

Rural

Commercial  
Motor Vehicle.

Policy wording.

**ami**

# About your policy



We've designed this document to help you clearly understand the terms of your policy, but if you're unsure about anything, please call us on **0800 100 200** and we'll be happy to explain.

## Contents

Introduction	1
1. Insurance agreement	1
2. Policy cover options	2
3. When cover applies	2
4. Section 1: Cover for the insured vehicle	3
5. Section 1: Exclusions	3
6. Section 1: Basis of settlement	4
7. Section 1: Automatic extensions	5
8. Section 1: Optional extensions	9
9. Section 2: Liability cover	10
10. Section 2: Exclusions	10
11. Section 2: Basis of settlement	11
12. Section 2: Automatic extensions	11
13. Automatic extensions applicable to Sections 1 & 2	14
14. General exclusions	15
15. How to claim	17
16. General conditions	19
17. Definitions	21

# Rural Commercial Motor Vehicle

## Policy wording



## Introduction

### About this policy

**You** Rural Commercial Motor Vehicle Policy consists of:

- (a) this policy wording; and
- (b) the **schedule**; and
- (c) any endorsements that **we** apply.

### Your duty of disclosure

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** or anyone acting on **your** behalf must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

- (a) to accept or decline **your** insurance; and/or
- (b) the cost or terms of the insurance, including the excess.

**You** also have this duty every time **your** insurance renews and when **you** make any changes to it. If **you** or anyone acting on **your** behalf breaches this duty, **we** may treat this policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

### Reading this policy

The headings in this policy wording are for reference only and must not be used when interpreting the policy wording.

The examples and comments, which are in *italics*, have been included to make parts of this policy wording easier to understand. They do not affect or limit the meaning of the section they refer to.

If a word is shown in **bold**, it has a specific meaning. There is a list of these words and what they mean at the end of this policy wording.

*It is important to read this policy in full to understand what it means and how it operates.*

## 1. Insurance agreement

### 1.1 Our agreement

**You** agree to pay **us** the premium and comply with this policy.

In exchange, and in reliance on the information provided in the **application**, **we** agree to insure **you** as set out in this policy.

## 2. Policy cover options

**Your insured vehicles** will be covered under one of the cover options below. The type of cover that applies to each individually specified **insured vehicle** will be shown in the **schedule**.

Where 'Unspecified vehicles' cover has been selected and is shown in the **schedule** such **vehicles** have 'Full' cover.

Type of cover:	Includes:
<b>Full cover</b>	<ul style="list-style-type: none"> <li>(a) Cover under 'Section 1: Cover for the insured vehicle';</li> <li>(b) Cover under 'Section 1: Automatic extensions';</li> <li>(c) Cover under 'Section 2: Liability cover';</li> <li>(d) Cover under 'Section 2: Automatic extensions';</li> <li>(e) Cover under '13. Automatic extensions applicable to Sections 1 and 2';</li> <li>(f) Cover under any 'Optional extensions' <b>you</b> purchase.</li> </ul>
<b>Third party, fire and theft</b>	<ul style="list-style-type: none"> <li>(a) Cover under 'Section 1: Cover for the insured vehicle' only covering <b>accidental loss</b> to the <b>insured vehicle</b> caused by: fire, lightning, explosion, theft or conversion (including attempted theft or conversion);</li> <li>(b) Cover under 'Section 1: Automatic extensions', only in respect of a claim covered under (a);</li> <li>(c) Cover under 'Section 1: Automatic extension – 7.6 Damage caused by an uninsured third party'; and</li> <li>(d) Cover under 'Section 2: Liability cover';</li> <li>(e) Cover under 'Section 2: Automatic extensions';</li> <li>(f) Cover under '13. Automatic policy extensions applicable to Sections 1 and 2';</li> <li>(g) Cover under any 'Optional extensions' <b>you</b> purchase.</li> </ul>
<b>Third party only</b>	<ul style="list-style-type: none"> <li>(a) Cover under 'Section 1: Automatic extension – 7.6 Damage caused by an uninsured third party';</li> <li>(b) Cover under 'Section 2: Liability cover';</li> <li>(c) Cover under 'Section 2: Automatic extensions';</li> <li>(d) Cover under '13. Automatic policy extensions applicable to Sections 1 and 2';</li> <li>(e) Cover under any 'Optional extensions' <b>you</b> purchase.</li> </ul>

## 3. When cover applies

### 3.1 When cover applies

There is only cover under this policy when any **insured vehicle** is being **used** in any of the following circumstances:

- (a) for **your business** or occupation as advised to **us** prior to inception of this policy or any renewal;
- (b) for **your** private, social or domestic purposes;
- (c) for carpooling;
- (d) for **unspecified vehicles**, provided the vehicle is not being used on a public road;
- (e) when temporarily lent out by **you** for purposes comparable with (a) (b) or (c), with or without a **driver**, provided that both the following conditions are met:
  - (i) all policy terms and conditions are observed at the time that **accidental loss** occurs;
  - (ii) there is no other insurance which covers the **accidental loss**.

There is no cover under this policy when any **insured vehicle** is **used** on a racetrack, or for pace making, reliability trials, hill climbs or speed tests, or while being **used** in preparation for any of these activities.

## 4. Section 1: Cover for the insured vehicle

**4.1 Accidental loss to the vehicle** We will cover you for **accidental loss** to an **insured vehicle** that happens in New Zealand during the **period of insurance**.

## 5. Section 1: Exclusions

The following Exclusions apply to 'Section 1: Cover for the insured vehicle', 'Section 1: Automatic extensions' and 'Section 1: Optional extensions'.

*IMPORTANT: Please also read '14. General exclusions' which apply to all parts of this policy.*

### 5.1 Breakage, breakdown and failure

This policy does not insure any **loss** to, or any cost or expense in connection with, any of the following parts (including components of those parts) of any **insured vehicle**:

- (a) engine and all engine parts;
- (b) cooling systems, including but not limited to radiators, heat exchangers, cooling fans, pressure caps, water pumps, thermostats and hoses;
- (c) hydraulic system, including but not limited to shock absorbers and suspension systems;
- (d) transmission system, including but not limited to gearbox, drive shafts, axles, differentials, clutches, and wheel hubs;
- (e) fuel systems;
- (f) braking systems;
- (g) electrical/electronic systems, **computer systems**, and mechanical systems;
- (h) pumping and vacuuming systems;
- (i) any fixed plant machinery (including but not limited to food/drink preparation equipment);
- (j) underground exploratory devices.

This exclusion does not apply to any resultant sudden and **accidental loss** to any other part not listed in (a) - (j).

This exclusion also does not apply to any **loss** that is caused directly by any of the following:

- (i) fire;
- (ii) the **insured vehicle** or a conveying **vehicle** overturning;
- (iii) the **insured vehicle** suffering an impact or collision with an external object;
- (iv) the **insured vehicle** being partly or fully immersed in a body of water;
- (v) the **insured vehicle** being stolen or converted;
- (vi) the **insured vehicle** being maliciously damaged by non-electronic means;
- (vii) the **insured vehicle** being **accidentally** operated with the incorrect fuel type, including but not limited to diesel in a petrol engine or petrol in a diesel engine. This does not include operating the **insured vehicle** with the correct fuel that is contaminated;
- (viii) hail, snow, storm or lightning;
- (ix) earthquake, subterranean fire, hydrothermal activity, geothermal activity, volcanic activity, or tsunamis;
- (x) impact or damage by animals.

### 5.2 Consequential loss

This policy does not cover any:

- (a) loss of use of any kind whatsoever, or any costs or expenses that result from that loss of use, unless expressly insured under 'Section 1: Automatic extensions' or 'Section 1: Optional extensions';
- (b) depreciation or loss in value.

### 5.3 Drilling equipment

This policy does not cover **loss** to any drill shaft or bit whilst being used with any type of drilling rig or machinery for the purpose of drilling below ground or surface level.

However, this Exclusion does not apply to post hole borers used for fencing.

### 5.4 Ingestion or entanglement

This policy does not cover **loss** connected with the ingestion, entanglement or entry of any foreign object into an **insured vehicle**.

**5.5 Types of loss not covered**

This policy does not cover **loss** connected with any of the following:

- (a) wear and tear;
- (b) rust or corrosion;
- (c) the failure of, or any fault or defect in, an **insured vehicle's** design, specification or materials.

However, this Exclusion is limited to the part immediately affected and does not apply to any resultant **loss** to any other part of an **insured vehicle**.

**5.6 Tyres**

This policy does not cover damage to or destruction of tyres. However, this Exclusion does not apply if the damage or destruction results from **loss** otherwise covered under Section 1 of this policy.

**5.7 Vehicles hired, rented or lent out**

This policy does not cover **loss** resulting from theft or conversion of an **insured vehicle** by a person to whom the **vehicle** has been hired, rented or lent by **you**.

**6. Section 1: Basis of settlement****6.1 Method of indemnity: Repairable**

If **we** consider the **insured vehicle** is economic to repair, **we** will at **our** option either:

- (a) pay to repair the **insured vehicle** as near as reasonably possible to the condition it was in just before the **loss**;
- (b) pay **you** the reasonable estimated of the cost to repair the **insured vehicle** as near as reasonably possible to the condition it was in just before the **loss**, as assessed by **our** assessor.

The repair may use new, recycled, aftermarket or reconditioned parts where the safety, performance and quality of the repair will not be affected.

**6.2 Method of indemnity: Total loss**

If **we** consider the **insured vehicle** is a **total loss**, **we** will indemnify **you** by whichever of the following applies:

- (a) **we** will pay **you** the **market value** or the sum insured shown in the **schedule** for that **insured vehicle**, whichever is the lesser;
- (b) **we** will replace the **insured vehicle** with a new **vehicle** of the same model and specification, but only if:
  - (i) the model and specification is available in New Zealand; and
  - (ii) the **insured vehicle** was insured for 'Full' cover; and
  - (iii) the **accidental loss** happens within 24 months of the **insured vehicle** first being registered in New Zealand as a new **vehicle** and the **insured vehicle** weighs less than 3,500kg; or
  - (iv) the **accidental loss** happens within 12 months of the **insured vehicle** first being registered in New Zealand as a new **vehicle** and the **insured vehicle** weighs 3,500kg or more;
- (c) if the **insured vehicle** is leased, **we** will pay **you** the greater of either the **market value** or the **residual value** of the **insured vehicle**;
- (d) if Optional extension – 8.1 'Agreed value' applies, **we** will pay **you** in accordance with the terms of that Optional extension;
- (e) if the **insured vehicle** is an **unspecified vehicle** **we** will pay **you** the lesser of:
  - (i) the **market value** of the **unspecified vehicle**;
  - (ii) \$2,000.

The most **we** will pay in an **annual period** for **unspecified vehicles** is \$5,000.

*IMPORTANT: Please also see Section 1: Automatic extension – 7.3 'Borrowed, hired or rented vehicles' and Automatic extensions applicable to Sections 1 & 2 – 13.1 'Additions and deletions'.*

**6.3 Improvements**

**We** will not pay for the portion of any repair or replacement that improves the condition of the **insured vehicle** beyond its condition before the **accidental loss**. Where repairs put the **insured vehicle** in a better condition than it was in just before the **accidental loss**, **you** may be required to make an appropriate contribution to the cost agreed with **you** as soon as practicably possible before or during the repair or replacement process.

**6.4 Obsolete parts**

If any part or component of an **insured vehicle** is no longer manufactured, **we** will not pay more than the supplier's or manufacturer's list price. Where no such list price applies, the most **we** will pay will be the least of:

- (a) the last known list price in New Zealand;
- (b) the price of the part's closest New Zealand equivalent;
- (c) the cost of making a new part.

## 6.5 Excess

- (a) The Section 1 excess shown in the **schedule** and any excess payable under any Section 1 Automatic extension or Section 1 Optional extension will be deducted from the amount payable for the **accidental loss** for each **event**.
- (b) In addition, a driver excess may apply and will also be deducted from the amount payable for the **accidental loss** for each **event**. The driver excesses are shown in the **schedule**. **We** will not deduct the driver excess if:
  - (i) the **vehicle** is a tractor, farm motorcycle, quad bike, hay baler or harvester; and
  - (ii) the **vehicle** is being **used** in connection with **your business**; and
  - (iii) the **vehicle** is being **used** on property owned or occupied by **you**.
- (c) If more than one **insured vehicle** suffers **accidental loss** from a single **event**, only one Section 1 excess will apply, being the highest applicable individual policy excess. Any driver excess or additional excess payable under 'Section 1: Automatic extensions' or 'Section 1: Optional extensions' may also still apply.
- (d) If a single **event** results in claims being accepted under more than one Rural policy that **you** hold with **us** only one excess will be applied, being the highest applicable individual policy excess. This does not apply to any **accidental loss** caused by earthquake, subterranean fire, hydrothermal activity, geothermal activity, volcanic activity, or tsunamis.

## 6.6 Excess: Theft of vehicle

- (a) The Section 1 excess shown in the **schedule** will not be deducted from the amount payable for the **accidental loss** for each **event** caused by theft, attempted theft or conversion unless the **insured vehicle** is a farm motorcycle or quad bike.
- (b) An excess of \$1,000 applies to each **event** for **accidental loss** of an **insured vehicle** that is a farm motorcycle or quad bike from theft, attempted theft or conversion unless:
  - (i) the farm motorcycle or quad bike was contained in a fully enclosed and secure building;
  - (ii) the farm motorcycle or quad bike was fitted with a suitable anti-theft device that was active at the time of **accidental loss**;
  - (iii) the theft is accompanied by violence or threat of violence to **you**.

## 7. Section 1: Automatic extensions

In addition to the cover under 'Section 1: Cover for the insured vehicle', **we** also provide the following Automatic extensions. Where a limit is specified in an Automatic extension, unless otherwise stated, that limit is payable in addition to any amount payable for **accidental loss** to the **insured vehicle** described under '6. Section 1: Basis of settlement'.

### 7.1 Accommodation costs

If an **insured vehicle** cannot be driven as a result of **accidental loss** covered under Section 1, **we** will cover the reasonable costs of accommodation necessarily incurred for the **driver** and any passengers in the **insured vehicle**.

However, **we** will not cover costs that would have been incurred in the absence of the **accidental loss**. The most **we** will pay for any **event** under this Extension is \$5,000.

### 7.2 Baby capsules and child car seats

**We** will cover the reasonable cost to replace with new any baby capsule or child car seat in the following circumstances:

- (a) The baby capsule or child car seat is stolen or damaged during theft or attempted theft. The theft or attempted theft must be either from the **insured vehicle**, or while temporarily removed from the **insured vehicle** if the **accidental loss** is not insured elsewhere.
- (b) The baby capsule or child car seat is visibly damaged, or in **our** opinion its safety is compromised, either:
  - (i) following **accidental loss** to the **insured vehicle** for which **we** accept a claim. However, this benefit does not apply if **your** claim is under the Automatic extension – 7.6 'Damage caused by an uninsured third party'.
  - (ii) following **accidental loss** to another **vehicle** in which **your** baby capsule or child car seat was being temporarily **used** at the time of the **accidental loss**. However, this benefit only applies if **your** policy would cover the **accidental loss** to the **vehicle** in the same situation and the **loss** to the baby capsule or child car seat is not insured elsewhere.

If a baby capsule or child car seat sustains **accidental loss** from a different type of incident, the most **we** pay is its **market value**.

<b>7.3 Borrowed, hired or rented vehicles</b>	<p><b>We</b> will cover a <b>vehicle</b> as if it were an <b>insured vehicle</b> for <b>accidental loss</b> occurring during the <b>period of insurance</b> whilst <b>you</b> have borrowed, hired or rented the <b>vehicle</b>, provided that the <b>vehicle</b>:</p> <ul style="list-style-type: none"> <li>(a) is <b>used</b> in connection with <b>your business</b>;</li> <li>(b) the owner has given <b>you</b> permission to <b>use</b> the <b>vehicle</b>;</li> <li>(c) is in <b>your</b> temporary care or control;</li> <li>(d) is not otherwise insured.</li> </ul> <p>General exclusion – 14.3 ‘Borrowed, hired or rented vehicles’ does not apply to this Extension.</p> <p>The most <b>we</b> will pay for any <b>event</b> for a <b>vehicle</b> covered under this Extension is the lesser of its <b>market value</b> or \$50,000.</p>
<b>7.4 Claim preparation costs</b>	<p><b>We</b> will cover the reasonable costs incurred by <b>you</b> (other than <b>your</b> internal costs) in having a claim prepared for an <b>accidental loss</b> covered under Section 1 (but not costs incurred in disputing the claim if it is declined).</p> <p>There will be no liability under this Extension if the claim is not admissible under the policy. The most <b>we</b> will pay for any <b>event</b> under this Extension is \$2,500.</p> <p>An additional excess of \$500 applies to any claim under this Extension.</p>
<b>7.5 Completion of journey costs</b>	<p>If, as a result of an <b>accidental loss</b> to an <b>insured vehicle</b> covered under Section 1, <b>your</b> journey cannot be continued, <b>we</b> will cover the reasonable costs incurred by <b>you</b> to:</p> <ul style="list-style-type: none"> <li>(a) hire another <b>vehicle</b> of a similar make and model to complete the journey, or to return <b>you</b>, the <b>driver</b>, any passengers, farm dogs or domestic pets to where the journey first commenced;</li> <li>(b) return the <b>insured vehicle</b> to the premises where it is normally based, following its repair.</li> </ul> <p>The most <b>we</b> will pay under this Extension:</p> <ul style="list-style-type: none"> <li>(i) for any <b>event</b> is \$2,000;</li> <li>(ii) for all <b>events</b> during an <b>annual period</b> is \$10,000.</li> </ul>
<b>7.6 Damage caused by an uninsured third party</b>	<p><b>We</b> will cover uninsured consequential losses (including any excess) arising from <b>accidental loss</b> to an <b>insured vehicle</b> that is caused by an identifiable and uninsured driver of another <b>vehicle</b>. Provided that all the following conditions are met:</p> <ul style="list-style-type: none"> <li>(a) <b>you</b> supply <b>us</b> with enough information to identify the uninsured driver (such as the correct registration, their name and address);</li> <li>(b) the uninsured driver admits liability in full, or <b>you</b> have provided <b>us</b> with sufficient evidence to establish their liability in full;</li> <li>(c) the uninsured driver would be legally liable for the consequential losses <b>you</b> claim under this extension.</li> </ul> <p>The most <b>we</b> will pay under this Extension for any <b>event</b> is the lesser of:</p> <ul style="list-style-type: none"> <li>(i) the <b>market value</b> of the <b>insured vehicle</b>;</li> <li>(ii) \$3,000.</li> </ul>
<b>7.7 Death payment and funeral costs</b>	<p>If <b>you</b>, <b>your</b> partner, a member of <b>your</b> immediate family or <b>your</b> employee dies as a result of a <b>bodily injury</b> sustained in an <b>event</b> for which a claim is accepted under this policy, <b>we</b> will pay both:</p> <ul style="list-style-type: none"> <li>(a) a payment of \$10,000;</li> <li>(b) for funeral expenses incurred, including reasonable travel costs within New Zealand for any member of the deceased’s immediate family to enable them to attend. However, <b>we</b> will only pay the costs that exceed any amount payable under the Accident Compensation Act 2001.</li> </ul> <p>Provided that the death must occur within 12 months of the <b>event</b>.</p> <p>General condition – 16.11 ‘Other insurance’ does not apply to this extension.</p>
<b>7.8 Diesel exhaust fluid</b>	<p><b>We</b> will cover the reasonable costs incurred by <b>you</b> to repair <b>accidental loss</b> to an <b>insured vehicle</b> during the <b>period of insurance</b> caused directly by the addition of diesel exhaust fluid into the <b>insured vehicle’s</b> fuel system.</p> <p>Cover under this Extension is limited to one claim per <b>annual period</b> regardless of the number of <b>vehicles</b> covered by this policy.</p> <p>Section 1: Exclusion – 5.1 ‘Breakage, breakdown and failure’ does not apply to this Extension. The most <b>we</b> will pay under this Extension during an <b>annual period</b> is \$10,000.</p> <p>An excess of \$500 or the standard Section 1 excess applies, whichever is the greater.</p>



- 7.9 Disability modifications** If **you** or **your** employee become permanently disabled as a direct result of **bodily injury** arising from an **event** involving an **insured vehicle** which has suffered **accidental loss** covered under Section 1, **we** will cover the reasonable costs incurred by **you** to modify one **insured vehicle** (e.g. adding hand controls). **We** will only cover costs that exceed any amount payable by the Accident Compensation Corporation.
- The most **we** will pay under this Extension for any **event** is \$5,000.
- 7.10 Employee's accessories** **We** will cover **accidental loss** during the **period of insurance** to **accessories** owned by **your** employee, provided that the **accidental loss** to the **accessories** was sustained in an **event** which caused **accidental loss** to an **insured vehicle** for which a claim is accepted under Section 1; and no other insurance policy covers the **accidental loss**.
- The most **we** will pay under this Extension for any **event** is the lesser of either:
- (a) the reasonable cost to repair or replace the **accessory** in New Zealand with one of comparable age, quality and capability, and that is in the same general condition as the damaged **accessory** immediately prior to the **accidental loss**;
  - (b) \$2,000.
- 7.11 Employee's vehicles** **We** will cover **accidental loss** during the **period of insurance** to a **vehicle** owned by **your** employee as if it was an **insured vehicle**, provided that all the following conditions are met:
- (a) the employee has personal motor vehicle insurance insuring the **vehicle**;
  - (b) the **accidental loss** happens while the **vehicle** is being **used** in connection with **your business**;
  - (c) that **use** results in the employee's personal motor vehicle insurance not applying;
  - (d) the person **using** the **vehicle** meets all the same terms of this policy that **you** must meet.
- The most **we** will pay under this Extension for any **event** is the lesser of either:
- (i) the **market value** of the **vehicle**;
  - (ii) \$50,000.
- 7.12 Expediting costs** **We** will cover the reasonable additional costs of express freight and overtime charges incurred by **you** to expedite repairs to the **insured vehicle** as a result of **accidental loss** covered under Section 1.
- The most **we** will pay under this Extension for any one **event** is an additional 50% of the normal repair costs.
- 7.13 Firefighting equipment** **We** will cover the reasonable cost incurred by **you** in replenishing **your** firefighting equipment after the equipment has been **used** to protect an **insured vehicle** from **accidental loss** or to mitigate **accidental loss** that is or would have been covered under Section 1.
- The most **we** will pay under this Extension for any **event** is \$5,000.
- 7.14 Goods in transit** **We** will cover **accidental loss** to **your** goods carried on or in an **insured vehicle** that suffers **accidental loss** covered under Section 1 during the **period of insurance** arising from any of the following:
- (a) collision;
  - (b) impact;
  - (c) overturning of the **vehicle**;
  - (d) theft of the **vehicle**;
  - (e) the **vehicle** being lost at sea.
- The most **we** will pay under this Extension for any **event** is \$1,000.
- An additional excess of \$250 applies to any claim under this Extension.
- 7.15 Hoists** **We** will cover **accidental loss** during the **period of insurance** to hydraulic rams and hoists permanently attached to an **insured vehicle**, where the **accidental loss** is a result of mechanical breakdown or mechanical failure of the ram or hoist.
- Section 1: Exclusion – 5.1 'Breakage, breakdown and failure' does not apply to this Extension.
- The most **we** will pay under this Extension for any **event** is \$2,500.
- An excess of \$500 applies to any claim under this Extension.
- 7.16 Ingestion or entanglement** **We** will cover **accidental loss** during the **period of insurance** caused by the ingestion, entanglement or entry of any foreign object into an **insured vehicle** provided that the ingestion, entanglement or entry occurs whilst the **insured vehicle** is being **used** in the manner and for the purpose for which it has been designed.

Section 1: Exclusion – 5.4 ‘Ingestion or entanglement’ does not apply to this Extension.

An additional excess of \$500 applies to this Extension, unless a different excess is specified in the **schedule**.

#### 7.17 Keys and locks

**We** will cover the costs reasonably incurred by **you** in replacing a key and altering or replacing the locking mechanism of an **insured vehicle** (including the digital re-coding of these items) where a key giving access to the **insured vehicle** is lost, stolen or believed on reasonable grounds to have been duplicated without **your** permission during the **period of insurance**.

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

- (a) \$2,500 per **vehicle** per **event**;
- (b) \$10,000 in total for all **vehicles** per **event**.

An excess of \$250 per **vehicle** applies to any claim under this Extension.

#### 7.18 Load recovery

**We** will cover the reasonable costs incurred by **you** in salvaging any load carried by an **insured vehicle** which has spilled onto a road, carriageway or parking area during the **period of insurance**. This includes the reasonable costs of reloading or trans-shipping the load to the nearest place of safe storage.

This Extension does not cover any fines or penalties payable by **you**. The most **we** will pay under this Extension for any **event** is \$2,500.

#### 7.19 Repair authorisation

Following an **accidental loss** covered under Section 1, **you** may authorise reasonable repairs to an **insured vehicle** without prior notice to **us**. However, if the estimated repair costs exceeds \$1,000, repairs must not be commenced without **our** (or **our** assessor’s) prior consent.

The most **we** will pay under this Extension for any **event** is \$1,000.

#### 7.20 Rewards cover

**We** will cover a reward offered and paid by **you** to successfully secure the return of an **insured vehicle** following its theft, provided that the theft is covered under Section 1 and the offer of reward is made with **our** prior approval.

The most **we** will pay under this Extension for any **event** is \$2,500.

#### 7.21 Salvage, protection, recovery and disposal costs

If an **insured vehicle** is disabled as a result of **accidental loss** covered by this policy, **we** will cover the reasonable costs incurred by **you** in taking reasonable steps to protect the **insured vehicle**.

**We** will also cover any:

- (a) reasonable salvage, recovery, removal or disposal costs **you** incur as a consequence of that **accidental loss**;
- (b) reasonable costs incurred in reducing or avoiding further **accidental loss** that would be covered by this policy.

#### 7.22 Tyre damage

**We** will cover **accidental loss** during the **period of insurance** to any tyre (including its inner tube) fitted to an **insured vehicle**, provided that:

- (a) the **insured vehicle** is a tractor or an agricultural implement;
- (b) the **insured vehicle** is not primarily **used** for driving on public or private roads;
- (c) the **accidental loss** is not to the inner tube only.

**We** will at **our** option pay one of the following:

- (i) the cost to repair the damage;
- (ii) an amount equal to the reasonable cost of repair;
- (iii) the cost to replace the tyre, less a reasonable deduction for the damaged tyre’s wear and tear;
- (iv) an amount equal to the value of the tyre immediately prior to the **accidental loss**.

Section 1: Exclusion – 5.6 ‘Tyres’ does not apply to this Extension.

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

An excess of \$250 applies to this Extension.

#### 7.23 Windscreens and window glass

Unless otherwise stated on the **schedule**, **you** will not have to pay any excess for a claim under Section 1 that is solely for **loss** to glass or its equivalent (but including the scratching of paintwork as a direct result of broken glass) in any windscreen, sunroof, headlight, taillight, indicator light, exterior mirror or window of an **insured vehicle** covered under this policy.

## 8. Section 1: Optional extensions

The following Optional extensions only apply if **you** have purchased a particular Optional extension and it is shown in the **schedule**.

- 8.1 Agreed value** If an **insured vehicle** is covered on an **agreed value** basis as shown in the **schedule** and it suffers a **total loss** covered under Section 1, **we** will pay the **agreed value** as specified in the **schedule**.
- 8.2 Agricultural and horticultural contracting in addition** **We** will cover **accidental loss** during the **period of insurance** to the **insured vehicle** while it is being **used** for agricultural or horticultural contracting where such contracting represents more than 30% of the **business**.
- 8.3 Goods in transit: Fire cover** **We** will cover **accidental loss** to **your** goods carried on or in an **insured vehicle** that suffers **accidental loss** covered under Section 1 during the **period of insurance** arising from fire.  
The most **we** will pay under this Extension for any **event** is \$1,000.  
An additional excess of \$250 applies to any claim under this Extension.
- 8.4 Loss of use** **We** will cover the reasonable costs incurred by **you** when it is reasonably necessary for **you** to hire a substitute **vehicle** following **accidental loss** to an **insured vehicle** for which a claim is accepted under Section 1, provided that:
- this Extension applies only to an **insured vehicle** stated in the **schedule** as being subject to this extension;
  - the substitute **vehicle** is of a similar make, model and specification to the **insured vehicle** that suffered the **accidental loss**;
  - repair or replacement of the **insured vehicle** is carried out as soon as possible (**you** must help **us** achieve this);
  - you** do not have another **vehicle** that can perform the functions of the **vehicle** for which a claim is accepted.
- There is no cover for petrol, insurance or normal running costs of the substitute **vehicle**.  
If there is no **vehicle** of a similar make, model and specification available for hire (**you** having consulted with **us** as to the availability of such a **vehicle**), **we** will pay **you** the daily rate specified in the **schedule** from the date cover under this Extension begins to the date cover under this Extension ends.  
Cover under this Extension begins on the earliest of the following dates:
- when the **insured vehicle** is delivered to a repairer agreed by **us** to start the repair;
  - when the **insured vehicle** was stolen;
  - when the **insured vehicle** is declared a **total loss** by **us**.
- Cover under this Extension ends on the earliest of the following dates:
- when the repairs are completed and the **insured vehicle** is available to be collected by or delivered to **you**;
  - when **we** have settled **your** claim in full.
- Section 1: Exclusion – 5.2 ‘Consequential loss’ does not apply to this Extension.  
The most **we** will pay under this Extension is:
- the daily rate specified in the **schedule**; and
  - the limit specified in the **schedule** for any **event**.
- An additional excess equal to the first 7 days of rental costs applies to this Extension. If no substitute **vehicle** is available for hire, the excess will be 7 times the daily rate specified in the **schedule**.
- 8.5 Portable electronic devices** **We** will cover **accidental loss** during the **period of insurance** to any portable electronic device specified in the **schedule** (including electrical or communication equipment but excluding cell phones) and not permanently affixed to the **vehicle** or wired into the **vehicle’s** electrical system.  
**Your** device will be covered for its **replacement value**.  
The most **we** will pay for any device is its limit specified in the **schedule**.

## 9. Section 2: Liability cover

- 9.1 Legal liability cover**                      **We** will cover **your** legal liability, including liability to pay **reparation**, arising from:
- (a) **accidental bodily injury**;
  - (b) **accidental loss** to another person's property;
- Provided that the **accidental bodily injury** or **accidental loss** happens in New Zealand during the **period of insurance**, and is caused by or through or in connection with **your use** of an **insured vehicle** at the time of the **event** giving rise to the liability.
- 9.2 Legal defence costs**                      **We** will cover **your** legal defence costs and expenses necessarily and reasonably incurred with **our** consent to defend any civil proceeding (or threat of civil proceeding) brought against **you**, in relation to any alleged liability that, if proven, would be covered under 'Section 2: Liability cover'.
- If you are unsure whether we will pay your costs, please talk to us before you agree to make any payments.*
- 9.3 Legal liability of other users of an insured vehicle**                      **We** will cover another person's legal liability and legal defence costs and expenses in the same way **we** cover **you**. Provided that their liability arises from an **event** that happens during the **period of insurance**, caused by or through or in connection with their **use** of an **insured vehicle** or a **vehicle** covered under Section 1: Automatic extension – 7.11 'Employee's vehicles', and provided that:
- (a) such **use** has **your** permission;
  - (b) their liability is not covered by any other insurance;
  - (c) they meet the terms of this policy.

## 10. Section 2: Exclusions

The following Exclusions apply to 'Section 2: Liability cover' and 'Section 2: Automatic extensions'.

*IMPORTANT: Please also read 14. 'General exclusions'.*

- 10.1 Airside liability**                      There is no cover under this policy for liability arising out of the ownership, operation or maintenance of any **vehicle** within the restricted area of any airport used for scheduled commercial flights.
- Note: Please see Section 2: Automatic extension – 12.1 'Airside liability'.*
- 10.2 Contractual liability**                      There is no cover under this policy for liability arising out of a contract or agreement unless **you** would have been liable even without such contract or agreement.
- 10.3 Criminal offences**                      There is no cover for any legal defence costs, fines or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.
- Note: Please see Section 2: Automatic extension – 12.5 'Criminal court action / inquiries / inquests'.*
- 10.4 Drivers**                                      There is no cover under this policy for the liability of any **driver**, including **you**, who claims under Section 2 for or arising from any:
- (a) **bodily injury** to themselves;
  - (b) **loss** of property belonging to that **driver**.
- 10.5 Exemplary damages**                      There is no cover under this policy for any punitive or exemplary damages.
- Note: Please see Section 2: Automatic extension – 12.7 'Exemplary damages'.*
- 10.6 Liability determined by a foreign court**                      There is no cover under this policy for liability determined by any court outside New Zealand.
- 10.7 Operation of mechanical plant or machinery**                      There is no cover under this policy for liability arising out of the operation of any mechanical plant component while it is being **used** for the purpose for which it was designed (*e.g. the operation of a crane or backhoe*).
- This Exclusion does not apply to the operation of any **vehicle** mounted crane while it is being **used** to load or unload to or from that **vehicle**, or of any fork hoist.
- 10.8 Property in your care, custody or control**                      **We** do not cover any liability for **loss** to property that belongs to **you** or is in **your** care, custody or control.
- This Exclusion does not apply to any of the following:
- (a) personal effects belonging to any passenger of an **insured vehicle**, that are not otherwise insured;

- (b) premises **you** occupy but do not own;
- (c) **vehicle** not covered under Section 1 of this policy or owned by **you**, which is being towed by a **vehicle** covered under this policy. However, this does not apply, and the exclusion still stands, for any **vehicle** which is towed or recovered for reward where **your business** includes **vehicle** towing or recovery services.

**10.9 Transporting of a load** There is no cover for liability arising from the transporting of a load to, or away from a **vehicle**. However, this Exclusion does not apply to liability arising from the actual loading and unloading of the **vehicle**.

**10.10 Vehicles** There is no cover for liability arising from **accidental loss** to any:

- (a) **vehicle** that is insured by this policy;
- (b) property being carried in or on a **vehicle** that is insured by this policy.

*Note: Please also read 14. 'General exclusions'.*

**10.11 Vibration or weight** There is no cover for liability for **loss** to any property (including roads) arising from any of the following:

- (a) vibration caused by the **vehicle**;
- (b) the weight of the load carried by the **vehicle**;
- (c) the weight of the **vehicle**;
- (d) the combined weight of the load and the **vehicle**.

*Note: Please see Section 2: Automatic extension – 12.15 'Weight damage'.*

## 11. Section 2: Basis of settlement

**11.1 Maximum amount payable** The most **we** will pay in total for any **event**:

- (a) for legal liability is \$10,000,000;
- (b) for legal defence costs and expenses is \$1,000,000;

unless different amounts are shown in the **schedule**.

If **our** maximum amount payable is insufficient to cover both **you** and any other party entitled to cover under Section 2, it will apply first to **you**.

**11.2 Excess** The applicable Section 2 excess shown in the **schedule** including any excesses payable under any Section 2: Automatic extension will apply to any claim under Section 2.

**11.3 Sub limits** The most **we** will pay under any Automatic extension is the higher of:

- (a) the amount specified in this policy wording;
- (b) the amount specified in the **schedule**.

## 12. Section 2: Automatic extensions

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

**12.1 Airside liability** **We** will cover **your** legal liability arising out of the ownership, operation or maintenance of any **vehicles** within the restricted area of any airport used for scheduled commercial flights.

Section 2: Exclusion – 10.1 'Airside liability' does not apply to this Extension.

The most **we** will pay under this Extension for any **event** is \$1,000,000.

**12.2 Borrowed, hired or rented vehicles** **We** will cover **your** legal liability as provided under 'Section 2: Liability cover' and 'Section 2: Automatic extensions' caused by or through or in connection with a **vehicle** that **you** borrow, hire or rent during the **period of insurance** provided:

- (a) the **vehicle** is **used** in connection with **your business**;
- (b) **you** had the owner's permission to **use** the **vehicle**;
- (c) the **vehicle** is not otherwise insured.

Section 2: Exclusion – 10.8 'Property in your care, custody or control' and General exclusion – 14.3 'Borrowed, hired or rented vehicles' do not apply to this Extension.

<b>12.3 Borrowed, hired or rented vehicles: Consequential loss</b>	<p><b>We</b> will cover <b>your</b> legal liability for consequential losses during the <b>period of insurance</b> caused in connection with <b>accidental loss</b> covered under Section 1: Automatic extension – 7.3 ‘Borrowed, hired or rented vehicles’ provided that:</p> <ul style="list-style-type: none"> <li>(a) where the <b>vehicle</b> is rented or hired, <b>you</b> rejected the rental <b>vehicle</b> owner’s statutory offer of insurance; and</li> <li>(b) the consequential loss is not otherwise insured.</li> </ul> <p>Section 2: Exclusion – 10.8 ‘Property in your care, custody or control’ and General exclusion – 14.3 ‘Borrowed, hired or rented vehicles’ do not apply to this Extension.</p> <p>The most <b>we</b> will pay under this Extension for a borrowed <b>vehicle</b> for any <b>event</b> is \$5,000 unless a different amount is shown in the <b>schedule</b>.</p> <p>The most <b>we</b> will pay under this Extension for a hired or rented <b>vehicle</b> for any <b>event</b> is \$50,000 unless a different amount is shown in the <b>schedule</b>.</p>
<b>12.4 Clean up costs</b>	<p><b>We</b> will cover all costs lawfully charged against <b>you</b> by any local government body or authority, or any other entity, for cleaning or restoring the site of a crash scene covered under ‘Section 1: Cover for the insured vehicle’.</p> <p>The most <b>we</b> will pay under this Extension for any <b>event</b> is \$50,000.</p>
<b>12.5 Criminal court action / inquiries / inquests</b>	<p><b>We</b> will cover legal defence costs and expenses necessarily and reasonably incurred by <b>you</b> with <b>our</b> consent:</p> <ul style="list-style-type: none"> <li>(a) to defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death;</li> <li>(b) for legal representation at any inquiry or coroner’s inquest in connection with that death.</li> </ul> <p>Provided that such legal defence costs and expenses arise from any person covered under Section 2 of this policy <b>using a vehicle</b> insured under this policy.</p> <p>Section 2: Exclusion – 10.3 ‘Criminal offences’ does not apply to this Extension.</p> <p>The most <b>we</b> will pay under this Extension for any <b>event</b> is \$20,000.</p>
<b>12.6 Emergency services</b>	<p>If a <b>vehicle</b> insured under this policy is involved in an <b>event</b> resulting in <b>accidental loss</b> or <b>accidental bodily injury</b> during the <b>period of insurance</b> requiring the attendance of the Police, Ambulance or other regulatory or municipal authority, <b>we</b> will cover the cost of services charged to <b>you</b> by each relevant service or authority.</p> <p>The most <b>we</b> will pay under this Extension for any <b>event</b> is \$10,000.</p>
<b>12.7 Exemplary damages</b>	<p><b>We</b> will cover punitive or exemplary damages arising from:</p> <ul style="list-style-type: none"> <li>(a) <b>accidental bodily injury</b>;</li> <li>(b) <b>accidental loss</b> to another person’s property;</li> </ul> <p>Provided that <b>accidental bodily injury</b> or <b>accidental loss</b> happens in New Zealand during the <b>period of insurance</b>, caused by or through or in connection with the <b>use</b> of an <b>insured vehicle</b>.</p> <p>However, there is no cover for liability connected with any dishonest, fraudulent or malicious act or omission by <b>you</b> or anyone acting on <b>your</b> behalf.</p> <p>Section 2: Exclusion – 10.5 ‘Exemplary damages’ does not apply to this Extension. The most <b>we</b> will pay under this Extension is:</p> <ul style="list-style-type: none"> <li>(a) \$500,000 for any one <b>event</b>;</li> <li>(b) \$1,000,000 in total for all <b>events</b> during an <b>annual period</b>.</li> </ul> <p>An excess of 10% of the exemplary damages, with a minimum of \$5,000, applies.</p>
<b>12.8 Financial charge</b>	<p><b>We</b> will cover <b>your</b> legal liability for the balance of any outstanding financial charge on an <b>insured vehicle</b> where:</p> <ul style="list-style-type: none"> <li>(a) the <b>insured vehicle</b> is purchased during the <b>period of insurance</b>;</li> <li>(b) the <b>insured vehicle</b> suffers <b>accidental loss</b> which is covered under Section 1;</li> <li>(c) <b>you</b> had made the proper enquires in relation to the existence of any charge before making the purchase;</li> <li>(d) <b>you</b> are liable to pay the outstanding financial charge.</li> </ul> <p>The most <b>we</b> will pay under this Extension for any one <b>insured vehicle</b> is \$5,000.</p>

- 12.9 Hired and rented vehicles: Supplementary cover** If **you** hire or rent a **vehicle** during the **period of insurance** and **you** accept the rental vehicle owner's statutory offer of insurance, this Extension covers:
- (a) the difference between the standard excess under this policy and any deductible applicable under the rental vehicle owner's insurance; and
  - (b) **your** liability to third parties as provided under 'Section 2: Liability cover' and 'Section 2: Automatic extensions', but only for the difference between the amount payable for liability under the statutory offer of insurance, and the maximum amount payable under 'Section 2: Liability cover';
- for any **event**.
- Section 2: Exclusion – 10.8 'Property in your care, custody or control', General exclusion – 14.3 'Borrowed, hired or rented vehicles' and General condition – 16.11 'Other insurance' do not apply to this Extension.
- 12.10 Marine liability** **We** will cover general average and salvage charges that **you** are liable to meet as a result of the **insured vehicle** being carried by ship between places in New Zealand during the **period of insurance**.
- 12.11 Movement of other vehicles** **We** will cover **your** legal liability for:
- (a) **accidental bodily injury**;
  - (b) **accidental loss** to another person's property;
- occurring in New Zealand during the **period of insurance** and arising from the movement by **you**, or an authorised employee, of any **vehicle** which:
- (i) is parked in a position which prevents or impedes the loading or unloading of an **insured vehicle**;
  - (ii) prevents or impedes the legitimate passage of an **insured vehicle**.
- Section 2: Exclusion – 10.8 'Property in your care, custody or control' does not apply to the **vehicle** being moved.
- 12.12 Principal's indemnity** **We** will cover the principal of any construction or works project for their vicarious legal liability:
- (a) where the liability arises in connection with **your use** or **your** operation of an **insured vehicle** on that project, and
  - (b) the liability is for **accidental loss** to any property or **accidental bodily injury** occurring in New Zealand during the **period of insurance**.
- 12.13 Towing** **We** will cover **your** legal liability for:
- (a) **accidental bodily injury**; and/or
  - (b) **accidental loss** to any property;
- occurring in New Zealand during the **period of insurance** arising from an **insured vehicle** being **used** while towing any:
- (i) single trailer or caravan;
  - (ii) single mechanically propelled **vehicle** that is disabled.
- However, there is no cover if the towing is for payment or reward.
- 12.14 Vicarious liability** **We** will cover **your** vicarious legal liability caused by or through or in connection with any:
- (a) **vehicle** owned by or in the control of any director, partner, executive officer, consultant, employee or elected member or official (whether or not the **vehicle** is covered by this policy);
  - (b) **vehicle**, together with the **driver**, hired-in by **you**.
- Provided that **your** liability arises while the **vehicle** is being **used** in connection with **your business**.
- 12.15 Weight damage** **We** will cover **your** legal liability for **accidental loss** to any property (including roads) during the **period of insurance** caused by:
- (a) the weight of the load carried by an **insured vehicle**;
  - (b) the weight of the **insured vehicle**;
  - (c) the combined weight of the load and the **insured vehicle**.
- Section 2: Exclusion – 10.11 'Vibration or weight' (b) (c) and (d), does not apply to this Extension. The most **we** will pay under this Extension for any one **event** is \$500,000. An excess of \$1,000 applies to this Extension.



## 13. Automatic extensions applicable to Sections 1 & 2

### 13.1 Additions and deletions

(a) Additions

Any **vehicle** purchased or leased by **you** during the **period of insurance** is an **insured vehicle** under this policy from the date of purchase or commencement of the lease.

The most **we** will pay under 'Section 1: Basis of settlement' for each purchased or leased **vehicle** covered under this Extension is \$250,000.

(b) Deletions

If an **insured vehicle** is sold or the lease ends during the **period of insurance**, it ceases to be an **insured vehicle** under this policy from the date of sale or the date the lease ends.

(c) Premium adjustments

**We** will pro-rata the applicable annual premium for each **vehicle** from the date of its acquisition or disposal.

**You** will pay and **we** will refund any adjusted premium for the addition or deletion of these **vehicles**.

(d) Pre-renewal Period

If a **vehicle** was purchased or disposed of during the prior **period of insurance**, but after **you** had begun the renewal process for this **period of insurance**, the **vehicle** will be treated in accordance with (a) and/or (b).

Premium adjustments for these **vehicles** will be calculated in accordance with (c).

### 13.2 Invalidation

**We** will cover **accidental loss** or legal liability that would have been excluded under this policy by reason of any of the following Exclusions:

- (a) General exclusion – 14.2 'Alcohol, drugs, and other intoxicating substances';
- (b) General exclusion – 14.7 'Excessive loads';
- (c) General exclusion – 14.8 'Intentional or reckless acts';
- (d) General exclusion – 14.13 'Unlicensed drivers';
- (e) General exclusion – 14.14 'Unsafe vehicles';
- (f) General exclusion – 14.16 'Work time rules'.

Provided that:

- (i) the driving in those excluded circumstances was without **your** knowledge;
- (ii) **you** have not waived any right of recovery against the **driver**;
- (iii) **you** co-operate fully with **us** and the Police in pursuit of reparation from the **driver**.

The liability of the **driver** or the person responsible for the **accidental loss** or legal liability is not covered under this Extension.

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

- (a) any person employed by **you** with **your** authority to control the conduct of the **driver** of the **vehicle** concerned;
- (b) the **driver**, if the **driver** is of such senior position within **your business** that their knowledge is by law deemed to be **your** knowledge.

### 13.3 Non-renewal

If **we** intend to refuse renewal of this policy, **we** will notify **you** of that intention not less than 30 days before the expiry of the current **period of insurance**.

If the required notice is not provided, **we** will, if so required by **you**, extend the current **period of insurance** so that it will expire not less than 30 days after the notice is provided to **you**.

**You** will pay a pro-rata proportion of the existing annual premium (duly adjusted in accordance with the terms of this policy) for the period of any such Extension.



## 14. General exclusions

These Exclusions apply to all parts of this policy.

- 14.1 Accident Compensation Act** This policy does not cover:
- (a) liability for **accidental bodily injury** which is covered by the Accident Compensation Act 2001 ('Act');
  - (b) liability for **accidental bodily injury** payable as **reparation** for any amounts which are covered by the Act, or would be covered but for:
    - (i) a failure by the victim of offending to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act;
    - (ii) the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act;
    - (iii) 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.
- 14.2 Alcohol, drugs and other intoxicating substances** **We** do not cover **loss** or liability when the **vehicle** is being **used** by any person, including **you**, who:
- (a) has a proportion of alcohol in their breath or blood that exceeds the legal limit;
  - (b) is under the influence of any other intoxicating substance or drug;
  - (c) fails or refuses to supply a breath or blood sample as required by law;
  - (d) 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 **accidental loss** arising from theft or conversion of an **insured vehicle**.
- 14.3 Borrowed, hired or rented vehicles** **We** do not cover any **loss** or liability caused by or in connection with any **vehicle** borrowed, hired or rented by **you**.
- Note: Please see Section 1: Automatic extension – 7.3 'Borrowed, hired or rented vehicles' and Section 2: Automatic extensions – 12.2 'Borrowed, hired or rented vehicles', 12.3 'Borrowed, hired or rented vehicles: Consequential loss' and 12.9 'Hired or rented vehicles: Supplementary cover'.*
- 14.4 Communicable disease** **We** do not cover any:
- (a) 'Contamination Costs' directly or indirectly arising out of or attributable to the presence or potential presence, or threat or fear of the presence, of any of the following:
    - (i) a disease stated to be quarantinable disease under the Health Act 1956;
    - (ii) a disease in respect of which a state of emergency has been declared under the Civil Defence Emergency Management Act 2002;
    - (iii) a disease in respect of which a pandemic or epidemic has been declared by the World Health Organisation or the New Zealand government or any New Zealand government agency or lawful authority;
    - (iv) a disease declared by the World Health Organisation to be a Public Health Emergency of International Concern.
  - (b) Liability directly or indirectly arising from any actual or alleged **bodily injury**, impairment, incapacity or emotional distress, resulting from the transmission of any communicable disease.
- In this Exclusion: 'Contamination Costs' means all costs to clean, neutralise, disinfect, treat, decontaminate, restore, rectify, destroy, remove, dispose of, repair, replace or reinstate any property, and any loss of value or loss of use of any property; and includes any liability for or arising from such costs or loss of value or loss of property.
- 14.5 Confiscation** **We** do not cover any **loss** or liability 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 immediate and imminent threat of **loss** provided that the **loss** would be covered by this policy if it did occur).
- 14.6 Electronic data**
- (a) **We** do not cover 'Loss of Data' or 'Loss of Data Value' or any liability in connection with any 'Loss of Data' or 'Loss of Data Value'.
  - (b) This policy does not insure any costs or expenses of any type (including defence costs, fines or court costs) arising from any prosecution, claim or liability in connection with any 'Loss of Data' or 'Loss of Data Value'.
- This Exclusion does not apply to 'Loss of Data' that results directly from **loss** that is covered under Section 1.

In this Exclusion:

‘Loss of Data’ includes any of the following, whether actual or alleged:

- (a) loss of, alteration of, or damage to any ‘Electronic Data’,
- (b) cost in correcting or reprogramming any ‘Electronic Data’,
- (c) reduction in the functionality, availability or operation of any ‘Electronic Data’,
- (d) cost involved in retrieving ‘Electronic Data’.

‘Loss Of Data Value’ means any actual or alleged loss in the value (whether financial or otherwise) of any ‘Electronic Data’.

‘Electronic Data’ means information, facts, concepts, code or any other information of any kind and whether owned by **you** or not that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by any **Computer System**.

#### 14.7 Excessive loads

**We** do not cover any **loss** or liability while any **vehicle** is:

- (a) loaded or operated contrary to the manufacturer’s recommended specifications;
- (b) loaded or operated contrary to the law, or its ancillary plant or machinery being operated contrary to the law.

This Exclusion does not apply to any claim for **accidental loss** arising from theft or conversion of any **vehicle**.

#### 14.8 Intentional reckless acts

**We** do not cover any **loss** or liability caused by or in connection with any intentional or reckless act or omission.

#### 14.9 Nuclear

**We** do not cover any **loss** or liability caused by or in connection with:

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

#### 14.10 Sanctions

This policy is deemed not to provide any cover, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

- (a) sanction, prohibition or restriction under any United Nations resolutions;
- (b) trade or economic sanction, law or regulation of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

#### 14.11 Seepage, pollution and contamination

**We** do not cover any **loss** or liability of any kind in connection with seepage, pollution or contamination, unless caused by a sudden, identifiable and **accidental** occurrence that takes place in its entirety at a specific time and place, during the **period of insurance**.

The coverage under this policy is limited to costs and expenses reasonably and necessarily incurred to:

- (a) remove, store 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**.
- (b) 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.
- (c) 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**.

#### 14.12 Terrorism

This policy does not insure any **loss** or liability 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’.

In this Exclusion, ‘Act of Terrorism’ means an 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:

- (a) involves violence against one or more persons; or
- (b) involves damage to property; or
- (c) endangers life other than that of the person committing the action; or

- (d) creates a risk to health or safety of the public or a section of the public; or
- (e) is designed to interfere with or disrupt an electronic system.

#### 14.13 Unlicensed drivers

**We** do not cover any **loss** or liability when a **vehicle** is being **used** by a person who:

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

This Exclusion does not apply to any claim for **accidental loss** arising from theft or conversion of an **insured vehicle**.

#### 14.14 Unsafe vehicles

**We** do not cover any **loss** or liability if a **vehicle** is being **used** in an unsafe condition. This includes any condition:

- (a) which is contrary to any recommendation by the manufacturer of the **vehicle**;
- (b) as a result of which the **vehicle** is not fit to deal with any peril likely to be encountered during the course of its operation;

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

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

#### 14.15 War

**We** do not cover any **loss** or liability in connection with any of the following: war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, insurrection, rebellion, revolution, military or usurped power.

#### 14.16 Work time rules

**We** do not cover any **loss** or liability when any **vehicle** is being **used** in breach of any enactment or regulations relating to work time or logbook rules.

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

## 15. How to claim

### 15.1 What you must do

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

- (a) do what **you** can to take care of the **vehicle** and to prevent any further **accidental loss**, expense or liability; and
- (b) tell **us** as soon as possible; and
- (c) notify the Police as soon as possible if it is believed any **accidental loss** was caused by an illegal act of a person other than a person covered by this policy; and
- (d) allow **us** to examine the **vehicle** before any permanent repairs are started; and
- (e) send to us as soon as possible anything received from anyone about a claim or possible claim against **you** or anyone else entitled to cover under this policy; and
- (f) give **us** any information or help that **we** ask for; and
- (g) consent to **your** personal information in connection with the claim being:
  - (i) disclosed to **us**; and
  - (ii) transferred to Insurance Claims Register Limited; and
- (h) tell **us** immediately if **you** or anyone else entitled to cover under this policy are charged with any offence in connection with the **use** of a **vehicle** which resulted in **accidental loss** of property or **accidental bodily injury** to another person.

### 15.2 What you must obtain our agreement to do

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

- (a) incurring any expenses in connection with any claim under this policy, except as provided for under Section 1 Automatic extension – 7.19 'Repair authorisation';
- (b) negotiating, paying, settling, admitting or denying any claim made against **you** or anyone else entitled to cover under this policy;
- (c) negotiate, make or agree any offer of amends to a victim of offending by any person covered by this policy;

- (d) do anything that may prejudice **our** rights of salvage or recovery (*for example, removing parts from a vehicle that we will salvage, such as its fit-out or stereo system*);
- (e) destroying or disposing of anything that is or could be part of a claim.

### 15.3 Things you must do after we pay a claim

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

- (a) tell **us** if any lost or stolen property which was part of the claim is found or recovered, and hand it over to **us** if **we** request it.
- (b) tell **us** if any person is ordered to make reparation to **you** for **accidental loss** to a **vehicle** that **we** have paid a claim for under this policy. Any payments received must first reimburse **our** claims payment up to the amount of any reparation received.

### 15.4 Total loss

**We** have the right to keep the **vehicle** and any property that **we** have paid as a **total loss** under this policy, including any proceeds if it is sold.

If **we** pay a claim for an **insured vehicle** covered under this policy that is a **total loss** then:

- (a) the **vehicle** is no longer covered under this policy;
- (b) **we** will not refund any premium;
- (c) if the premium was to be paid in instalments, any unpaid premium for the entire **period of insurance** is due immediately and may be deducted from any payment made by **us**;
- (d) the **vehicle** will become **our** property. However, **you** can ask to retain the **vehicle** and if permitted, **we** will then:
  - (i) obtain a post-loss value of the **vehicle** from an independent qualified valuer;
  - (ii) deduct the **vehicle's** post-loss value from any claim payment made to **you**.

In some cases, due to government regulations, **you** will not be permitted to retain the **vehicle**, or, the **vehicle** may have to be deregistered before **you** can retain it.

### 15.5 Reparation

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

## Actions we may take

### 15.6 Subrogation

Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery or the right of recovery of any other person entitled to cover under this policy.

**You** (and any other person entitled to cover) must fully co-operate with any recovery process and do anything **we** reasonably ask whether before or after having been covered by **us**, to comply with any recovery process. If **you** do not, **we** may recover from **you** the amount paid in relation to the claim.

If **we** initiate a recovery and **you** contributed towards the cost of that recovery action, then subsequently any proceeds of the recovery will be shared on the same proportional basis as **your** contribution.

If **you** do not contribute towards the cost of recovery, then the proceeds of the recovery will be apportioned as follows:

- (a) first, to reimburse **you** for the excess paid in relation to the claim;
- (b) second, to reimburse **us** for the total amount paid in relation to the claim;
- (c) third, to reimburse **you** for any uninsured losses in relation to the claim.

### 15.7 Conduct of defence

**We** have the sole right to act in **your** name or in the name of any other person covered under this policy, and on **your** and their behalf to defend, negotiate or settle any liability covered under 'Section 2: Liability cover' as **we** see fit (this will be done at **our** expense).

**We** may elect at any time to pay the maximum amount payable under this policy, or any lesser sum that the liability can be settled for. Once **we** have paid this (plus any defence costs and expenses covered by this policy and already incurred, but less any applicable excess) **our** responsibility to **you** or any other person covered under this policy is met in full.

The lawyers **we** instruct to act on **your** behalf or on behalf of any other person entitled to cover, are authorised by **you** or such other person, to disclose to **us** any information the lawyers receive in that capacity, including information they receive from **you** or other person.

### 15.8 Waiver of subrogation: Group of related companies

Where **you** are a parent or **subsidiary** in a group of related companies, **we** will not exercise a legal right of recovery against any other company in the same group.

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

## 16. General conditions

### Your obligations

- 16.1 Breach of any condition** Where there is a breach of any condition of this policy, **we** will not decline a claim based solely on that breach, provided that all the following conditions are met:
- the breach occurs without **your** knowledge, including where **you** ought reasonably to have known about the breach had **you** made reasonable enquiries;
  - you** advise **us** as soon as practicable once **you** become aware of any such breach;
  - you** agree to pay **us** any additional premium **we** require.
- 16.2 True statements and answers** **You** and any other person covered under this policy must give true statements and answers in all communications with **us**, including when:
- applying for this insurance;
  - notifying **us** regarding any change in circumstances;
  - make a claim under this policy, including when communication with **us** or providing further information regarding the claim.
- If **you** or any other person covered under this policy make any dishonest or fraudulent statement in connection with a claim or any application for cover under this policy, **we** may, at **our** sole discretion, do any of the following:
- decline the claim, either in whole or in part;
  - declare either this policy or all insurance **you** have with IAG New Zealand Limited to be of no effect and to no longer exist from the date of the dishonest or fraudulent statement;
  - declare that the person who made the dishonest or fraudulent statement is no longer entitled to cover under this policy, from the date of their dishonest or fraudulent act.
- 16.3 Reasonable care** **You**, and anyone **using** an **insured vehicle**, must take reasonable care at all times to avoid circumstances that could result in a claim.
- There is no cover if **you** are reckless or grossly irresponsible.
- 16.4 Complying with this policy** **We** will not pay any claim unless **you**, or any person who acts on **your** behalf, complies with this policy. This also applies to any other person who can claim under the policy.
- 16.5 Changes in circumstances** **You** must tell **us** immediately if there are any:
- modifications to an **insured vehicle**;
  - change in the **use** of an **insured vehicle**;
  - material changes that might alter the nature of the risk insured or increase the chance of a claim under this policy.
- Information is 'material' where we would have made different decisions about either:*
- accepting your insurance;*
  - setting the terms of your insurance, if we had known that information. If in any doubt, notify us anyway.*
- The 'risk insured' refers to both:*
- the actual property or liabilities covered (known as physical hazard); and*
  - you or other persons covered by this policy (known as moral hazard).*

### How we administer this policy

- 16.6 Cancellation** By you
- You** may cancel this policy at any time by giving **us** notice in writing or by electronic means. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium due for the expired portion of the **period of insurance**.
- By us
- We** may cancel this policy by giving notice in writing or by electronic means to **you**, at **your** last known address. The policy will be cancelled from the 30th day after the date of the notice. **We** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**.
- We** will cancel this policy if the premium is not paid when due. Cancellation will be effective from the date this policy was paid up to.

<b>16.7 Change of terms</b>	<b>We</b> may change the terms of this policy (including the excess) by giving <b>you</b> notice in writing or by electronic means, at <b>your</b> last known address. Unless otherwise specified in the notice the change in terms will take effect from the 30th day after the date of the notice.
<b>16.8 Currency</b>	Any amounts shown in this policy or in the <b>schedule</b> are in New Zealand dollars, unless otherwise specified in the <b>schedule</b> .
<b>16.9 Goods and Services Tax</b>	Where Goods and Services Tax (GST) is recoverable by <b>us</b> under the Goods and Services Tax Act 1985: <ul style="list-style-type: none"> <li>(a) all sums insured exclude GST; and</li> <li>(b) all sub limits exclude GST; and</li> <li>(c) all excesses include GST; and</li> <li>(d) GST will be added, where applicable, to claim payments.</li> </ul>
<b>16.10 Interests of other parties</b>	If <b>we</b> know of anyone who has a financial interest over an <b>insured vehicle</b> , <b>we</b> may pay them part or all of any claim proceeds. This payment goes towards meeting <b>our</b> obligations under this policy. <b>You</b> consent to <b>us</b> transferring <b>your</b> relevant personal information to that party. Any party, who is recorded as having a financial interest under this policy, is not covered by this policy and does not have rights to claim under this policy.
<b>16.11 Other insurance</b>	<b>You</b> must notify <b>us</b> as soon as <b>you</b> know of any other insurance policy that covers <b>you</b> for any of the risks covered under this policy. This policy does not cover <b>your</b> liability or <b>accidental loss</b> at all if it is insured to any extent under any other insurance policy. <b>We</b> will not contribute towards any claim under any other insurance policy.
<b>16.12 Joint insurance</b>	If this policy insures more than one person, then all persons are jointly insured. This means that a breach of this policy by any one person affects everyone's ability to claim under this policy. <b>We</b> may choose to pay any claim in full to the person who is named first in the <b>schedule</b> , and this will meet all <b>our</b> obligations under this policy for that claim.
<b>16.13 Premium payment option</b>	<b>You</b> may choose either an annual or monthly renewable contract. If <b>you</b> have elected a monthly renewable contract then: <ul style="list-style-type: none"> <li>(a) <b>you</b> must pay by direct debit using the Direct Debit Authority <b>we</b> require; and</li> <li>(b) the policy is for the initial <b>period of insurance</b> stated in the <b>schedule</b>; and</li> <li>(c) the policy will be renewed for further monthly <b>periods of insurance</b> upon receipt of the renewal premium due under the Deduction Authority; and</li> <li>(d) the policy terms, including the premium, will be reviewed on the anniversary date stated in the <b>schedule</b>.</li> </ul>
<b>16.14 Governing law and jurisdiction</b>	The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.
<b>16.15 Legislation and Crown entity changes</b>	Any reference to any Act of Parliament or subordinate rules referred to in this policy includes any amendments made or substitutions to that law. Any reference to any legislative or official terms, includes any amended, replacement, substituted, equivalent or corresponding terms. Any reference to any Crown entity includes any new name given to that entity, and any replacement entity that is responsible for the same or similar functions.

## 17. Definitions

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

<b>accessory</b>	<p>A minor fitting or attachment, designed for <b>use</b> in or on a <b>vehicle</b> and <b>used</b> with a <b>vehicle</b>, that both:</p> <ul style="list-style-type: none"> <li>(a) is fitted to, usually fitted to, or permanently stored in or on the <b>vehicle</b>;</li> <li>(b) does not directly relate to the function of the <b>vehicle</b>.</li> </ul> <p>Accessories include on-board computers, on-board telephone installations, spare parts, emergency aids, load-securing or protection equipment, and racking installed in tradespeople's <b>vehicles</b>.</p>
<b>accident</b>	Unexpected and unintended by <b>you</b> .
<b>agreed value</b>	The amount specified as 'agreed value' in the <b>schedule</b> .
<b>annual period</b>	<p>The <b>period of insurance</b>. However, if:</p> <ul style="list-style-type: none"> <li>(a) <b>you</b> pay the premium monthly;</li> <li>(b) the <b>period of insurance</b> is for more than 12 months;</li> </ul> <p>the annual period is the current 12-month period calculated consecutively from the date this policy first started.</p>
<b>application</b>	The information provided by <b>you</b> or on <b>your</b> behalf to <b>us</b> when <b>you</b> purchased this insurance or requested a quotation for this insurance from <b>us</b> . It also includes any subsequent information <b>you</b> provide <b>us</b> with.
<b>bodily injury</b>	The death of or injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.
<b>business</b>	<b>Your</b> normal agricultural and/or horticultural activities, including <b>occasional contracting</b> .
<b>computer system</b>	Includes any computer operating system, hardware, programme, software, communications system, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, including any similar system or configuration of the aforementioned, whether the insured's property or not.
<b>driver</b>	The person driving the <b>insured vehicle</b> , including the person operating any component of the <b>insured vehicle</b> (for example – a hoist on a truck).
<b>event</b>	An event, or series of events, arising from one source or original cause.
<b>insured vehicle</b>	<p>All <b>vehicles</b> individually specified in the <b>schedule</b> and any <b>unspecified vehicles</b>.</p> <p><i>Note: Additional vehicles purchased or leased during the period of insurance are covered under 13.1 'Additions and deletions'.</i></p>
<b>loss</b>	Physical loss or physical damage.
<b>market value</b>	The reasonable sale price of the same or a comparable <b>vehicle</b> of similar pre-loss age, condition and specification, but disregarding the presence of any signwriting, vehicle wraps or artwork on the <b>vehicle</b> .
<b>occasional contracting</b>	<p>Paid agricultural and horticultural contracting work anywhere in New Zealand, provided that this work represents less than 30% of <b>your</b> annual turnover and does not involve either:</p> <ul style="list-style-type: none"> <li>(a) the spraying, application or release of pesticides, herbicides, insecticides, hormone sprays or any other chemical product;</li> <li>(b) the <b>use</b> of explosives.</li> </ul>
<b>period of insurance</b>	The period of time stated in the <b>schedule</b> that specifies the start and end dates of this insurance contract or if this policy is renewed, the period of time stated in the most recent renewal <b>schedule</b> .
<b>reparation</b>	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.
<b>replacement value</b>	The cost to replace the item as nearly as possible with one equal to its condition when new, where the item where the item is uneconomic to repair or is stolen and not recovered.



<b>residual value</b>	<p>The residual value of a <b>vehicle</b> under a lease, hire purchase or similar agreement, calculated in accordance with that agreement but excluding:</p> <ul style="list-style-type: none"> <li>(a) penalties for early termination;</li> <li>(b) penalties for any additional distance travelled;</li> <li>(c) unpaid obligations under the lease at the time of the <b>accidental loss</b>;</li> <li>(d) penalties resulting from lack of servicing or poor maintenance;</li> <li>(e) 'balloon' payments;</li> <li>(f) the amount by which the residual value of the <b>vehicle</b> exceeds 120% of its <b>market value</b>.</li> </ul>
<b>schedule</b>	<p>The latest version of the schedule <b>we</b> issued to <b>you</b> for this policy.</p>
<b>subsidiary</b>	<p>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.</p>
<b>total loss</b>	<p>Physical loss of the <b>vehicle</b>, or where <b>we</b> determine the <b>vehicle</b> is uneconomic to repair.</p>
<b>unspecified vehicle</b>	<p>Any <b>vehicle</b> that is not individually specified in the <b>schedule</b>, provided that:</p> <ul style="list-style-type: none"> <li>(a) the <b>schedule</b> shows 'Unspecified vehicles' as an insured item; and</li> <li>(b) the unspecified vehicle (including its <b>accessories</b>) is <b>used</b> in connection with <b>your business</b>; and</li> <li>(c) it is not a road registered <b>vehicle</b>.</li> </ul> <p><i>Note: Cover for unspecified vehicles only applies where 'Unspecified vehicles' cover has been selected and is shown in the schedule.</i></p>
<b>use</b>	<p>Includes driving, operating, parking, garaging or storing of the <b>vehicle</b>.</p>
<b>vehicle</b>	<p>Any type of machine on wheels, tracks or rollers that is propelled by its own power, and anything designed to be towed by such a machine, including any <b>accessories</b>. It does not include anything designed to run on rails.</p>
<b>we</b>	<p>AMI, a business division of IAG New Zealand Limited. We may also use the words "us", "our" or "company" to describe AMI.</p>
<b>you</b>	<p>The person(s) or entity named in the <b>schedule</b> as "insured". This includes any:</p> <ul style="list-style-type: none"> <li>(a) <b>subsidiary</b>;</li> <li>(b) associated management company;</li> <li>(c) associated social or sporting club;</li> <li>(d) new organisation or company formed or acquired by you during the <b>period of insurance</b>.</li> </ul>



**Thanks  
for insuring  
with AMI.**

Call us on 0800 100 200  
or visit [ami.co.nz/business](https://ami.co.nz/business)

