

# Fleetline commercial motor vehicle

## Agreement

You agree to pay us the premium described in the **schedule** and comply with this policy. In exchange, we agree to insure you as set out in this policy.

## Policy contract

This policy consists of the following parts:

1. **your** application for insurance, and any oral or written supporting statements or documents supplied by you, and
2. this policy wording (including any endorsements or warranties), and
3. the **schedule**.

## Interpreting this policy

Certain words in this policy have a specific meaning. These words appear in **bold** and you will find the meaning listed in the 'Definitions' section at the end of this policy. The definitions apply to the plural and any derivatives of the bolded words.

You will also find examples and comments to make parts of this policy easier to understand. These examples and comments, which appear in *italics*, do not affect or limit the meaning of the section they refer to.

The headings in this policy are for reference only and do not form part of it. They must not be used when interpreting the policy.

## Policy cover options

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

Type of Cover	Provides
Full Cover	<ol style="list-style-type: none"> <li>1. Full cover under 'Section 1: Damage to the Vehicle', and</li> <li>2. Full cover under 'Section 2: Liability Cover'.</li> </ol>
Third Party, Fire & Theft	<ol style="list-style-type: none"> <li>1. Limited cover under 'Section 1: Damage to the Vehicle' only covering <b>accidental loss</b> to the <b>vehicle</b> caused by: fire, lightning, explosion, theft or illegal conversion (including attempted theft or illegal conversion), and</li> <li>2. Full cover under 'Section 1: Automatic Extensions, Part B', and</li> <li>3. Full cover under 'Section 2: Liability Cover'.</li> </ol>
Third Party Only	<ol style="list-style-type: none"> <li>1. Full cover under 'Section 1: Automatic Extensions, Part B', and</li> <li>2. Full cover under 'Section 2: Liability Cover'.</li> </ol>

## When cover applies

### ▶ A. Who may use the vehicle

This policy only covers the **vehicle** while it is being used by:

1. **you**, or
2. any person with **your** consent, provided that the **driver**:
  - 2.1 is legally allowed to operate the **vehicle**, and
  - 2.2 holds a current licence to drive the **vehicle** (if required), and
  - 2.3 is not breaching any licence condition relating to that **vehicle**.

The above restrictions do not apply to any person who steals or illegally converts the **vehicle**.

### ▶ B. What the vehicle can be used for

This policy only covers the **vehicle** while it is being used:

1. in connection with **your** business or occupation, or
2. for private, social or domestic purposes,

including:

- (a) while temporarily lent out by you without charge, or
- (b) while used in a car pooling agreement carrying passengers for payment,

for purposes comparable with those listed in 1. or 2. above.

No cover applies if the **vehicle** is used for racing, pacemaking, reliability trials, hill climbing, speed tests, or testing in preparation for any of these.

## Section 1: Damage to the vehicle

### ▶ Accidental loss to the vehicle

**You** are insured for **accidental loss** to the **vehicle** occurring anywhere in New Zealand.

## Section 1: Automatic extensions

In addition to the cover under 'Section 1: Damage to the Vehicle' above, **we** also provide the following automatic extensions.

### ▶ A. Breakage of windscreens and window glass

This extension only applies where the **vehicle** is insured for 'Full Cover' as described in the 'Policy Cover Options'.

**You** are insured for **accidental loss** to windscreens, windows and sunroofs (including scratching or damage to bodywork resulting solely from the broken glass), provided that:

1. **we** have accepted the claim under 'Section 1: Damage to the Vehicle', and
2. there has been no other **loss** to the **vehicle**.

No excess applies to this extension.

### ▶ B. Damage caused by an uninsured third party

This extension only applies where the **vehicle** is insured for 'Third Party, Fire and Theft' or 'Third Party Only' as described in the 'Policy Cover Options'.

This extension is independent of cover provided under 'Section 1: Damage to the Vehicle'.

**You** are insured for **accidental loss** to the **vehicle** that:

1. occurs in New Zealand, and
2. is caused by an uninsured driver of another vehicle,

provided that:

- (a) **you** give **us** enough information to establish that the driver of the other vehicle was completely at fault, and
- (b) **you** supply **us** with enough information to positively identify the third party, or the vehicle (such as the correct registration).

The most **we** will pay under this extension for any one **vehicle** is:

1. the **market value** of the **vehicle**, or
2. \$5,000,

whichever is the lesser.

No excess applies to this extension.

### ▶ C. Death by injury

**You** are insured for:

1. a death payment of \$10,000, and
2. funeral costs, in excess of any entitlement under ACC, up to a maximum of \$5,000,

if the **driver** dies as a direct result of **injury** sustained in an **accident**, provided that:

- (a) the **accident** is covered under 'Section 1: Damage to the Vehicle' and
- (b) the death occurs within 12 months of the **accident**.

'General Conditions Part A item 5' does not apply to this extension.

Where **we** pay a claim under this extension:

1. **we** will make any payments under this extension to the deceased(s) legal representative(s), and
2. if more than one individual becomes entitled to payment under this extension through a single **accident**, the amount payable will be divided equally between them.

### ▶ D. Employees vehicles

**We** will extend this insurance to include **accidental loss** to vehicles owned by **your** employees, provided that:

1. the vehicle is used in connection with **your** business, and
2. the employee has personal motor vehicle insurance insuring the vehicle, and
3. the business use of their vehicle results in the employees' personal motor vehicle insurance no longer applying.

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

### ▶ E. Expediting costs

**You** are insured for the reasonable costs of express freight and overtime to expedite repairs to the **vehicle**, as a result of **accidental loss** covered under 'Section 1: Damage to the Vehicle'.

### ▶ F. Goods in transit

**You** are insured for **accidental loss** to property that is being carried in, or on any **vehicle** arising from a claim under 'Section 1: Damage to the Vehicle' provided that:

1. the **vehicle** belongs to **you**, and
2. the property belongs to **you**, and
3. **loss** to the property is caused by the **vehicle**:
  - 3.1 catching fire, or
  - 3.2 overturning, or
  - 3.3 being involved in a collision.

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

An excess of \$100 applies to this extension.

### ▶ G. Hoists

You are insured for **accidental loss** to hydraulic rams and hoists, provided that:

1. the ram or hoist is permanently attached to the **vehicle**, and
2. the **loss** is a result of mechanical breakdown or failure of the ram or hoist.

'Section 1: Exclusions Part A item 3' does not apply to this extension.

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

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

### ▶ H. Load recovery

You are insured for the reasonable costs **you** incur to:

1. recover, reload or trans-ship any load carried by the **vehicle** to the nearest place of safety, and
2. remove debris from any road, carriageway or parking area, arising from a claim under 'Section 1: Damage to the Vehicle'.

This extension does not cover any fines or penalties payable by **you**.

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

### ▶ I. Return home cover

You are insured for the reasonable costs **you** incur to:

1. hire another vehicle to complete the journey, or
2. hire another vehicle to return to the place the journey commenced from, and
3. return the **vehicle** to the premises where it is normally based, following its repair or, in the event of theft or conversion, its recovery,

arising from a claim under 'Section 1: Damage to the Vehicle', provided that the **vehicle** is unable to be used or driven.

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

1. \$2,000 for any **event**, and
2. \$5,000 during an **annual period**.

### ▶ J. Reward

You are insured for a reward that **you** offer and pay to successfully secure the return of the **vehicle** following its theft, provided that:

1. **we** have accepted a claim under 'Section 1: Damage to the Vehicle', and
2. **you** have **our** prior approval to offer the reward.

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

### ▶ K. Safety of the vehicle

You are insured for the reasonable costs **you** incur to ensure the immediate safety of the **vehicle**, following a **loss** covered under 'Section 1: Damage to the Vehicle'.

### ▶ L. Recovery costs

You are insured for the reasonable costs **you** incur to salvage or recover the **vehicle**, and deliver the **vehicle** to a place of repair or inspection, following a **loss** covered under 'Section 1: Damage to the Vehicle'.

### ▶ M. Tarpaulins, sheets, ropes or chains

You are insured for **accidental loss** to tarpaulins, sheets, ropes or chains while in or on the **vehicle**.

The most **we** will pay under this extension is \$2,000 for any **event**.

An excess of \$250 applies to this extension.

### ▶ N. Tyre damage

You are insured for **accidental loss** to any tyre (including its inner tube) fitted to the **vehicle**, provided that the **vehicle** is not primarily used for driving on public or private roads.

'Section 1: Exclusions, Part A item 1' does not apply to this extension.

**We** will at **our** option pay:

1. the cost to repair the damage, or
2. an amount equal to the reasonable cost of repair, or
3. the cost to replace the tyre, or
4. an amount equal to the cost of the tyre immediately prior to the **loss**.

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

## Section 1: Optional extensions

These optional extensions only apply where specified in the **schedule**.

### ▶ A. Foreign objects

**You** are insured for the **accidental loss** connected with the ingestion or entry of a foreign object into any agricultural implement or machine.

'Section 1: Exclusions, Part D' does not apply to this extension.

### ▶ B. Loss of use

**You** are insured for the reasonable costs **you** incur to hire a substitute vehicle following a **loss** under 'Section 1: Damage to the Vehicle', provided that:

1. the substitute vehicle is of a similar make, model and specification to the **vehicle** that suffered the **loss**, and
2. repair or replacement of the **vehicle** is carried out as soon as possible (**you** must help **us** achieve this).

Cover under this extension begins:

1. after **we** have had the opportunity to assess and authorise repairs to the **vehicle**, or
2. from the date the **vehicle** was stolen or is declared an **agreed total loss** by **us**,

whichever occurs first.

Cover under this extension ends once:

1. the repaired **vehicle** is returned to **you**, or
2. **we** have settled **your** claim in full,

whichever occurs first.

This extension does not cover petrol, insurance or normal running costs.

'Section 1: Exclusions Part B' does not apply to this extension.

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

1. the daily limit as specified in the **schedule**,
2. to a maximum of 60 days inclusive of the excess period (below).

The excess under this extension is the amount of the first 7 days of the rental costs.

## Section 1: Exclusions

### ▶ A. Types of loss not covered

This policy does not insure:

1. punctures, cuts or bursts to **your** tyres. However, this exclusion does not apply to punctures, cuts or bursts that result in or from a **loss** otherwise covered under 'Section 1: Damage to the Vehicle'.
2. rust or corrosion. This exclusion is limited to the part immediately affected and does not apply to any resultant **accidental loss** to any other part of the **vehicle**.
3. damage or failure that is:
  - 3.1 mechanical, or
  - 3.2 electrical, or
  - 3.3 electronic.

However, this exclusion does not apply to the above types of **loss** to the **vehicle** where it results in or results from any of the following external causes: fire, collision, overturning, immersion in water, flood, malicious damage, theft or illegal conversion, earthquake, volcanic eruption, hydrothermal activity, geothermal activity or tsunami.

4. wear and tear. This exclusion does not apply to any resultant **accidental loss** to any other part of the **vehicle**, unless it is to:
  - 4.1 the engine hydraulic systems, or
  - 4.2 the engine transmission systems, or
  - 4.3 any other engine part or engine component.

### ▶ B. Consequential loss

This policy does not insure:

1. loss of use or any costs or expenses that result from this (or any other consequential loss), unless expressly insured under 'Section 1: Damage to the Vehicle', 'Section 1: Automatic Extensions' or 'Section 1: Optional Extensions'.
2. depreciation, or loss in value.

### ▶ C. Defects in design/specifications/materials

This policy does not insure **loss** connected with:

1. the failure of, or
  2. any defect in, or
  3. any fault in,
- the **vehicle's** design, specifications or materials.

This exclusion is limited to the part immediately affected and does not apply to any resultant **accidental loss** to any other part of the **vehicle**.

### ▶ D. Foreign objects in agricultural implement

This policy does not insure **loss** connected with the ingestion or entry of any foreign object into any agricultural implement or machine (e.g. tractor or hay bailer).

### ▶ E. Theft by purported purchaser

This policy does not insure **loss** of the **vehicle** arising from a purported purchaser:

1. using any fraudulent scheme or device, or
  2. practising any false pretence,
- to obtain it from **you**.

*Important: Please also read 'General Exclusions'.*

## Section 1: Basis of settlement

### ▶ A. Method of indemnity

We will indemnify **you** by whichever of the following options **we** choose.

We will:

1. pay the cost of repairs, or
2. pay an amount equal to the reasonable cost of repair, or
3. replace the **vehicle** with a vehicle of similar condition, or
4. pay an amount equal to the **market value** of the **vehicle**.

### ▶ B. Maximum amount payable

Unless stated differently in this policy, the maximum amount **we** will pay is:

1. **market value** of the **vehicle**, or
2. the sum insured shown in the **schedule**,

whichever is the lesser.

### ▶ C. Excess

The excess shown in the **schedule** will be deducted from the amount of the **loss** for each **event**, unless a different excess or nil excess is stated in this policy.

If more than one **vehicle** suffers **loss** from a single **event**, only one excess will apply, being the highest excess.

### ▶ D. Leased vehicles

This part only applies where the **vehicle** is insured for 'Full Cover' as described in the 'Policy Cover Options'.

If the **vehicle** is leased, and:

1. **we** determine it is an **agreed total loss**, and
2. the **vehicle** weighs 3,500 kilograms or less,

**we** will pay the **market value** or the residual value, whichever is the greater.

However, our settlement will not include any of the following:

1. penalties for early termination,
2. penalties for any additional distance travelled,
3. unpaid obligations under the lease at the time of the **loss**,
4. penalties resulting from lack of servicing or poor maintenance,
5. 'balloon' payments,
6. the amount by which the residual value of the **vehicle** exceeds 120% of its **market value**, where a guaranteed buy back agreement is in place.

### ▶ E. Obsolete vehicles

If the **vehicle** is no longer manufactured, **we** will not pay more than the supplier's or manufacturer's last list price for any:

1. part, or
2. **accessory**,

for that **vehicle** plus the reasonable costs of fitting that part or **accessory**.

### ▶ F. Replacement vehicle

This part only applies where the **vehicle** is insured for 'Full Cover' as described in the 'Policy Cover Options'.

If **we** declare the **vehicle** is an **agreed total loss**, **we** will replace the **vehicle** with a new one of the same make, model, and specification, provided that:

1. the make/model/specification is currently available in New Zealand, and
2. the **vehicle** is less than 12 months old (from first being registered in New Zealand as a new vehicle), and
3. the **vehicle** weighs 3,500 kilograms or less.

If **you** do not want the **vehicle** replaced with a new one, **we** will pay **you** the:

1. **market value** of the **vehicle**, or
  2. sum insured specified in the **schedule**,
- whichever is the lesser.

### ▶ G. Sub-limits

The most **we** will pay under any automatic or optional extension is:

1. the amount specified in this policy wording, or
2. the amount specified in the **schedule**,

whichever is the higher.

## Section 2: Liability cover

### ▶ A. Damages and costs

**You** are insured for **your** legal liability following:

1. **accidental bodily injury**, and/or
2. **accidental loss** to any property,

provided that the liability arises from an **event** in New Zealand in connection with the **vehicle**.

**You** are also insured for liability to pay **reparation** to a victim who has suffered **accidental bodily injury**, and/or **accidental loss** to any property as a result of **your** committing an offence arising from an **event** in New Zealand in connection with the **vehicle**.

Provided that:

1. **you** or any person entitled to cover under this benefit must notify **us** immediately if charged with any such offence which resulted in **loss** of property or **bodily injury** to another person; and
2. **we** must give **our** written approval before any offer of **reparation** is made.

There is no cover for **reparation** for any amounts that are covered under the Accident Compensation Act 2001 (Act), or would be covered but for:

- (a) a failure by the victim 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.

Nothing in this clause should be taken as providing cover for any defence costs, court costs, levies or costs awards for any offence.

Any reference in Section 2: Automatic Extensions, Section 2: Optional Extensions, Automatic Extensions to Sections 1 and 2, and Optional Extensions to Sections 1 and 2, to cover for legal liability, includes cover for liability to pay **reparation** subject to the proviso and exclusion above.

**We** also insure, on the same terms, the legal liability, including liability to pay **reparation**, of any **driver** who is driving the **vehicle** with **your** consent.

**You** are also insured for **your** legal liability, including liability to pay **reparation**, if **you** drive any other vehicle that is neither owned nor hired by **you**, provided that:

1. the **vehicle** weighs less than 3,500 kilograms, and
2. the **vehicle** is being used in connection with **your** business.

**We** also insure, on the same terms, the legal liability, including liability to pay **reparation**, of any **driver** who is driving any other vehicle, in the same circumstances, with **your** consent.

If **you** are insured for **your** legal liability under Section 2: Automatic Extensions, **you** are also insured in connection with that **event**, for **your** liability to pay **reparation**, on the terms above.

Any reference to liability in any exclusion in this policy, includes liability to pay **reparation**.

### ▶ B. Defence costs

**You** are insured for **your** legal defence costs and expenses, provided that they are incurred:

1. to defend any civil proceeding (or threat of civil proceeding) brought against **you**, and
2. in relation to an alleged liability that, if proven, would be covered under 'Section 2: Liability Cover'.

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

*If you are unsure whether we will pay your costs, please talk to us before you agree to any payments.*

### ▶ C. Criminal Court action / enquiries / inquests

**You** are insured for the legal costs and expenses **you** incur to:

1. defend a charge of careless driving causing death arising out of the use of the **vehicle** by any **driver**, or
2. be legally represented at any enquiry or coroner's inquest concerning a death from the use of the **vehicle** by any **driver**,

provided that **you** are otherwise covered under 'Section 2: Liability Cover' of this policy.

The most **we** will pay is \$2,000 for any **event** involving the use of a **vehicle**.

Section 2 Exclusions, I – Offences does not apply to this benefit.

*If you are unsure whether we will pay your costs, please talk to us before you agree to any payments.*

## Section 2: Automatic extensions

In addition to the cover under 'Section 2: Liability Cover', **we** also provide the following automatic extensions.

### ▶ A. Clean up costs

**You** are insured for costs lawfully charged by: any local body or authority, the New Zealand fire service, ambulance service, or any other entity for cleaning or restoring the site of an **accident** covered under 'Section 1: Damage to the Vehicle'.

There is no indemnity under this extension for costs arising from a Hazardous Substance Emergency. *Please read Extension B (below).*

The most **we** will pay under this extension is \$20,000 for any **event**.

An excess of \$500 applies to this extension.

### ▶ B. Hazardous substance emergency

**You** are insured for any charge the New Zealand Fire Service is authorised to impose on **you** under Section 47C of the Fire Services Act 1975, for their attendance at a hazardous substance emergency involving **your vehicle**.

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

### ▶ C. General average

**You** are insured for the costs of **General Average** that **you** are liable to meet if the **vehicle** is in transit between places in New Zealand, during the **period of insurance**.

## ▶ D. Movement of other vehicles

You are insured for **your** legal liability for:

1. **accidental bodily injury**, and/or
2. **accidental loss** to any property,

provided that the liability arises from the movement by **you** (or any of **your** authorised employees) of any vehicle that:

- (a) is parked in a position that prevents or impedes the loading or unloading of the **vehicle**, or
- (b) prevents or impedes the legitimate passage of the **vehicle**.

'Section 2: Exclusions, Part F' does not apply to this extension.

## ▶ E. Principal's indemnity

We will indemnify the principal of any construction or works project for their vicarious legal liability:

1. where the liability arises in connection with **your** use or **your** operation of the **vehicle** on that project, and
2. the liability is for **accidental loss** to any property or **accidental bodily injury**.

## ▶ F. Towing

You are insured for **your** legal liability for:

1. **accidental bodily injury**, and/or
2. **accidental loss** to any property,

provided that:

- (a) the liability arises from the **vehicle** being used while towing any:
  - (i) single trailer or caravan, or
  - (ii) single disabled mechanically propelled vehicle, and
- (b) the towing is not for hire or reward.

'Section 2: Exclusions, Part F' does not apply to this extension.

## ▶ G. Weight damage

You are insured for **your** legal liability for **accidental loss** to any property (including roads) caused by the:

1. weight of the load being carried by **your vehicle**, and/or
2. weight of **your vehicle**.

'Section 2: Exclusions, Part E items 2 and 3' do not apply to this extension.

The most **we** will pay under this extension is \$500,000 for any **event**.

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

## ▶ H. Exemplary damages

You are insured for **your** legal liability for exemplary damages in New Zealand for **bodily injury** caused by, or in connection with the **vehicle**.

However, there is no indemnity for exemplary damages arising from any dishonest, fraudulent or malicious acts or omissions by **you** or anyone acting on behalf of **you**.

'Section 2: Exclusions, Part C' does not apply to this extension.

**Our** total liability will not exceed \$500,000 for any **event** and \$1,000,000 in the aggregate for all claims during an **annual period**.

An additional excess of 10% of the exemplary damages, with a minimum of \$5,000 applies.

## Section 2: Optional extensions

These optional extensions only apply where specified in the **schedule**.

### ▶ A. Liability for rental vehicles – full cover

You are insured for **your** legal liability to:

1. the owner of the rental vehicle for:
  - 1.1 **accidental loss** to the rental vehicle, and
  - 1.2 consequential losses arising from this **loss** (item 1.1 above), and
  - 1.3 other reasonably incurred costs and expenses arising from this **loss** (item 1.1 above), and
2. third parties as provided under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions',

provided that **you** have rejected the rental vehicle owners offer of insurance and the liability is connected with the vehicle hired by **you** under the rental agreement.

The most **we** will pay for item 1.1 (**accidental loss**) for any **event** is:

- (a) the **market value** of the vehicle (including its **accessories** and spare parts at the time of **loss**), or
  - (b) \$50,000,
- whichever is the lesser.

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

1. \$100,000, in total, for any **event** under item 1.2 (consequential losses) and item 1.3 (other costs and expenses), and
2. \$10,000,000, including defence costs, for any **event** under item 2. (liability to third parties).

'Section 2: Exclusions, Part F' does not apply to this extension.

### ▶ B. Liability for rental vehicles – restricted cover

If **you** have accepted the rental vehicle owner's offer of insurance **we** will pay:

1. any deductible applicable under the rental vehicle owner's insurance, and
2. liability to third parties as provided under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions', but only for the difference between:
  - 2.1 \$250,000 (or any greater amount provided under Clause 10 of the rental agreement for liability for damage to property), and
  - 2.2 \$10,000,000,

for any **event**.

'Section 2: Exclusions, Part F' does not apply to this extension.

## Section 2: Exclusions

### ▶ A. Contractual liability

This policy does not insure liability that **you** agree to under a contract, where that liability:

1. arises solely under the contract, and
2. does not otherwise arise at law.

### ▶ B. Drivers

This policy does not insure liability for or arising from:

1. **bodily injury** to, or
2. **loss** of property belonging to,

the **driver** of the **vehicle** or any driver, including **you**, who claims under Section 2 of this policy.

### ▶ C. Exemplary damages

This policy does not insure liability for any exemplary damages.

### ▶ D. Operation of mechanical plant or machinery

This policy does not insure liability arising out of the operation of any **mechanical plant** while it is being used for the purpose it was designed (*eg: the operation of a crane or backhoe*).

This exclusion does not apply to the operation of any fork hoist.

### ▶ E. Property beneath the vehicle

This policy does not insure liability for **loss** to any property or road caused by:

1. the vibration by the **vehicle**, or
2. the weight of the **vehicle**, and/or
3. the weight of the load carried by the **vehicle**.

### ▶ F. Property owned or in your care

This policy does not insure liability arising from **loss** to property that belongs to **you**, or is in **your** possession or control.

### ▶ G. Transporting of a load

This policy does not insure liability arising from the transportation of a load to or from the **vehicle**. However, this exclusion does not apply to liability arising from the actual loading and unloading of the **vehicle**.

### ▶ H. Vehicles

This policy does not insure liability arising from **loss** to any:

1. **vehicle** that is insured by this policy, or
2. property being carried in or on it.

*Important: Please also read 'General Exclusions'.*

### ▶ I. Offences

This policy does not insure any legal defence costs, fines or court costs arising from the prosecution of any offence under any Act of Parliament.

## Section 2: Basis of settlement

### ▶ A. Maximum amount payable

The maximum amount payable, inclusive of defence costs, under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions', in total, for any **event** is \$10,000,000, unless a different amount is shown in this policy.

However, the maximum amount payable, inclusive of defence costs, under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions', arising out of the ownership, operation or maintenance of any **vehicles** within the restricted area of any airport used for scheduled commercial flights, is \$1,000,000 for any **event**.

### ▶ B. Excess

An excess will only apply under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions' if specified in the **schedule** or this policy.

### ▶ C. Sub-limits

The most **we** will pay under any automatic or optional extension is:

1. the amount specified in this policy wording, or
2. the amount specified in the **schedule**,

whichever is the higher.

## Automatic extensions to sections 1 & 2

In addition to the cover under:

1. 'Section 1: Damage to the Vehicle', and
2. 'Section 1: Automatic Extensions', and
3. 'Section 2: Liability Cover', and
4. 'Section 2: Automatic Extensions',

**we** also provide the following automatic extensions:

### ▶ A. Additions and deletions

**You** are insured for any additional vehicle purchased during the **period of insurance**. The additional vehicle will be automatically covered from the date of purchase.

**You** must pay **us** any additional premium if **we** request it.

Each additional vehicle will be insured for its **market value**, up to a maximum \$150,000 unless **you** advise **us** differently at the time of purchase.

If a **vehicle** is sold during the **period of insurance**, it will be deleted from the **schedule** from the date it is sold.

The premium for all additions and deletions will be calculated and paid at the end of the **period of insurance** based on 50% of the difference in value between all additions and deletions at the premium rate agreed at the beginning of the **period of insurance**.

▶ **B. Breach of condition**

You are insured where there is a breach of any condition of this policy, provided that:

1. the breach occurs without **your** knowledge, and
2. **you** advise **us** as soon as **you** are aware of the breach of condition, and
3. **you** pay **us** any additional premium **we** require.

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

▶ **C. Invalidation cover**

You are insured for **loss** or liability that arises when the **vehicle** is driven under any of the circumstances excluded in:

1. General Exclusions, Part B – Driving Hours
2. General Exclusions, Part D – Excessive Loads
3. General Exclusions, Part E – Alcohol, Drugs, and Other Intoxicating Substances
4. General Exclusions, Part I – Unlicensed Drivers
5. General Exclusions, Part J – Unsafe Vehicles

provided that:

- (a) those excluded circumstances were without the knowledge of an **authorised person**, and
- (b) the claim is otherwise covered under this policy.

You must allow **us** to act on **your** behalf to recover the claim from other persons (including the **driver**) responsible for the **loss**.

This extension is limited solely to **loss** or liability suffered by **your** business. The liability of the **driver** or the person responsible for the **loss** or liability is not insured under this extension.

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

1. \$100,000 per **event** under 'Section 1: Damage to the Vehicle', and
2. \$1,000,000 per **event** under 'Section 2: Liability Cover'.

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

## Optional extensions to sections 1 & 2

These optional extensions only apply where specified in the **schedule**.

▶ **A. Commercial motor vehicle – burning cost adjustment clause**

The premium payable for this policy is subject to adjustment on the basis of losses incurred (meaning the total amount of claims paid and reasonable estimates of claims yet to be paid, including fees, less actual and estimated recoveries) as a result of **accidents** during the **period of insurance**.

**1. Deposit premium**

At the commencement of the **period of insurance**, **you** will provide **us** with a schedule of all **vehicles**, and their current market values, owned by **you** and to be included in this policy. The deposit premium will be calculated on those values. **Vehicles** acquired during the **period of insurance** will be included in this **policy** from the time of acquisition.

**2. Adjustment**

At the end of the **period of insurance** the adjusted premium will be calculated by dividing the amount of losses incurred by the multiplier stated in the **schedule**.

If the adjusted premium is greater than the deposit premium, then **you** will pay the difference to **us**, but not exceeding the percentage of the deposit premium stated in the **schedule**.

If the adjusted premium is less than the deposit premium, then **we** will refund the difference to **you**, but not exceeding the percentage of the deposit premium stated in the **schedule**.

▶ **B. Profit share**

At the end of the **period of insurance**, provided **you** agree to renew this policy with **us**, we will adjust the premium payable for this policy on the following basis:

At the end of the **period of insurance**, the net premium shall be totalled together with losses incurred and the loss ratio calculated by comparing the net premium ([gross premium] less [adjustments] less [commissions if applicable]) to the total losses incurred (total amount of claims paid and reasonable estimates of claims yet to be paid, including fees, less actual and estimated recoveries).

Any profit share will be calculated on the following basis:

Loss ratio	Profit share
If loss ratio less than 40%	20% profit share
If loss ratio between 41% and 50%	15% profit share
If loss ratio between 51% and 60%	10% profit share

Provided any profit share will be credited against the following year's renewal premium.

## General exclusions

The following exclusions apply to all parts of this policy.

### ▶ A. Confiscation

This policy does not insure **loss**, liability, prosecution or expense of any type in connection with confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any **accidental loss** that is covered by this policy).

### ▶ B. Driving hours

This policy does not insure **loss** or liability when the **vehicle** is being driven in breach of any enactment or regulations relating to driving hours.

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

### ▶ C. Electronic data and programs

This policy excludes loss of, or damage to **electronic data** from any cause whatsoever including, but not limited to, a **computer virus**.

This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

However this exclusion does not apply to physical damage to other **insured property** that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.

### ▶ D. Excessive loads

This policy does not insure **loss** or liability when the **vehicle** is:

1. loaded in excess of the manufacturer's recommended specifications, and/or
2. operated or loaded contrary to any enactment or regulations.

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

### ▶ E. Alcohol, Drugs, and Other Intoxicating Substances

This policy does not insure **loss** or liability when the **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 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 or illegal conversion of the **vehicle**.

### ▶ F. Nuclear

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

1. ionising radiation or contamination by radioactivity from:
  - (a) any nuclear fuel, or
  - (b) any nuclear waste from the combustion or fission of nuclear fuel.
2. nuclear weapons material.

### ▶ G. Seepage, pollution and contamination

This policy does not insure an event 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 **you** 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**.

### ▶ H. Terrorism

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with an act of terrorism, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

### ▶ I. Unlicensed drivers

This policy does not insure **loss** or liability when the **vehicle** is being driven by a person who:

1. does not hold a driver's licence appropriate for the class or operation of the **vehicle** (or the **vehicles** components), unless the:
  - 1.1 **driver** has held, (and is not disqualified from holding or obtaining) and actually obtains, such a licence without a further driving test, or
  - 1.2 **vehicle** is being used for the purpose of teaching a learner to drive, and all the requirements of the law are being complied with, or
2. breaches any licence conditions that apply when driving the **vehicle** or the **vehicles** components.

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

## ▶ J. Unsafe vehicles

This policy does not insure **loss** or liability if the **vehicle** is being driven in an unsafe manner or condition, and:

1. that condition contributes to the **loss** or liability, and
2. **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 or illegal conversion of the **vehicle**.

## ▶ K. War

This policy does not insure any **loss**, liability, prosecution or expense of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:

war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

## ▶ L. Intentional or Reckless Behaviour

This policy does not insure loss or liability arising from any intentional or reckless act or omission.

# Managing your claim

## ▶ A. Your obligations

### 1. Advise us

If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.

**You** and any other person entitled to cover under this policy must notify **us** immediately if **you** or anyone else entitled to cover is charged with any offence in connection with the use of any of **your** insured **vehicle's** or another vehicle which resulted in **loss** of property or **bodily injury** to another person.

### 2. Minimise the loss

**You** must take all reasonable steps to minimise the claim and avoid any further **loss** arising.

### 3. Notify the police

**You** must immediately lay a complaint with the police if **you** suspect burglary, theft, arson or intentional damage has occurred.

### 4. Provide full information

When **you** make a claim, **you** consent to **your** personal information in connection with the claim being:

- 4.1 disclosed to **us**, and
- 4.2 transferred to the Insurance Claims Register Limited.

**You** must:

- (a) give **us** free access to examine and assess the claim, and
- (b) send any relevant correspondence or documents to **us**, and
- (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and
- (d) provide any other information or assistance that **we** may require at any time.

## 5. Be truthful

If **your** claim is dishonest or fraudulent in any way, **we** may:

- 5.1 decline **your** claim either in whole or in part, or
- 5.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

## 6. Do not admit liability

**You** must not do or say anything that may prejudice **our** ability to take recovery action in **your** name.

## 7. Do not dispose of property

**You** must not dispose of any property involved in **your** claim until **we** have given **you** permission to do this.

## 8. Incurring costs

All costs claimed for under this policy must be necessarily and reasonably incurred.

**You** are not authorised to start any repairs without **our** permission, unless the repairs are necessary to prevent further **loss** or liability.

## ▶ B. Managing your claim

### 1. Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.

If **we** initiate a recovery **we** will include **your** deferment period, and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** 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 **your** deferment period first.

**You** must fully co-operate with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

### 2. Recoveries

If any property that **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 any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.

### 3. Reparation

**You** and anyone entitled to cover under this policy must not without our prior written consent, negotiate, or offer to pay **reparation**, including but not limited to, offers made as part of any case management conference or sentencing hearing.

If any person is ordered to make reparation to **you** or anyone else we insure under this policy for **loss** to any property that **we** have paid a claim under this policy for, then **you** must tell **us**. Any payments received, must first reimburse **our** claims payment up to the amount of any reparation received.

### 4. Defence of liability claims

After **you** have made a claim, **we** have the sole right to:

- 4.1 act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and
- 4.2 publish a retraction or apology (in the case of defamation proceedings).

**We** may appoint **our** own lawyers to represent **you**. They will report directly to **us**.

### 5. Discharge of liability

We may elect at any time to pay you:

- 5.1 the maximum amount payable under the policy, or
- 5.2 any lesser sum that the claim against you can be settled for.

Once we have paid this (plus any defence costs already incurred) our responsibility to you under the policy is met in full.

### 6. Waiver of subrogation (group companies)

If you are a parent or subsidiary company in a group of related companies, we will waive any right of recovery we may have against any other company in the same group.

### 5. GST

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

- 5.1 all sums insured exclude GST, and
- 5.2 all sub limits exclude GST, and
- 5.3 all excesses include GST, and
- 5.4 GST will be added, where applicable, to claim payments.

### 6. Monthly premiums

If you choose to pay the premium monthly, then:

- 6.1 you must use the Deduction Authority we require, and
- 6.2 this policy is for the initial period of insurance starting on the 'from' date and ending on the 'to' date stated in the schedule.

The policy will be renewed for further monthly periods of insurance (as indicated in the schedule) by payment of each monthly premium due under the Deduction Authority.

## General conditions

### ▶ A. How we administer this policy

#### 1. Cancellation and modification

##### By you

You may ask us to cancel or modify this policy at any time. We must agree in writing to any modification before it will take effect.

##### By us

We may cancel or modify this policy by advising you (or your Agent) by letter, fax or email. Cancellation or modification will take effect at 4.00pm, on the 30th day after the date of our advice.

We will refund the proportion of unused premium paid, calculated from the date of cancellation.

If you pay your premium by instalments, you must pay us any unpaid instalments that are due.

#### 2. Other insurance

You must notify us as soon as you know of any other insurance policy that covers you for any of the risks covered under this policy.

If you or anyone else who can claim under this policy can claim under any other insurance, we will only pay over and above the limit payable by the other insurances.

#### 3. Interest of other parties

If we are advised of any party having a financial interest over your insured assets, we may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of our obligations to you under this policy.

You consent to us transferring your relevant personal information to that party.

#### 4. Separate insurance

If more than one person or entity is named as 'The Insured' in the schedule, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).

However, the maximum amount we will pay to all parties, is the amount stated in each part of this policy.

### ▶ B. Laws and acts that govern this policy

#### 1. Acts of Parliament

Where this policy refers to any Act of Parliament, it also includes any subordinate legislation made under it, and any subsequent Acts or regulations.

#### 2. Governing law and jurisdiction

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

#### 3. 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.

### ▶ C. Your obligations

#### 1. Comply with the policy

You (and any other person or entity we cover) must comply with the conditions of this policy at all times. If you fail to comply, we may not pay your claim.

#### 2. Provide accurate information

You must make sure all statements and representations that are made to us, at any time, either by you or anyone else, are truthful and complete.

#### 3. Reasonable care

You must take reasonable care at all times to avoid circumstances that could result in a claim. Your claim will not be covered if you are reckless or grossly irresponsible.

#### 4. Change in circumstances

You must tell us immediately if there is a material:

- 4.1 increase in the risk insured, or
- 4.2 alteration of the risk insured.

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

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, or
- (b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

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

- (a) accepting your insurance, or
- (b) setting the terms of your insurance,

if we had known that information. If in any doubt, notify us anyway.

#### ▶ D. Sum insured

The sum insured stated in the **schedule** must fully represent the current **market value** of each **vehicle**. Alternative values such as book value, depreciated cost, written down residual value, will not be sufficient to comply with this condition.

#### ▶ E. Total loss

If **we** settle a claim for the **vehicle** as an **agreed total loss**, the insurance on that **vehicle** ceases entirely from the date of the **loss**. No premium will be refundable for the unexpired **period of insurance** in respect of that **vehicle**. The **vehicle** then becomes **our** property.

## Definitions

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

#### accessory

Any accessories and spare parts of the **vehicle** (including when temporarily removed from the **vehicle**), such as, but not limited to:

1. on board computers, or
2. telephone installations, or
3. load securing or protection equipment,

but excluding any item of electrical or communication equipment not permanently connected to the **vehicles** electrical system.

#### accident

Unexpected and unintended by **you** and anyone using the **vehicle**.

#### act of terrorism

any 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 thereof, 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.

#### agreed total loss

Where repair costs, as determined by **us**, equal or exceed 75% of the **vehicle's** **market value**.

#### annual period

The **period of insurance**, but no more than 12 months. However, if:

1. **you** pay the premium monthly, or
2. the **period of insurance** is for more than 12 months,

the annual period is any one 12 month period calculated from the date this policy first started, and consecutively thereafter.

#### authorised person

Any:

1. of **your** employees with authority to control the conduct of the **driver** of the **vehicle** concerned, and
2. other person who is of such senior capacity within **your** business that his or her knowledge is deemed at law to be the knowledge of **you**.

#### 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.

#### computer virus

A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.

#### driver

The person driving the **vehicle**, including the person operating any component of the **vehicle** (for example – a crane).

#### event

Any one event or series of events arising from one source or original cause.

#### electronic data

facts, concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

#### general average

General average and salvage charges incurred to avoid a covered under this policy that are determined by the contract of carriage, and/or the governing law and practice of the carriage.

#### group of related companies

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

#### injury

A bodily injury caused solely and directly by violent, accidental, external and visible means.

## Policy wording

### loss

Physical loss or physical damage occurring during the **period of insurance**.

### market value

The reasonable sale price of the same, or a comparable **vehicle**, of similar pre-loss age, usage and condition, including the value of any **accessories**.

### mechanical plant

A **vehicle**, that has either plant or machinery attached to it, or is primarily designed as mobile plant or machinery.

### period of insurance

The period **you** are insured for. This is shown in the **schedule**.

### 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.

### schedule

The latest version of the Schedule **we** issued to **you** for this policy.

### 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.

### vehicle

Any:

1. motor vehicle, and
2. machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, and
3. amphibious vehicle, but only while located on land, and
4. anything designed to be towed by either 1, 2, or 3.

as specified in the **schedule**, or whilst being leased, lent, borrowed, or hired by you, or is under your care, custody and control.

This also includes its **accessories**.

### we

State, a business division of IAG New Zealand Limited. We may also use the words 'us', 'our' or 'company' to describe State.

### you

The person(s) or entity named in the schedule as "Insured". This includes any:

1. subsidiary company, or
2. associated managed company, or
3. associated social or sporting club, or
4. new organisation or company formed or acquired by you during the **period of insurance**.

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

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