Zealand.

Furthermore, if any parts are unavailable within New Zealand then the costs payable under this contract will be the lesser of;

 - (i) The manufacturer's most recent New Zealand list price.
 - (ii) The list price of the closest equivalent part available in New Zealand; or
 - (iii) The cost of having a new part made in New Zealand.

You may have the right to claim this cost from the manufacturer or importer of the vehicle if the Consumer Guarantees Act applies to *Your* purchase of the *Vehicle*.
25. Any costs for repairs due to a recall by the *Vehicle* manufacturer and/or rectifying any failure of or defect in design or specification of a component.

26. Any costs arising from, or for repairs for rectifying, defective or faulty repair or workmanship.

27. Any claim which is fraudulent.

B. This Policy will cease to operate and no claims will be accepted where the vehicle:

1. Has been modified from the manufacturer's original specifications after the date *You* signed the declaration on the application form for this Policy, unless *You* have notified *Us* before the modification was made and *We* have agreed in writing.
2. Is being or has been used or tested in preparation for or participation in any form of motor sport.
3. Is being used for the purpose of driver instruction or tuition for reward, or the conveyance of passengers for hire or reward (this includes car rental).
4. Is being used as a Police or other emergency vehicle.
5. Is being used outside New Zealand.
6. Is unroadworthy or unregistered.
7. Is being used for a purpose for which it was not designed.
8. Has not been serviced in accordance with the service requirements detailed under 'Vehicle Servicing'.
9. Odometer reading cannot be determined as accurate by virtue of it having been inoperative, tampered with or removed from the *Vehicle*.
10. Is being used for courier purposes.

▶ Vehicle servicing

It is a condition of this policy that *You* have the *Vehicle* properly, regularly and punctually serviced.

Petrol *Vehicles* covered by this Policy must be serviced at least every 10,000 km or 12 months, whichever comes first, from the Policy commencement date unless otherwise specified by the manufacturer.

Petrol turbo and diesel *Vehicles* covered by this Policy must have an engine oil and oil filter change every 5,000 km or 6 months, whichever comes first, from the Policy commencement date.

A full service is required every 10,000 km or 12 months, whichever comes first, from the Policy commencement date unless otherwise specified by the manufacturer.

All *Vehicle* servicing must be carried out by an *Authorised Service Facility*. As part of the standard service the following must be checked and attended to as required.

- Check all fluid levels and condition.
- Check air cleaner.
- Check all belts, replace if necessary.

Please note cambelts must be replaced every five years or 100,000 km (whichever occurs first) unless otherwise specified by the *Vehicle* manufacturer.

- Check cooling system including inhibitor and hoses.
- Check turbo oil feed.
- Check automatic transmission oil.
- Check Warrant of Fitness.
- Check CV joints and boots.
- Check braking system including brake fluid condition.
- Check steering and suspension systems.

The cost of servicing is at *Your* expense.

Once a service has been completed *You* must make sure that the *Authorised Service Facility* completes and stamps the service coupons that we have provided, at the time of the service.

This information will be required in the event of a claim.

▶ Transferability

At *Our* sole discretion *We* may permit transfer to a new owner if *You* sell the *Vehicle*.

Transfer will not be accepted if the *Vehicle* is sold to or through a motor dealer or trader.

To request a transfer please contact us for a Transfer of Ownership Request Form. Once you have completed this form send it to State Insurance, accompanied by:

- a) a copy of a current or new Warrant of Fitness/vehicle inspection report;
- b) a copy of the receipt of vehicle purchase;
- c) a copy of the Vehicle Service Records and the transfer fee of \$60 (including GST).

Both *You* and the person *You* wish to transfer the Policy to must sign the Transfer of Ownership Request Form. *We* will not refund to *You* any prepaid premium. It is up to *You* to arrange any payment adjustment with the new owner.

▶ Cancellation of this policy

You can only cancel this Policy within thirty (30) days from the date *You* signed the Proposal. *You* must advise *Us* in writing and have made no claims on the Policy. The *Policy Schedule* must be returned to us before any refund of premium will be made.

We can cancel this Policy by giving seven days written notice to *You* at *Your* last known address, and any premium refund will be made on a pro-rata basis.

▶ Making a claim

To make a claim on this Policy you must take these steps:

1. Take the *Vehicle* to an *Authorised Repair Facility*. *You* are responsible for the cost of transporting the vehicle to the Authorised Repairer unless Roadside Assistance towing applies. *You* must give First Assistance *Your* contact details and this policy number.

2. Give details of this Policy to the Authorised Repairer when *You* have delivered the *Vehicle*, and ask the Repairer to lodge a claim on *Your* behalf.

If your claim is accepted, *We* will authorise repairs and issue the *Authorised Repair Facility* with a repair authorisation number.

If *You* have any difficulties, contact the State Warranty National Claims centre on 0800 203 041. *We* will contact the *Authorised Repair Facility*.

You are responsible for making sure that the *Authorised Repair Facility* contacts *Us* before repairs begin.

In some instances *We* will require *You* to complete a claim form and *We* may also require other documentation such as proof of servicing, invoices etc.

We will ask for this documentation if required.

Sometimes *We* may also need you to authorise certain work with the *Authorised Repair Facility* since *We* may not be able to ascertain whether the failure is covered by this Policy without dismantling the *Vehicle*.

Where this is the case *We* or the *Authorised Repair Facility* will request *Your* authority before commencing any work on the *Vehicle*.

Any parts which are removed from the *Vehicle* during repairs become *Our* property.

If *You* need to contact the National Claims Control Centre the address and telephone details are as follows:

National Claims Warranty Division State

**P.O. Box 68 – 200
Newton, Auckland
New Zealand**

**Telephone 0800 203 041
Monday – Friday 8.30am to 5.00pm**

▶ **Claim recovery**

If *You* make a claim on this Policy for an incident where *We* believe costs could be recovered from another party, *We* reserve the right to take action to recover money paid by *Us*.

When *We* do this *We* may need to take such action in *Your* name, and therefore *You* must co-operate with *Us* and give *Us* any information *We* may require. *We* will pay for any legal expenses.

Any displaced parts become the property of the warranty underwriter.

▶ **How to contact us**

For any **enquiry** you have regarding this insurance please contact State, or the dealer who sold you the policy.

**State
P.O. Box 68 – 200
Newton, Auckland
New Zealand**

**Telephone 0800 203 041
Fax (09) 302 0805**

▶ **Claims paying ability rating**

IAG New Zealand Limited received a Standard and Poor's (Australia) Pty Limited rating of AA 'Very Strong' on 1 October 2007.

This means we have a 'Very Strong' claim paying ability, as you can see from the scale below. As a customer, this is important to you, as it is your reassurance that we will be able to pay out on your claims now and in the future.

The rating scale is:-

AAA	Extremely Strong
AA	Very Strong
A	Strong
BBB	Good
BB	Marginal
B	Weak
CCC	Very Weak
CC	Extremely Weak

The ratings from 'AA' to 'B' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

If you would like further information, a detailed pamphlet is available from the Insurance Council of New Zealand Inc, entitled 'A Guide to the Insurance Companies (Ratings & Inspections) Act 1994'.