



Commercial Motor Vehicle

Vertex Policy Wording

Aon New Zealand
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Table of Contents

1	Definitions and Interpretation	1
2	Description of Cover	2
3	Insuring Agreement and Priority Limits of Indemnity	2
4	Permitted Use	2
5	General Extensions (Applicable to All Sections)	2
6	Section 1–Own Damage	4
7	Extensions to Section 1	5
8	Exclusions to Section 1	7
9	Section 2: Third Party Liability–Property Damage and Bodily Injury	8
10	Limit of Liability–Section 2	8
11	Extensions to Section 2	8
12	Exclusions to Section 2	10
13	General Exclusions – Applicable to All Sections except where otherwise specified	11
14	General Terms and Conditions–Applicable to All Sections	13
15	Endorsements to the Policy	16

1 Definitions and Interpretation

The words in bold (and any derivatives of them) listed below have the following specific meaning when they appear within the policy wording.

- 1.1 **Accessories** means all items and spare parts used in connection with the **Insured Vehicle** (including when temporarily removed from the **Insured Vehicle**), such as (but not limited to) on board computers, telephone installations, load securing or protection equipment and consumables (where loss is sudden and accidental). Consumables are restricted to those being used solely to operate the vehicle at the time of the loss and do not extend to items being stored or carried in or on the vehicle.
- 1.2 **Accidental Damage** means damage, loss or destruction caused by an unforeseen and unintended happening.
- 1.3 **Act of Terrorism** means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- 1.4 **Annual Aggregate Deductible** means the amount specified in the **Schedule**, but only where **Endorsements** 15.2 (Aggregate Deductible Without Stop Loss) or 15.3 (Aggregate Deductible With Stop Loss) are applicable.
- 1.5 **Deposit Premium** means the initial premium as determined by the **Insurer** at the commencement of the **Period of Insurance** based on the **Schedule of Motor Vehicles**.
- 1.6 **Driver** means the person driving an **Insured Vehicle** and includes the person operating any component of the **Insured Vehicle** (eg a crane). For the purposes of extensions 7.2, 7.3, 7.4, 7.9, 7.11 and 7.18 where the **Driver** is not the **Insured**, the **Driver** must be using the **Insuring Vehicle** with the **Insured's** consent.
- 1.7 **Endorsement** means a written alteration to the terms of the **Policy**.
- 1.8 **Event Stop Loss Limit** means the amount specified in the **Schedule** but only where **Endorsement** 15.3 (Aggregate Deductible With Stop Loss) is applicable.
- 1.9 **Excess** means the amount(s) specified in the **Schedule** and elsewhere in the **Policy** which the **Insured** has to contribute as the first part of each and every loss under the **Policy** in respect of each **Insured Vehicle**.
- 1.10 **Insured** means:
- 1.10.1 the **Named Insured**, all subsidiary companies, organisations and other entities in which the **Named Insured** has a controlling interest to the extent only that each of them is engaged in carrying on the Business described in the **Schedule** or activities which are substantially of the same kind or related to that Business;
- 1.10.2 any associated social or sporting club.
- 1.11 **Insured Vehicles** means all motor vehicles presently existing or subsequently acquired, owned, hired (in and out), leased, rented, loaned, borrowed or used by or on behalf of the **Insured**, or are in the lawful custody or control of the **Insured** or in which the **Insured** has an insurable interest or for which the **Insured** has received instructions to insure.
- The term "**Insured Vehicles**" also includes motor cycles, trailers, caravans, mobile plant and equipment, tractors, self-propelled agricultural machines and **Accessories**.
- 1.12 **Insurer** means the company named in the **Schedule**.
- 1.13 **Limit of Liability** means the **limit of liability** of the **Insurer** as specified in the **Schedule**.
- 1.14 **Malicious Damage** means damage, loss or destruction intentionally caused by a third party without the consent of the **Insured**.
- 1.15 **Market Value** means the amount required, net of GST, to purchase a vehicle and **Accessories** substantially the same as the **Insured Vehicle** immediately before it suffered loss, damage, or theft taking into account its make, model, age, kilometres travelled, condition and location.
- 1.16 **Named Insured** means the natural person, partnership, corporation or entity specified in the **Schedule** and includes the directors and shareholders of the **Named Insured** and the owners of an **Insured Vehicle**.
- 1.17 **Period of Insurance** means the period specified in the **Schedule** or any subsequent period for which renewal has been agreed. The term "Local Time" which appears in the **Schedule** means the local standard time at the **Insured's** principal place of Business.
- 1.18 **Policy** means this document, the **Schedule** and any **Endorsement**.
- 1.19 **Public Relations Expenses** means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm which an **Insured** reasonably incurs with the **Insurer's** written consent to prevent or limit adverse effects or negative publicity in respect of a claim.
- 1.20 **Reckless** means taking a risk either an ordinary person would know of, or which is actually known to the **Insured** but which the **Insured** choose to ignore.
- 1.21 **Schedule** means the **Schedule** attached to the **Policy** or any later **Schedule** issued on renewal or variation or by way of **Endorsement**.
- 1.22 **Schedule of Motor Vehicles** means a list of vehicles provided by the **Insured** for underwriting purposes only. It does not diminish the **Insured's** entitlement to indemnity in accordance with the definition of **Insured Vehicle** or clause 6.2 (Basis of Settlement). The **Schedule of Motor Vehicles**, which may specify the Description of Cover and/or the **Sum Insured** applying to individual vehicles, is deemed to be incorporated into the **Policy**.

- 1.23 **Sub-Limit of Liability** means the **limit of liability** of the **Insurer** under a specific provision of the **Policy** or as specified in the **Schedule**.
- 1.24 **Territorial Limits** means New Zealand and includes transit by road, sea or air between any places within New Zealand.
- 1.25 **Tool of Trade** means a **motor vehicle** which has a tool or plant forming part of, attached to or used in connection with it, while such tool or plant is engaged on a work site, but does not include vehicles while in transit to or from any work site or while being used for transport or haulage.
- 1.26 **Total Loss** means where repair costs as determined by the **Insurer** are such that the **Insured Vehicle** is beyond economic repair.

2 Description of Cover

When the Description of Cover specified in the **Schedule** and/or in the **Schedule of Motor Vehicles** is described as:

- 2.1 Own Damage and Third Party Liability—both Sections of the **Policy** will operate.
- 2.2 Fire, Theft and Third Party Liability—Section 1 is restricted to loss or damage caused by fire, explosion, lightning, theft or attempted theft only and Section 2 will operate.
- 2.3 Third Party Liability—Section 2 only will operate.

3 Insuring Agreement and Priority Limits of Indemnity

- 3.1 The **Insured** having made an application to the **Insurer** and having paid or agreed to pay the **Deposit Premium**, the **Insurer** will indemnify the **Insured** against loss, damage and/or liability in accordance with all of the provisions of the **Policy** occurring within the **Territorial Limits**, during the **Period of Insurance**.
- 3.2 Should the indemnity provided under this **Policy** be insufficient to indemnify both the **Insured** and any other person or entity indemnified herein, it shall apply in priority to the **Insured**.

4 Permitted Use

Other than loss or liability arising in respect of fire, theft or conversion, the **Insurer** will provide indemnity in accordance with the terms of the **Policy** only when **Insured Vehicles** are being used for one or more of the following purposes:

- 4.1 privately for social, domestic and pleasure purposes;
- 4.2 in connection with the Business as described in the **Schedule**, of the **Insured**;
- 4.3 for demonstration for sale;
- 4.4 in connection with servicing, repairing and subsequent testing;
- 4.5 for tuition;
- 4.6 for towing or pushing a caravan, trailer or vehicle including a mechanically propelled vehicle, provided:
- 4.6.1 not more than one caravan or vehicle is being towed or pushed at any one time; and
- 4.6.2 the number of trailers being towed or pushed at any one time does not exceed the number permitted by law.

Notwithstanding the foregoing, the **Policy** will cover loss, damage and/or liability as provided by the **Policy**, where an **Insured Vehicle** is used for a purpose other than one of the permitted uses described in this clause, provided that the **Insured** did not know that the vehicle was being so used.

5 General Extensions (Applicable to All Sections)

The **Insurer** will provide the following cover subject to any applicable **Sub-Limits of Liability** specified in the **Schedule**. The benefits are payable in addition to the **Limit of Liability** and to any amounts payable under clause 6.2 (Basis of Settlement).

5.1 Additional Vehicles

Provided that a vehicle is of a like and similar kind to those currently insured by the **Policy**, the **Insurer** will automatically cover any additional and/or replacement vehicles acquired, hired, leased, rented, on loan to or used by or on behalf of the **Insured** during the **Period of Insurance**, whether on a permanent or temporary basis, from the time the **Insured** becomes legally responsible for the vehicle, for the vehicle's **Market Value** or \$400,000 whichever is the lesser, or such other amount specified in the **Schedule** in respect of Additional Vehicles.

Any increase in cover in respect of Additional Vehicles above the amount of \$400,000 or such other amount specified in the **Schedule**, shall only apply when the **Insurer** has been notified of, and accepted in writing, details of any **Additional Vehicle** and that vehicle's purchase price or value.

The **Insured** agrees to include any such **Additional Vehicles** in the **Schedule of Motor Vehicles** provided to the **Insurer** on the expiry of the **Period of Insurance** or at any other interval as may be agreed between the **Insured** and the **Insurer**.

5.2 Claim Preparation Costs

The **Insurer** will pay reasonable costs incurred by the **Insured** (other than the **Insured's** own internal costs) up to the maximum amount of \$20,000 per claim or such other amount specified in the **Schedule** in having a claim prepared for a loss covered under Section 1 (but not costs incurred in disputing the claim if it is declined.)

There will be no liability under this clause if the claim is not admissible under the **Policy**.

5.3 Crash Scene/Site Management and Crisis Coordination

The **Insurer** will pay reasonable costs and expenses incurred by, or on behalf of the **Insured**, in coordination and management of the location at which an **Insured Vehicle** has been involved in or is alleged to have been involved in an accident or suffered loss or damage or in which death or serious personal injury was involved.

5.4 Crisis Cover

The **Insurer** will pay **Public Relations Expenses**, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, incurred with the written approval of the **Insurer**. This benefit does not apply where the **Insured Vehicle** is stolen and not recovered.

5.5 Difference in Excess

Where an **Insured Vehicle** has been hired in by the **Insured** and insurance is maintained by the hire company, this **Policy** extends to provide cover to the **Insured** for any additional difference in the excess between this **Policy** and that of the hire company.

5.6 Emergency Services

If an **Insured Vehicle** is involved in an accident requiring the attendance of the Fire Service, Police, Ambulance, or other regulatory or municipal authority, the **Insurer** will pay the cost of services as may be charged to the **Insured** by each relevant service or authority.

5.7 Interested Parties

Indemnity against loss, damage and/or liability as described in this **Policy** is extended to include any person, company or firm who has a financial and/or an insurable interest in the **Insured Vehicle** which is the subject of the loss or damage, and such person, company or firm shall be subject to the same terms, conditions and exclusions of this **Policy** as the **Insured**.

5.8 Invalidation

Notwithstanding that the **Insured Vehicle** may have been driven in a manner that would prevent cover due to the application of **Policy** exclusions 13.1.3 and 13.2, the **Insurer** will indemnify the **Named Insured** for loss or damage to an **Insured Vehicle** under Section 1 of the **Policy**, provided that:

5.8.1 the driving in those excluded circumstances was without the knowledge or consent of the **Insured**; and

5.8.2 the **Insured** has not waived any right of recovery against the **Driver** or any other person causing the loss or damage.

This clause also extends the cover under the **Policy** to indemnify the **Insured**, but not the **Driver** or other person causing the loss, for legal liability under Section 2 of this **Policy**.

5.8.3 For the purpose of this extension only, the knowledge of **Insured** will include the knowledge of:

any person employed by the **Named Insured** who has the authority of the **Named Insured** to control the conduct of the **Driver**; or

the **Driver**, if the **Driver** is of such senior position within the business of the **Named Insured** that his/her knowledge or consent is by the law deemed to be the knowledge or consent of the **Named Insured**.

5.9 Alteration to Risk

If circumstances change during the **Period of Insurance** such that there is an:

5.9.1 increase to the nature of the risk covered; or

5.9.2 alteration to the nature of the risk covered;

the **Insured** must tell the **Insurer** as soon as the **Insured** becomes aware of the change.

Examples of changes are:

5.9.3 modifications made to the **Insured Vehicle** (excluding conversion to LPG or CNG);

5.9.4 a change in the use of the **Insured Vehicle**;

5.9.5 a change in the physical ability of any **Driver**;

5.9.6 criminal convictions.

However, the cover provided by this **Policy** will not be prejudiced by modifications or alterations to any **Insured Vehicle** from the maker's specifications provided they do not alter 5.9.1 or 5.9.2 above and any such modifications do not prohibit any such **Insured Vehicle** from obtaining a Certificate or Warrant of Fitness, as applicable.

5.10 Most Recent Cover

Where an indemnity would not be provided either in whole or in part by this **Policy** but would have been provided by the **Insurer's** most recently released branded commercial motor policy (fleet or non-fleet) including all automatic extensions, this **Policy** is extended to provide such indemnity. Provided that this extension:

- 5.10.1 will not result in the **Insurer** paying any amount greater than the **Limit of Liability**;
- 5.10.2 does not apply to any optional extension that the **Insured** has elected not to take; or
- 5.10.3 does not apply to any imposed or special terms.

5.11 Rental or Hire Vehicles

If the **Insured** does not accept a rental or hire vehicle owner's statutory offer of insurance, this extension covers rented or hired vehicles as if they were insured under this **Policy**, for the **Insured's** liability:

- 5.11.1 to the owner of the vehicle against:
 - 5.11.1.1 loss or damage under Section 1 of this **Policy**, subject to a limit of \$400,000 per vehicle; and
 - 5.11.1.2 consequential loss caused by a loss for which a claim is payable under 5.11.1.1 above notwithstanding exclusion 8.1, subject to a limit of \$50,000 per claim
- 5.11.2 for loss under Section 2 of this **Policy**.

5.12 Tyres

Notwithstanding exclusion 8.3 (Tyres) this **Policy** will indemnify the **Insured** in respect of loss to any tyre or tyres fitted to any **Insured Vehicle** which is not principally used for public road use, provided that:

- 5.12.1 the **Insurer** shall not be liable for loss caused by wear and tear;
- 5.12.2 no **Excess** applies to this extension;
- 5.12.3 the amount of loss to any tyre will not exceed the market value of the damaged tyre or tyres at the time the loss is incurred;
- 5.12.4 the **Insurer** may at its option repair or replace any damaged tyre;
- 5.12.5 the indemnity provided by this extension:
 - 5.12.5.1 will not apply to any loss for which a claim is payable under Section 1 of the **Policy**; and
 - 5.12.5.2 will not have the effect of increasing the **Sum Insured** of any **Insured Vehicle** specified in the **Schedule** and/or the **Schedule of Motor Vehicles**.

6 Section 1 – Own Damage

6.1 The **Insurer** will indemnify the **Insured** against theft of, or **Accidental Damage** or **Malicious Damage** to:

- 6.1.1 each **Insured Vehicle**; and
- 6.1.2 their **Accessories**.

6.2 Basis of Settlement

The **basis of settlement** applicable to Section 1 will be at the option of the **Insurer** to pay the cost of repairing, reinstating or replacing an **Insured Vehicle** and any **Accessories** or to pay the amount of the loss or damage to the **Insured Vehicle** at the time of the loss, provided such payment does not exceed either:

- 6.2.1 The **Market Value** of the **Insured Vehicle**; or
- 6.2.2 Any agreed value specified in the **Schedule**;
Except:
 - 6.2.3 in respect of sedans, station wagons, four wheel drives and utilities under 3,500 kilograms which, if becoming a **Total Loss** within twenty-four (24) months of the commencement date of the original registration, the **Insurer** will replace such **Insured Vehicle** with a new vehicle of the same make, model or series (subject to local availability) including similar **Accessories** and pay delivery costs or, at the **Insurer's** option, pay the equivalent cash value of such replacement.
Further:
 - 6.2.4 in respect of an **Insured Vehicle** under a lease, commercial hire purchase or similar agreement becoming a **Total Loss** during the **Period of Insurance** and the payout sum under such agreement being greater than the vehicle's **Market Value** or **Sum Insured** (if any), the **Insurer's** liability shall be the payout sum under that agreement plus an allowance for the **Market Value** of any **Accessories**.

Provided that the **Insurer's** liability under this sub-clause 6.2.4 shall not:

- 6.2.4.1 exceed the **Market Value** or **Sum Insured** (if applicable) of the **Insured Vehicle** and **Accessories** plus twenty-five percent (25%); or
- 6.2.4.2 include payments and interest in arrears due at the time of the loss or discounts in respect of finance discharge.
- 6.2.5 if an **Insured Vehicle** is stolen and not recovered within twenty-one (21) days, it shall be deemed to be a **Total Loss**.

7 Extensions to Section 1

In connection with a claim under Section 1 of the **Policy**, the **Insurer** will pay in addition to the amount payable under Clause 6.2 (Basis of Settlement) the following extended benefits subject to any applicable **Sub-limits of Liability** specified in the **Schedule**.

7.1 Acceptable Assessors

An assessor mutually agreed upon by the **Insured** and the **Insurer** will assess any claim under Section 1.

7.2 Cost of Repatriating Driver and Passengers

The reasonable cost, including necessary accommodation expenses, incurred in returning the **Insured's Driver** and passengers or their remains, to the original point of departure or, at the **Insured's** option, to the **Driver's** destination, provided that the loss or damage to the **Insured Vehicle** occurred outside a radius of 100 kilometres from the original point of departure.

7.3 Death by Accident

If the **Driver** of an **Insured Vehicle** dies as a result of an accident covered by this **Policy**, whether or not death occurs at the time of the accident, the **Insurer** will pay the amount specified in the **Schedule** applicable to this extension, to the **Driver's** estate, regardless of any other insurance.

7.4 Disability Modification

If an **Insured Vehicle** is involved in an accident which results in permanent injury to the **Driver** the **Insurer** will pay reasonable costs incurred, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, to modify the **Insured Vehicle** and/or the **Driver's** private vehicle to allow the safe operation of the vehicle.

However, the **Insurer** is only liable in excess of any amount payable by the Accident Compensation Corporation.

7.5 Emergency Repairs and Protection Costs

The reasonable costs incurred by the **Insured** following theft, loss or damage as insured by this **Policy**:

- 7.5.1 to protect and/or ensure the safety of an **Insured Vehicle**; and/or
- 7.5.2 for carrying out emergency repairs, excluding non-essential panel repairs, to enable an **Insured Vehicle** to continue to the destination.

No excess applies to this extension.

7.6 Employees' Personal Property

If, as a result of loss or damage to an **Insured Vehicle** for which a claim is payable under Section 1 of the **Policy**, any personal property therein belonging to an employee of the **Insured** is lost or damaged, the **Insurer** will indemnify the **Insured** in respect of such employee's property, provided that such property is not otherwise insured, subject to deduction of an allowance for age, depreciation, wear and tear, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**.

7.7 Employees' Vehicles

The **Insurer** will indemnify loss or damage covered under Section 1 to vehicles owned by the **Insured's** employees, while the vehicle is being used incidentally in the course of the **Insured's** business:

- 7.7.1 where the vehicle is not insured; or
- 7.7.2 where the business use invalidates the employee's own personal vehicle insurance.

7.8 Expediting Expenses

The reasonable additional costs necessary to expedite permanent repairs to the **Insured Vehicle** including overtime, night work, penalty rates, work on public holidays, express or air freight costs, but not exceeding the lesser of:

- 7.8.1 an additional fifty percent (50%) of the normal repair costs; or
- 7.8.2 the **Sub-Limit of Liability** applicable to this extension in the **Schedule**.

7.9 Family Expenses on Hospitalisation

Where the **Driver** or a passenger in an **Insured Vehicle** requires hospitalisation as a result of an accident involving the **Insured Vehicle** the **Insurer** will pay reasonable expenses up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, for transport, accommodation, meals and related expenses (within New Zealand only) incurred by the immediate family to attend the hospital.

The benefit under this extension is only payable where:

- 7.9.1 the **Insured Vehicle** was being used in connection with the **Insured's Business**; and
- 7.9.2 the **Driver** or passenger(s) was hospitalised more than 100km from his or her primary place of residence.

7.10 **First Aid**

If the **Insured Vehicle** suffers loss or damage as a result of an accident, the **Insurer** will pay an amount per event up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, to replace or restock any first aid kits or equipment in the **Insured Vehicle** damaged or used as a result of that accident.

7.11 **Funeral Expenses**

If the **Driver** dies as the direct result of an accident causing loss to an **Insured Vehicle**, whether or not death occurs at the time of the loss, the **Insurer** will pay reasonable funeral expenses up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, associated with the burial or cremation of the **Driver** in addition to any amount payable by the Accident Compensation Corporation or any other insurer.

This extension will also cover the reasonable travel costs within New Zealand, of the deceased or any immediate family member (i.e. father, mother, brother, sister, spouse or child) incurred to attend the funeral).

7.12 **Goods in Transit**

If an **Insured Vehicle** suffers loss arising from:

- 7.12.1 fire, or
- 7.12.2 collision, or
- 7.12.3 impact, or
- 7.12.4 overturning, or
- 7.12.5 theft of the vehicle

which is covered under Section 1, this extension covers loss to property owned by the **Insured** or for which the **Insured** is responsible, carried in or on the **Insured Vehicle** at the time. The **Insurer** will pay the reasonable costs incurred up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**. However, this extension does not apply to any losses that would be subject to the Carriage of Goods Act 1979.

7.13 **Hire Costs**

If an **Insured Vehicle** is stolen, the **Insurer** will pay the reasonable cost of hiring a replacement vehicle of a similar type (subject to local availability). The **Insurer** will not pay for hiring charges incurred after the date the **Insured Vehicle** is available for use by the **Insured** in the condition similar to the condition it was in prior to the loss or damage, nor after a total period of 60 days.

7.14 **Hired Use**

Notwithstanding General Exclusion 13.2.3 (Hire), the cover provided under Section 1 of the **Policy** will not be prejudiced by the periodic hiring out of any **Insured Vehicle**, with or without **Drivers**, subject to the **Policy** terms and conditions being observed and no other indemnity being available.

7.15 **Hoists**

Notwithstanding exclusions 8.2 (Vehicle Components) Section 1 covers mechanical breakdown or mechanical failure of any hoists or hydraulic rams and similar parts and equipment permanently attached to the **Insured Vehicle**, where such failure or breakdown is not due to wear and tear.

7.16 **Ingestion of Foreign Objects**

The **Insurer** will indemnify the **Insured** for loss resulting from ingestion or entry of any foreign object into any mulching, chipping or agricultural implement or machine, provided this occurs while the **Insured Vehicle** is operated for the purpose for which it has been designed.

7.17 **Locks and Keys**

Where any key or other entry device giving access to the **Insured Vehicle** is damaged, lost, stolen or believed on reasonable grounds to have been duplicated without the **Insured's** permission during the **Period of Insurance**, the **Insurer** will cover the costs reasonably incurred in replacing that key and altering or replacing the locking mechanism if required, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**.

7.18 **Medical and Related Expenses**

The **Insurer** will refund to the **Insured** all reasonable sums incurred by the **Insured** (or **Driver**) not exceeding in the aggregate (in respect of any one accident) the amount specified in the **Schedule**, for medical, dental, hospital, chemist or ambulance expenses in connection with personal injury sustained by persons riding in an **Insured Vehicle** at the time of an accident giving rise to a claim which has been accepted under Section 1 of this **Policy**.

Provided that the refund shall not be made:

- 7.18.1 if the person so injured is entitled to recover such expenses under any statutory scheme or from any other source; or
- 7.18.2 of a sum prohibited to be paid by legislation.

7.19 **Recovery Costs**

If an **Insured Vehicle** is stolen and subsequently found, the **Insurer** will pay the reasonable cost of recovery from any place within the **Territorial Limits**.

7.20 Removal of Debris

The reasonable cost incurred up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule** to:

- 7.20.1 clean up and remove debris resulting from the event giving rise to the claim;
- 7.20.2 clean up, recover and reload any load lost or fallen from an **Insured Vehicle**; and
- 7.20.3 transfer the load carried, lost or fallen from an **Insured Vehicle** to another vehicle and to remove it to the nearest place of safety.

7.21 Rewards

If the **Insured Vehicle** is stolen and the loss is covered under Section 1 of this **Policy**, the **Insurer** will pay any reward offered, with the prior approval of the **Insurer**, to secure the return of the **Insured Vehicle**, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, for all rewards offered in connection with any one event.

7.22 Sea Transportation

If the **Insured Vehicle** is covered for "Own Damage", any contribution to general average and salvage charges is included when such maritime conditions apply, whether or not the **Insured Vehicle** is damaged.

7.23 Signwriting

The **Insurer** will pay reasonable costs incurred up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, of reinstating necessary signwriting and artwork on, in or attaching to the **Insured Vehicle**.

No excess applies to this extension.

7.24 Towing and Retrieval Costs

The reasonable costs incurred for recovery, removal or withdrawal of any **Insured Vehicle** following an accident or becoming unintentionally immobilised (other than as a result of mechanical or electronic failure) to its usual place of garaging or the nearest suitable repairer and to re-deliver the **Insured Vehicle** to its usual place of garaging after repair.

7.25 Uninsured Third Party Protection

Where the **Description of Cover** specified in the **Schedule** and/or in the **Schedule of Motor Vehicles** is Fire, Theft and Third Party Liability or Third Party Liability only, the **Insurer** will pay, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, for damage to the **Insured Vehicle** caused by or arising from a collision with an uninsured vehicle, provided that:

- 7.25.1 the driver of the uninsured vehicle was substantially at fault; and
- 7.25.2 the **Insured** provides the **Insurer** with the full name and address of the driver of the uninsured vehicle and where known, the registration number of the other vehicle.

For the purposes of this extension, a vehicle is uninsured if neither the driver nor the owner of the vehicle has an insurance policy that would provide cover for legal liability for property damage.

8 Exclusions to Section 1

Section 1 of this **Policy** does not cover:

8.1 Loss of Use

loss suffered as a result of inability to use an **Insured Vehicle**;

8.2 Vehicle Components

damage to:

- 8.2.1 engines and all engine parts; or
- 8.2.2 hydraulic and cooling systems; including but not limited to shock absorbers and suspension systems, radiators heat exchangers, cooling fans, pressure caps, water pumps, thermostats and hoses; or
- 8.2.3 transmission systems (including but not limited to gearboxes, drive shafts, axles, differentials, clutches, and wheel hubs); or
- 8.2.4 fuel systems; or
- 8.2.5 braking systems; or
- 8.2.6 electrical/electronic systems and or computer systems and/or mechanical systems; or
- 8.2.7 pumping and vacuuming systems; or
- 8.2.8 any fixed plant machinery (including but not limited to food /drink preparation equipment); or
- 8.2.9 underground exploratory devices.

However this exclusion does not apply if any loss to an **Insured Vehicle** part is the direct result of:

- 8.2.10 fire; or
- 8.2.11 the **Insured Vehicle** or a conveying vehicle overturning; or
- 8.2.12 the **Insured Vehicle** suffering an impact or collision with an external object; or
- 8.2.13 the whole **Insured Vehicle** being partly or fully immersed in a body of water; or
- 8.2.14 the **Insured Vehicle** being stolen or converted; or
- 8.2.15 the **Insured Vehicle** being **Maliciously Damaged**; or
- 8.2.16 the **Insured Vehicle** being accidentally operated with the incorrect fuel type. ie: diesel in a petrol engine or petrol in a diesel engine. This does not include operating the **Insured Vehicle** with fuel of the correct type which is contaminated; or
- 8.2.17 hail, snow, storm or lightning; or
- 8.2.18 natural disaster; or
- 8.2.19 animals;

8.3 Tyres

the tyres of an **Insured Vehicle** being damaged by application of brakes or by road punctures, cuts, bursting or shredding of tread, or damage to rubber tracks of earth moving type vehicles through cuts and/or ruptures; unless caused as a result of an **Accident** or **Malicious Act** which is covered under this **Policy**;

8.4 Vehicle Deterioration

depreciation, wear and tear, paint fading, rust or corrosion of an **Insured Vehicle**. However, the **Insurer** will pay for any resultant damage to the **Insured Vehicle**, provided the **Insured** was not aware of the condition.

9 Section 2: Third Party Liability – Property Damage and Bodily Injury

The **Insurer** will indemnify the **Insured** against legal liability for compensation and damages and claimant's costs and expenses:

- 9.1 in respect of loss of or damage to property;
- 9.2 arising from the death of or bodily injury to any person other than any person who at the time of the accident giving rise to the death or bodily injury was in charge of the **Insured Vehicle**;
caused by, through or in connection with the use of an **Insured Vehicle** which includes:
 - (a) goods being carried by or falling on, in or from the **Insured Vehicle** and all costs, charges and expenses reasonably incurred by the **Insured** or on behalf of a public authority to clean up and remove any debris;
 - (b) the operation of loading and unloading the **Insured Vehicle** but not the collection or delivery of the load to or from the vehicle beyond the limits of any carriageway or thoroughfare; or
 - (c) the **Insured Vehicle** being Driverless and unattended.

10 Limit of Liability – Section 2

Other than in respect of extension 11.5 (Legal Costs), the aggregate liability of the **Insurer** under Section 2 is limited to the amount specified in the **Schedule** in respect of all claims whatsoever and howsoever arising out of any one accident or series of accidents arising out of one event.

11 Extensions to Section 2

The following benefits apply subject to any applicable **Sub-Limits of Liability** specified in the **Schedule** and other than in respect of extension 11.5 Legal Costs (Civil), are inclusive of the **Limit of Liability**.

11.1 Cleaning Up Costs

The **Insurer** will pay all costs lawfully charged by any national, regional or local government body or authority, the New Zealand Fire Service, or any other entity, for cleaning or restoring the site following an accident in connection with an **Insured Vehicle**.

11.2 First Aid Costs

The **Insurer** will pay reasonable expenses, incurred at the scene of an accident by the **Insured** or the **Driver** of the **Insured Vehicle**, for first aid to others who suffered bodily injury as a result of an accident involving the **Insured Vehicle** not otherwise recoverable under any statutory scheme or compulsory insurance.

11.3 Forest and Rural Fires

The **Insurer** will indemnify the **Insured's** liability under the Forest and Rural Fires Act 1977 for:

- 11.3.1 costs and losses incurred during the **Period of Insurance** recoverable under Section 43; and
- 11.3.2 levies imposed by a Fire Authority and apportioned to the **Insured** under Sections 46 and 46A during the **Period of Insurance**;

up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**.

11.4 Indemnity to Other Persons

The **Insurer** will extend the indemnity provided to an **Insured** under Section 2 to:

- 11.4.1 any person who was driving, using or in charge of an **Insured Vehicle** with the **Insured's** permission or implied consent;
- 11.4.2 the **Insured's** employer, principal or business partner arising out of the use by the **Insured** of an **Insured Vehicle**;
- 11.4.3 the New Zealand Government arising out of the use by the **Insured** of an **Insured Vehicle** on government business; and
- 11.4.4 any passenger travelling in or on, entering into or alighting from an **Insured Vehicle**, including loss to personal effects and wearing apparel of any passenger.

11.5 Legal Costs (Civil)

The **Insurer** will pay, in addition to the **Limit of Liability**, all reasonable preparatory costs, legal costs and expenses incurred with prior written consent in the defence of any Court proceedings in respect of a civil matter or in order to avoid or mitigate the potential liability of any civil Court proceedings, in respect of which the **Insured** is or would be entitled to indemnity under Section 2 of this **Policy**.

11.6 Movement of Other Vehicles

The **Insurer** will indemnify the **Insured** in accordance with the cover under Section 2 for loss or damage to property resulting from the **Insured** moving any vehicle parked in a position which prevents or impedes the loading, unloading or legitimate passage of the **Insured Vehicle**.

11.7 Psychological Counselling

The **Insurer** will pay reasonable costs up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule**, incurred by the **Driver** or passenger(s) to obtain professional counselling as the result of an accident involving the **Insured Vehicle** where the **Insured** is liable to pay compensation for loss or damage to property or for death or bodily injury.

This extension does not cover any costs incurred which are covered by any government scheme or private health insurance which the **Insurer** is not permitted by law to provide.

11.8 The Insured's Liability as a Principal

The **Insurer** will indemnify the **Insured** in accordance with the cover under Section 2 in respect of any motor vehicle not owned or supplied by the **Insured** which is in the charge of or being driven by a person authorised to use the vehicle on behalf of the **Insured** in connection with the **Business** of the **Insured**. For the purposes of this extension only, the **Insured** includes any employee driving or in charge of a vehicle used in connection with the **Business** of the **Insured**.

11.9 Airside Liability

The **Insurer** will indemnify the **Insured** and any **Driver** for any liability arising out of the ownership, operation or maintenance of any **Insured Vehicle** within the restricted area of any airport used for scheduled commercial flights.

The **Insurer's** liability under this extension will not exceed the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule** for each claim or series of claims arising from any one accident.

Section 2, exclusion 12.6 (Airside Liability) does not apply to claims under this extension.

11.10 Weight Damage

The **Insurer** will indemnify the **Insured** and any **Driver** who is in charge of the **Insured Vehicle** with the **Insured's** consent against liability for loss to any property (including roads) during the **Period of Insurance** caused by:

- 11.10.1 the weight of the load carried by the **Insured Vehicle**, or
- 11.10.2 the weight of the **Insured Vehicle**, or
- 11.10.3 the combined weight of the load and the **Insured Vehicle**.

The **Insurer's** liability under this extension will not exceed the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule** for each claim or series of claims arising from any one accident. Section 2 exclusions 12.7 (Vibration or Weight) 12.7.2, 12.7.3 and 12.7.4 do not apply to claims under this extension.

11.11 Exemplary Damages

The **Insurer** will indemnify the **Insured** and any **Driver** who is in charge of the **Insured Vehicle** with the **Insured's** consent against liability for exemplary damages arising from an accident in connection with the **Insured Vehicle** (including whilst being loaded and unloaded) resulting in bodily injury which occurs in New Zealand during the **Period of Insurance**.

Provided that:

- 11.11.1 the **Insurer's** liability under this extension will not exceed the maximum amount specified in the **Sub-Limit of Liability** applicable to this extension in the **Schedule** for each claim or series of claims arising from any one accident;
- 11.11.2 in addition to the standard **Excess** and any other applicable **Excesses**, any claim under this extension will be subject to a further excess of 10% of the sum for which the **Insured** is found to be legally liable; and
- 11.11.3 there is no indemnity under this extension arising from any:
 - 11.11.3.1 dishonest, fraudulent or malicious act or omission by the **Insured** or anyone acting on behalf of the **Insured**; or
 - 11.11.3.2 claim first notified to the **Insured** but not notified to the **Insurer**, within six months of the notification to the **Insured**.

11.12 Dangerous Driving

The **Insurer** will pay legal costs and expenses incurred with prior written consent:

- 11.12.1 in the defence of any Court Proceeding in respect of a charge of manslaughter, reckless or dangerous driving or careless driving causing death; and
- 11.12.2 for representation at any enquiry or coroner's inquest in connection with the death;
provided such death and/or the actions in 11.12.1 and 11.12.2 arise directly from an accident which is the subject of indemnity under the **Policy**.

The maximum amount payable by the **Insurer** under this extension is \$20,000.

Section 2, Exclusion 12.10 (Criminal Offences) does not apply to claims under the extension.

11.13 Reparation

The **Insurer** will indemnify the **Insured's** legal liability to pay "Reparation" to a victim who has suffered **Accidental Damage** to property or accidental death or bodily injury as a result of the **Insured** committing an offence during the **Period of Insurance** in connection with the use of an **Insured Vehicle** in New Zealand (including transit between places in New Zealand).

Provided that:

- 11.13.1 the **Insured** or any other person entitled to indemnity under this benefit must notify the **Insurer** immediately on being charged with any offence in connection with the use of an **Insured Vehicle** which resulted in the loss of or damage to property or death or bodily injury to another person; and
- 11.13.2 the **Insurer** must give prior written consent before any offer of "Reparation" is made.
There is no cover under this Extension for any amounts that are covered under the Accident Compensation Act 2001 ("the Act"), or would be covered but for:
 - (a) a failure by the victim to 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 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.

For the purposes of this Extension "Reparation" means 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.

Nothing in this benefit should be taken as covering any legal defence costs, court costs, levies or costs awarded for any offence.

12 Exclusions to Section 2

Section 2 of this **Policy** does not cover:

12.1 Accident Compensation Act

any loss or liability which is recoverable under the Accident Compensation Corporation or under the Accident Compensation Act 2001 or any replacement legislation;

12.2 Asbestos

in respect of liability for personal injury, any liability of whatsoever nature in connection with, directly or indirectly caused by or contributed to by or arising from asbestos or asbestos products or asbestos contained in any products;

- 12.3 **Contractual Liability**
any liability arising under any undertaking or indemnity given or contracted by the **Insured** without the written consent of the **Insurer** unless such liability would have attached notwithstanding such undertaking or indemnity;
- 12.4 **Property in Custody or Control**
any liability, including liability to pay Reparation as described in Extension 11.13 (Reparation), for damage to property of the **Insured** or property in the **Insured's** physical or legal custody or control while such property is on or being loaded onto or unloaded from an **Insured Vehicle**;
- 12.5 **Tool of Trade**
an **Insured Vehicle** being used as a **Tool of Trade**. However this exclusion does not apply:
- 12.5.1 where the **Tool of Trade** is part of and is being used to load or unload the **Insured Vehicle**; or
- 12.5.2 to any fork hoist;
- 12.6 **Airside Liability**
liability arising out of the ownership, operation or maintenance of any **Insured Vehicles** within the restricted area of any airport used for scheduled commercial flights unless provided for under Section 2, extension 11.9 (Airside Liability);
- 12.7 **Vibration or Weight**
Liability for loss to property (including a road) arising from:
- 12.7.1 vibration caused by the **Insured Vehicle**, or
- 12.7.2 the weight of the load carried by the **Insured Vehicle**, or
- 12.7.3 the weight of the **Insured Vehicle**, or
- 12.7.4 the combined weight of the load and the **Insured Vehicle**
- unless provided for under Section 2, extension 11.10 (Weight Damage).
- 12.8 **Exemplary Damages**
Liability for exemplary damages unless as provided under Section 2, extension 11.11 (Exemplary Damages).
- 12.9 **Liability outside New Zealand**
Liability determined by any Court outside New Zealand.
- 12.10 **Criminal Offences**
Legal defence costs, fines or court costs arising from the prosecution of any offence under any Act of Parliament including, Regulations, Rules or By-Laws made under any Act of Parliament.

13 General Exclusions – Applicable to All Sections except where otherwise specified

- 13.1 This **Policy** does not cover:
- 13.1.1 **War**
loss or damage caused by or arising from war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be 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;
- 13.1.2 **Radioactivity/Nuclear Perils**
loss or liability caused by or arising from:
- 13.1.2.1 ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 13.1.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 13.1.2.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 13.1.2.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; and
- 13.1.2.5 any chemical, biological, bio-chemical or electromagnetic weapon.

13.1.3 Breach of Licence

loss or liability, other than loss or liability resulting from fire, theft or conversion, arising from any **Insured Vehicle** while it is being driven by any person who is not the holder of a licence for the appropriate class and use applicable to the operation of the **Insured Vehicle** or its components, or who is breaching any condition of their licence.

Provided that this exclusion will not apply if the **Driver** had held and is not disqualified from holding or obtaining, and actually obtains such licence without a further driving test, nor if the **Insured Vehicle** is being used for the purpose of teaching a learner to drive, if all the requirements of the law are being complied with.

13.1.4 Loss of Electronic Data

13.1.4.1 total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;

13.1.4.2 error in creating, amending, entering, deleting or using Electronic Data;

13.1.4.3 total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; and

13.1.4.4 communication, display, distribution or publication of Electronic Data but not where this causes bodily injury if otherwise covered by this **Policy** but for this exclusion;

regardless of any other contributing cause or event.

Provided that this exclusion 13.1.4 (Loss of Electronic Data), will not apply where the loss occurs as a direct result of physical damage which is otherwise covered by the **Policy**.

"Electronic Data" means 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 of data and manipulation of such equipment.

13.1.5 Terrorism

loss, damage, death, injury, illness, disablement, cost, expense or any liability of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

13.1.5.1 any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss; and

13.1.5.2 any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**.

13.1.6 Confiscation

Loss or liability which is directly or indirectly caused by confiscation, nationalisation, requisition or destruction or damage to property by order of government, public, or local authority.

13.1.7 Fines and Penalties

Fines, penalties aggravated punitive or liquidated damages.

13.1.8 Reckless

Loss, damage, death, injury, illness, disablement, costs, expense or any liability arising from an intentional or **Reckless** act or omission.

13.2 This **Policy** does not cover the **Insured** if at the time of an accident an **Insured Vehicle** is being:

13.2.1 Racing/Testing

driven on a race track, or for: pace making, reliability trials, hill climbs, speed tests, time trials, or while being driven in preparation for any one of these activities, other than if being driven on a race track under supervision for driving training by an authorised **Driver** training organisation unless the **Insurer** has given written permission.

13.2.2 Overloading

used to convey or tow a load in excess of that for which the vehicle or attached trailer was designed. Provided that, this exclusion 13.2.2 shall not apply to loss or liability resulting from fire, theft or conversion or if the **Insured** is able to prove that:

13.2.2.1 the event giving rise to a claim was not caused by or contributed to by such excess load; or;

13.2.2.2 the **Insured** had no knowledge of such overloading.

13.2.3 Hire

used for any form of hire other than as part of a genuine car sharing agreement, unless the **Insurer** has been notified and any special terms required have been agreed by the **Insurer** in writing.

This exclusion does not apply to any **Insured Vehicle** hired in, or to **Insured Vehicles** let on hire if the **Insured's** officer responsible for insurance did not know that the vehicle was being used for hire.

13.2.4 Unlawful Acts–Driver

driven by or is in the charge of any person;

13.2.4.1 while under the influence of an illegal drug;

13.2.4.2 with a proportion of alcohol in their breath or blood in excess of that permitted by law; or

13.2.4.3 who fails or refuses to take a breathalyser or blood test when requested to do so in a lawful manner; however this exclusion will not apply if they are subsequently cleared of any wrongdoing.

13.2.4.4 who fails to stop or remain at the scene, following an accident as required by law

except where there are any relevant statutory provisions to the contrary.

This Exclusion 13.2.4 will not apply to loss or liability resulting from fire, theft or conversion.

14 General Terms and Conditions – Applicable to All Sections

14.1 Acquired Entities

This **Policy** extends to include any company, subsidiary, organisation, firm or other entity formed, purchased or otherwise acquired by the **Insured** during the **Period of Insurance**.

Provided that the **Insured** shall:

14.1.1 hold a controlling interest in such entity;

14.1.2 advise the **Insurer** of its interest in such entity within a reasonable period following the date of acquisition of such interest; and

14.1.3 declare to the **Insurer** the number of additional vehicles to be insured and pay such additional **Premium** as may be required by the **Insurer**.

14.2 Breach of Condition

Notwithstanding clause 14.14 (Observance) this **Policy** will not be invalidated by any breach of a **Policy** provision, where the breach occurs without the knowledge of any **Named Insured**, provided the **Insurer** is advised as soon as practicable after the breach becomes known to any **Named Insured**. The **Insurer** may charge an additional premium in respect of rectifying any breach.

14.3 Cancellation

This **Policy** may be cancelled at any time at the request of the **Named Insured** in which case the **Insurer** will retain a proportion of the **Premium** commensurate with the risk attaching for the period the **Policy** was in force.

The **Insurer** may also cancel this **Policy** by giving the **Insured** written notice of such cancellation.

Notice of cancellation may be delivered personally, posted, sent by facsimile or emailed to the address last known to the **Insurer**. Cancellation will be effective from 4pm on the thirtieth (30th) day after the day the letter is delivered, posted, faxed or emailed. A letter is deemed to be delivered seven (7) days after posting.

In the event that the **Insurer** cancels this **Policy**, the **Insurer** will refund a rateable proportion of the **Premium** for the unexpired **Period of Insurance** from the date of cancellation.

14.4 Care of Insured Vehicle

The **Insured** must take reasonable steps at all times to safeguard **Insured Vehicles** from loss and damage and to maintain them in an efficient, safe and fully roadworthy condition.

14.5 Claims Procedure

14.5.1 Notification

The **Insured** or someone acting on the **Insured's** behalf must:

14.5.1.1 notify the **Insurer** promptly of any accident or damage or loss;

14.5.1.2 notify the police of theft losses;

14.5.1.3 send to the **Insurer** any letter of demand, claim, writ or summons relating to an accident involving an **Insured Vehicle**; and

14.5.1.4 assist the **Insurer** in every reasonable way in connection with any claim or legal action relating to that accident.

14.5.2 Subrogation–Liability not to be admitted

No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the **Insured** without the consent of the **Insurer** who will have the right and duty to take over and conduct in the name of the **Insured**, the defence or settlement of any claim or to prosecute in the name of the **Insured** for the **Insurer's** own benefit, any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the **Insured** must give all such information and assistance as the **Insurer** may reasonably require.

Any amount recovered in **excess** of the **Insurer's** total payment shall be restored to the **Insured** less the cost to the **Insurer** of such recovery.

14.5.3 Repairs

Repairs to an **Insured Vehicle** must not be authorised for any amount in excess of \$3,000 without the consent of the **Insurer**.

14.5.4 Progress Payments

Once the **Insurer** has admitted a claim under the **Policy**, the **Insured** will be entitled to obtain reasonable progress payments from the **Insurer**. The **Insured** must provide interim statements of loss when required that are approved by the assessor.

14.5.5 The **Insurer** has the option to pay to the **Insured** the full amount of the **Insurer's** liability under Section 2, or any lesser amount for which the claim can be settled, plus defence costs incurred to date and relinquish the conduct of any claim, defence or proceedings. The **Insurer** will not be liable for any costs or expenses whatever incurred by the **Insured** or any claimant or other person after the **Insurer** has relinquished such conduct.

14.6 Cross Liability

Where the **Insured** is comprised of more than one party, the words "the **Insured**" shall be considered as applying to each party comprising the **Insured** in the same manner as if that party were the only party named under the **Policy** as the **Insured**. Breach or non-compliance with a **Policy** provision by one **Insured** will not prejudice the cover of any other **Insured** or interested party under this **Policy**. Nothing contained in this clause shall operate to increase the **Insurer's Limit of Liability**.

14.7 Errors and Omissions

Notwithstanding clause 14.14 (Observance) this **Policy** will not be prejudiced by an unintentional or inadvertent omission, error, incorrect valuation or incorrect description in respect of any **Insured Vehicle** given by the **Insured** provided that notice is given to the **Insurer** as soon as practicable upon discovery of such error, omission, incorrect valuation or incorrect description and the **Insured** pays such additional **premium** that may be reasonably required by the **Insurer**.

14.8 Excess

The **Insured** will pay the first amount of any loss specified as the **Excess** in respect of each **Insured Vehicle**. Provided that the **Excess** will not be payable where:

14.8.1 the damage is limited to windscreen or window glass breakage only including sunroof, headlights, tail lights, indicator light glass, mirror glass including further, repairing any scratching or damage to body work resulting from such damage, unless otherwise specified in the **Schedule**; or

14.8.2 the loss occurs solely as a result of fire, theft or illegal conversion, unless otherwise specified in the **Schedule**; or

14.8.3 the loss occurs solely in respect of a claim under Section 2 of the **Policy** unless otherwise specified in the **Schedule**; or

14.8.4 the **Insurer** agrees that the accident or damage was substantially not the **Insured's** fault and the **Insured** provides the **Insurer** with the full name, licence number and address of the person responsible for the accident or damage, and where known, the registration number of the other vehicle and the **Insurer** is not legally prohibited from attempting recovery against the person responsible for the accident or damage.

Further, where the criteria set out in sub-clause 14.8.4 are satisfied, the claim will not affect the **Insured's** no claim bonus.

Where more than one **Insured Vehicle** suffers loss in respect of one event (for the purpose of this clause this means event or series of events arising from one source or original cause) only one **Excess** will apply. Where as a result of one event or continuous or repeated exposure to the same general conditions, the **Insured** has claims under more than one policy with the **Insurer**, only one **excess** will apply, being the highest.

14.9 Fraudulent Claims

Where a claim is fraudulently made by the **Insured**, or by any other party, the **Insurer** may refuse payment of any part of the claim and may seek repayment of any sums previously paid. In addition, the **Insurer** may cancel this **Policy** from the date of the dishonesty or fraud. This condition 14.9 takes precedence over condition 14.3 (Cancellation).

14.10 Goods and Services Tax (GST)

The **Market Value** of any **Insured Vehicle** and all policy limits and extension sub-limits exclude GST. GST will be added, where applicable, to any claim payments.

All **Excesses** include GST.

14.11 Insurance Law Reform Act

This **Policy** is subject to the **Insured's** rights set out in the Insurance Law Reform Act 1977 and 1985.

14.12 Interpretation

14.12.1 Headings are for ease of reference only and shall not form any part of the context or affect the interpretation of this **Policy**.

14.12.2 Where an expression, word or phrase is given a particular meaning, then other parts of speech based on that expression, word or phrase and other grammatical forms of that expression, word or phrase, have corresponding meanings.

14.12.3 Words importing the singular shall include the plural and vice versa.

14.12.4 The **Insurer** acknowledges that it will not rely upon the contra preferentem rule or any similar rule of construction in any coverage dispute between it and the **Insured**.

- 14.12.5 A reference to a person includes an individual, a body corporate, partnership, joint venture, incorporated or unincorporated association, trust, authority, State, government or quasi government agency.
- 14.12.6 A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and also any subordinate legislation issued under, that legislation or legislative provision.
- 14.12.7 All amounts referred to in the **Policy** are in New Zealand currency unless expressly specified otherwise.

14.13 Jurisdiction

The law of New Zealand shall apply to this **Policy** and the New Zealand Courts shall have exclusive jurisdiction to determine any disputes in connection with the **Policy**.

14.14 Observance

The observance and fulfilment of the terms, conditions and **endorsements** of this **Policy** as they relate to anything to be done or complied with by the **Insured** and the truth of the statements and answers in any proposal form or in any claim form or in any statement in support of a claim insofar as the truth of such statements or answers is material, are precedent to any liability of the **Insurer** to make any payment under this **Policy**.

14.15 Other Insurance

If at the time any claim arises under this **Policy** there is any other existing insurance covering the same loss or liability, the **Insurer** shall not be liable to pay or contribute more than their rateable proportion thereof.

14.16 Premium Adjustment

The **Deposit Premium** will be adjusted when the **Insured** declares to the **Insurer** the number and value of **Insured Vehicles** at the expiry of the **Period of Insurance** or as otherwise agreed by the **Insurer**.

Additions and Deletions

- 14.16.1 Any **Insured Vehicle** sold during the **Period of Insurance** ceases to be insured from the date of sale and is deleted from this **Policy** on that date; and
- 14.16.2 Each vehicle purchased will be insured for its **Market Value** up to \$400,000 unless otherwise specified in the **Schedule of Motor Vehicles**, and each **Insured Vehicle** sold was insured for the value shown on the **Schedule of Motor Vehicles**; and
- 14.16.3 The **premium** for all additions and deletions will be calculated and paid at the end of the **Period of Insurance**. The **premium** calculation will be based upon 50% of the difference in value between all additions and deletions at the **premium** rate agreed at the beginning of the **Period of Insurance**; and
- 14.16.4 The **Insurer's** total liability will not exceed the amount shown in the **Schedule** of cover in respect of any new addition that has not been advised.

14.17 Registration of Vehicles

The cover granted by this **Policy** shall not be prejudiced in the event that the registration of the **Insured Vehicle** is cancelled or suspended as a consequence of traffic or parking default.

14.18 Release

The **Insurer** agrees to waive any rights and remedies or relief to which it may become entitled by subrogation against:

- 14.18.1 each party comprising the **Insured**, including directors, trustees, officers, employees, partners or shareholders other than in respect of wilful misconduct;
- 14.18.2 any person who was driving, using or in charge of an **Insured Vehicle** with the **Insured's** permission or implied consent;
- 14.18.3 the **Insured's** employer, principal or business partner arising out of the use by the **Insured** of an **Insured Vehicle**; and
- 14.18.4 all contractors and sub-contractors of the **Insured**;

and such waiver and/or release is allowed without prejudice to this insurance.

14.19 Salvage

If the **Insurer** declares an **Insured Vehicle** to be a **Total Loss** and the **Insurer** makes payment according to the cover provided by this **Policy**, the **Insured** must allow the **Insurer** to take possession of the damaged **Insured Vehicle**. If the **Insurer** does not take possession of a damaged **Insured Vehicle**, the **Insured** cannot abandon their responsibilities for the **Insured Vehicle**. Whether the **Insurer** does or does not take possession, the **Policy** will cover the costs and expenses to remove any signwriting and artwork on, in or attaching to the **Insured Vehicle**.

14.20 Transfer of Interest

No interest in this **Policy** can be transferred without the written consent of the **Insurer**.

14.21 Sanctions Exclusion

This Policy does not insure any loss, liability or benefit to the extent that the provision of such cover, payment or such claim or provision of such indemnity would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or New Zealand.

15 Endorsements to the Policy

The following **Endorsements** to the standard cover are deemed to be incorporated in this **Policy** only when specified in the **Schedule** by the appropriate number and title.

15.1 Agreed Value Basis

Notwithstanding the provisions of clause 6.2 (Basis of Settlement) when the **Sum Insured** of an **Insured Vehicle** is designated as the Agreed Value on the current **Schedule of Motor Vehicles**, the **Insurer** will accept that value as the Basis of Settlement in the event of a loss involving that vehicle.

15.2 Aggregate Deductible Without Stop Loss

This **Policy** is subject to an **Annual Aggregate Deductible** as specified in the **Schedule**. Within the **Annual Aggregate Deductible**, there is an underlying **Excess** as detailed in the **Policy**, which applies to each claim throughout the **Period of Insurance**.

It is a condition that the **Annual Aggregate Deductible** can be adjusted as a result of newly acquired companies/firms in accordance with sub-clause 14.16 (Premium Adjustment), or as otherwise agreed.

Should the **Annual Aggregate Deductible** be breached, then the **Insurer** will make all further and future payments (up to the **Limits of Liability** as stated in the **Policy**) for claims incurred thereafter and within the **Period of Insurance**, provided that the **Insured** remains responsible for any underlying **Excess** applicable to the claim as detailed in the **Policy**.

In ascertaining whether the **Annual Aggregate Deductible** has been breached, only the amount of the claim, less any underlying **Excess** applicable to that claim as detailed in the **Policy**, will be included in the calculation.

It is agreed that the **Insurer** will handle all claims in **excess** of the underlying **Excess** and within the **Annual Aggregate Deductible**, subject to the terms and conditions of any 'Claims Handling Agreement' as provided by the **Insurer** to the **Insured**.

Upon expiry, the **Policy** will be subject to a final **premium** adjustment in accordance with sub-clause 14.16 (Premium Adjustment), or as otherwise agreed.

Furthermore, any 'faultless' **Excess** provision in the wording will not apply under this Aggregate Decutable Endorsement.

15.3 Aggregate Deductible With Stop Loss

This **Policy** is subject to an **Annual Aggregate Deductible** as specified in the **Schedule**, with an **Event Stop Loss Limit** as specified in the **Schedule**. Within the **Annual Aggregate Deductible**, there is an underlying **Excess** as detailed in the **Policy**, which applies to each claim throughout the **Period of Insurance**.

It is a condition that the **Annual Aggregate Deductible** can be adjusted as a result of newly acquired companies/firms in accordance with sub-clause 14.16 (Premium Adjustment), or as otherwise agreed.

Notwithstanding any **Annual Aggregate Deductible** that may be applicable to the **Policy**, the **Insurer** will indemnify the **Insured**, subject to the applicable underlying **Excess** for any single claim being greater than the **Event Stop Loss Limit**.

The **Event Stop Loss Limit** applicable to each claim shall be the only amount to accumulate to the exhaustion of the **Annual Aggregate Deductible**. Event loss cover ceases upon exhaustion of the **Annual Aggregate Deductible**.

Should the **Annual Aggregate Deductible** be breached, then the **Insurer** will make all further and future payments (up to the **Limits of Liability** as stated in the **Policy**) for claims incurred thereafter and within the **Period of Insurance**, provided that the **Insured** remains responsible for any underlying **Excess** applicable to the claim as detailed in the **Policy**.

In ascertaining whether the **Annual Aggregate Deductible** has been breached, only the amount of the claim, less any underlying **Excess** applicable to that claim (and where applicable, up to the **Event Stop Loss Limit**), as detailed in the **Policy**, will be included in the calculation.

It is agreed that the **Insurer** will handle all claims in **excess** of the underlying **Excess** and within the **Annual Aggregate Deductible**, subject to the terms and conditions of any 'Claims Handling Agreement' as provided by the **Insurer** to the **Insured**.

Upon expiry, the **Policy** will be subject to a final premium adjustment in accordance with sub-clause 14.16 (Premium Adjustment), or as otherwise agreed.

Furthermore, any 'faultless' **Excess** provision in the wording will not apply under this **Annual Aggregate Deductible** Endorsement.

15.4 Australian Cover

For the purposes of this endorsement only, it is agreed that:

15.4.1 Geographical or Territorial Limits

except for clause 14.13 (Jurisdiction) the words "New Zealand" wherever appearing in the **Policy** are amended to "and within Australia" or the "Commonwealth of Australia" as appropriate.

15.4.2 Bodily Injury in Australia

Any cover under the **Policy** under Section 2 in respect of liability arising from death or bodily injury in Australia is deleted and replaced with the following:

Section 2 of this **Policy** indemnifies the **Insured** against legal liability for compensation and damages and claimant's costs and expenses in connection with an **Insured Vehicle** located in Australia, including while it is being loaded or unloaded, arising out of death or bodily injury to any person, provided that:

- 15.4.2.1 the use of the **Insured Vehicle** was with the consent of the **Insured**;
- 15.4.2.2 the **Insured Vehicle** is registered for use on a public road where such liability is incurred; and
- 15.4.2.3 the maximum amount payable in respect of such liability is the limit specified in the **Schedule**, inclusive of costs and expenses.

However the **Insurer** will not be liable:

- 15.4.2.4 in respect of any claim for death or bodily injury where indemnity for such claim is partly or wholly covered under any compulsory statutory insurance scheme or accident compensation scheme or which would have been recoverable under any such scheme but for the failure to:
 - a) insure or register the vehicle;
 - b) lodge a claim in accordance with the scheme requirements; or
 - c) comply with any of the terms and/or conditions of the scheme;to any:
 - i) person in charge of the **Insured Vehicle** at the time of the accident giving rise to the death or bodily injury; or
 - ii) person if the **Insured Vehicle** is registered in the Northern Territory.

15.5 Territorial Limits Beyond New Zealand and Australia

The **territorial limits** in clause 1.23 are extended to provide cover to the countries listed in the **Schedule**.

15.6 Loss of Use (Specified Vehicles)

If loss to an **Insured Vehicle** covered under Section 1 of this **Policy** prevents the **Insured** from using it, the **Insurer** will pay the reasonable cost of the **Insured** hiring a replacement vehicle during the Period of Loss (as defined below), provided that:

- 15.6.1 cover applies only to **Insured Vehicles** stated in the **Schedule of Motor Vehicles** as being subject to this endorsement;
- 15.6.2 the substitute vehicle is of similar specification to the **Insured Vehicle**;
- 15.6.3 cover will not apply if the **Insured** has available a free substitute vehicle or purchases an additional replacement vehicle;
- 15.6.4 the repair of the **Insured Vehicle** must be carried out as soon as reasonably practicable;
- 15.6.5 the cover under this endorsement does not apply to costs charged by the hire company for insurance, petrol or normal running costs;
- 15.6.6 cover under this endorsement will not commence until the benefits otherwise payable under extension 7.13 (Hire Costs) have been exhausted;
- 15.6.7 if a suitable vehicle is not available for hire at the beginning of the Period of Loss the **Insured** must immediately inform the **Insurer** and if the **Insurer** is unable to source a suitable vehicle, the **Insurer** will pay the **Insured** the maximum weekly amount as stated in the **Schedule**, subject to all the other requirements of this endorsement.

The **Insurer's** total liability under this endorsement will not exceed the maximum amount specified in the **Sub-Limit of Liability** applicable to this endorsement for any one **Insured Vehicle**, stated in the **Schedule**. The maximum period of loss for any one **Insured Vehicle** is 60 days.

For the purposes of this endorsement, "**Period of Loss**" means the period:

- 15.6.8 beginning:
 - 15.6.8.1 when the **Insured Vehicle** is delivered to the agreed repairer; or
 - 15.6.8.2 on the date of loss if the **Insured Vehicle** can no longer be driven, or is deemed to be a **Total Loss**; and ending:
 - 15.6.8.3 when the repairs are completed and the **Insured Vehicle** is available to be collected or delivered, or
 - 15.6.8.4 when the **Insured** has returned the substitute hire vehicle whichever first occurs.
- 15.6.9 In the case of **Total Loss**, the period ends on:
 - 15.6.9.1 the date the **Insurer** makes payment for the **Total Loss**; or
 - 15.6.9.2 when the **Insurer** has settled the claim in full whichever first occurs.

15.7 **Dual/Multi Lifts**

This **Policy** does not cover loss or damage to the **Insured Vehicle**, or liability incurred, whilst the **Insured Vehicle** is being used in any raising or lowering operation in which a single load is shared between two or more cranes or lifting devices, unless consent of the **Insurer** has been obtained in writing prior to any lifting or lowering.

15.8 **Hook Liability**

Exclusion 12.4 (**Property in Custody or Control**) is deleted and Section 2 of the **Policy** is extended to cover liability in respect of loss or damage to property arising out of, or in connection with any **Insured Vehicle** while goods or material are being carried, lifted, lowered or suspended by an **Insured Vehicle** subject to the limit and **excess** shown in the **Schedule**.

15.9 **Inexperienced Drivers**

Clause 14.8 (Excess) is deleted and replaced with the following:

“The **Insurer** will not pay the first amount of any loss, damage or liability specified as the “Standard Excess”. The Standard Excess under this **Policy** is increased by 100% or such amount as is shown in the **Schedule** (whichever is the greater) if at the time of loss or damage, an **Insured Vehicle** with a gross vehicle mass or gross combination mass greater than 12,000 kilograms is driven by any person who is under 25 years of age or has less than 2 years driving experience in New Zealand for these types of vehicles.

15.10 **Repair Authority**

The amount of \$3,000 appearing in Clause 14.5.3 (Repairs) is deleted and replaced by \$5,000.

15.11 **Setting of Concrete or Bitumen**

This **Policy** does not cover loss or damage to any concrete agitator solely caused by the setting or hardening of any concrete, bitumen or similar product being carried at the time of the loss unless the **Insured** has taken all reasonable steps to remove the concrete, bitumen or similar product from the **Insured Vehicle**. It is agreed this exclusion shall not apply in the event such loss or damage to any concrete agitator results, either directly or indirectly, from theft or accident damage to the **Insured Vehicle** as otherwise insured by this **Policy**.

15.12 **Vehicles Let on Hire**

Exclusion 13.2.3 (Hire) of the **Policy** is deleted. Further, the **Policy** is extended to indemnify any **Driver** of such vehicle and/or his or her employer when no other indemnity is available, but subject always to the terms and conditions of this **Policy**.

15.13 **Vehicle Plant Replacement Value**

In the event of covered loss under Section 1, where there is loss or damage to any plant attached to an **Insured Vehicle** to which this endorsement applies as specified in the **Schedule** and/or the **Schedule of Motor Vehicles**, this **Policy** is extended to include the replacement cost of such plant at the time of loss but only up to the maximum amount specified as the **Sub-Limit of Liability** applicable to this endorsement.

15.14 **Vehicles used as a Tool of Trade**

Exclusion 12.5 (Tool of Trade) is deleted.

15.15 **Burning Cost Premium Adjustment**

Within three (3) months after the expiry of the **Period of Insurance**, the Actual Premium payable by the **Insured** shall be calculated on the following basis:

Incurred Losses divided by the ratio specified in the **Schedule** = Actual Premium

(Incurred Losses means claims paid and outstanding estimates, less excesses)

The **Insured** will not be called upon to pay an Actual Premium greater than the Maximum Premium specified in the **Schedule**.

If the Actual Premium is less than the **Deposit Premium** the **Insurer** will refund to the **Insured** the difference between the Actual Premium and the **Deposit Premium** provided the **Insurer** will be entitled to the Minimum Premium specified in the **Schedule**.

Should the number of **Insured Vehicles** increase or reduce by more than 10% during the **Period of Insurance**, the **Deposit Premium**, Maximum and Minimum Premiums may be amended by negotiation.

15.16 **Profit Share**

Conditional upon renewal at the end of each **Period of Insurance**, the Premium paid and losses incurred (losses paid plus outstanding estimates) shall be totalled and the loss ratio calculated. If the loss ratio is greater than 60%, no profit share shall be payable. If the loss ratio is less than 60%, the amount of profit share will be calculated as follows:

Loss Ratio	Profit Share
Less than 40%	20%
40% to 50%	15%
50% to 60%	10%

The amount of profit share will be the profit share percentage as above multiplied by the net **Deposit Premium** less claims paid, in the **Period of Insurance**.

15.17 **Hire Costs Extended**

Extension 7.13 (Hire Costs) is amended to include the words “or damaged” after the word ‘stolen’.

15.18 **Bar Code Scanners/Eftpos/Wireless Remote Controls/Wireless Printers**

In the event of covered loss under Section 1, where there is loss or damage to any bar code scanner, eftpos, wireless remote control or wireless printer to which this endorsement applies, this endorsement will cover the replacement cost of that item at the time of loss, up to the maximum amount specified in the **Sub-Limit of Liability** applicable to this endorsement and subject to the **Excess** applicable to the claim under Section 1.

15.19 **Radioactive Isotopes**

Exclusion 13.1.2.4 does not apply to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

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