

DUAL Motor Insurance

Commercial Motor



DUAL

DUAL New Zealand

Commercial Motor Policy Wording

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Introduction

About This Policy

Your Commercial Motor Vehicle Policy consists of:

1. This policy document, and
2. The **schedule**, and
3. Any endorsements or warranties that **we** apply, and
4. The information **you** have provided in the **application**.

Your Duty Of Disclosure

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

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

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

Examples

We have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in italics and do not affect or limit the meaning of the section they refer to.

Headings

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

Defined Words

If a word is shown in bold, it has a specific meaning. There is a list of these words and what they mean in the 'DEFINITIONS' section.

Insurance Agreement

Our Agreement

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

Definitions

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

Accessory

A minor fitting or attachment that alters the performance, characteristics of, or is designed for use in, a vehicle to which it is attached but without which the vehicle would still operate, spare parts, and emergency aids, each used exclusively for the **insured vehicle** (including when temporarily removed from the **insured vehicle**) (e.g. on board computers, telephone installations, load securing or protection equipment in, on or in connection with the insured vehicle, and racking installed in tradesmen's vehicles).

Accident

a sudden, fortuitous or unforeseen occurrence, happening or mishap, which is not expected nor intended by the **insured**.

Act of terrorism

Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

1. Involves violence against one or more persons, or
2. Involves damage to property, or
3. Endangers life other than that of the person committing the action, or
4. Creates a risk to health or safety of the public or a section of the public, or
5. Is designed to interfere with or disrupt an electronic system.

Annual period

The **period of insurance**. However, if:

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

The **annual period** is the current 12 month period calculated consecutively from the date this policy first started.

Application

The information provided by the **insured** to **us** when **they** purchased this insurance or requested a quotation for this insurance from **us**. It also includes any subsequent information the **insured** provides **us** with.

Bodily injury

The death of, or the bodily injury to any person during the **period of insurance**, including sickness, disease, disability, shock, fright, mental injury.

Driver

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

Excess

The first amount of any claim that the **insured** must pay for an **event**, specified in the **schedule** or in this policy.

Event

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

Insured / You

The **insured** named on the **schedule**, including any:

1. **Subsidiary** company,
2. Associated managed company,
3. Associated social or sporting club,
4. New company or organisation formed or acquired by the **insured** during the **period of insurance**.

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

Insured vehicle

1. All **vehicles** listed in the **vehicle declaration**, and
2. Any other **vehicle**, hired, rented, or borrowed without financial or other consideration, by the **insured** during the **period of insurance**.

Note: Additional vehicles purchased or leased during the period of insurance are covered under Automatic Extensions Applicable to Both Sections 1 and 2 'A – Additions and Deletions'.

Loss

Physical loss or physical damage.

Market value

The reasonable sale price of the same or a comparable **vehicle** of similar pre-loss age, condition and specification, but disregarding the presence of any signwriting, vehicle wraps or artwork on the **vehicle**.

Note: Total Loss Signwriting Optional Extension is available to cover the replacement of signwriting.

Mechanical plant

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

Period of insurance

The period of time stated in the **schedule** 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 **schedule**, unless **your** policy has ended earlier.

Reparation

An amount ordered by a New Zealand Court to be paid to the victim of an offence under section 32 of the *Sentencing Act* 2002 and any subsequent amendments.

Residual value

The residual value of an **insured vehicle** under a lease, hire purchase or similar agreement, calculated in accordance with that agreement but excluding:

1. Penalties for early termination, or
2. Penalties for any additional distance travelled, or
3. Unpaid obligations under the lease at the time of the **loss**, or
4. Penalties resulting from lack of servicing or poor maintenance, or
5. 'balloon' payments, or
6. The amount by which the residual value of the **insured vehicle** exceeds 120% of its **market value**.

Schedule

The relevant **schedule** issued by **us** to the **insured**.

Subsidiary

A company with more than half the nominal value of its equity share capital owned by a parent company, either directly or through other subsidiaries.

Total loss

Actual total loss, or if **we** determine the **insured vehicle** is uneconomic to repair.

Use

Includes driving, operating, parking, garaging or storing of the **insured vehicle**.

Vehicle

Any type of machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, and anything designed to be towed by such a machine, including any **accessories**.

Vehicle declaration

The list of **insured vehicles** stating their values provided to **us** by the **insured** at the inception of this policy, and at any subsequent endorsement or renewal.

We/Us/Our

HDI Global Specialty SE - New Zealand (FSP 774050), acting through its agent DUAL New Zealand Ltd.

Policy Cover Options

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

Type of Cover:	Provides:
Full Cover	<ol style="list-style-type: none">1. Cover under 'Section 1: Cover for the Insured Vehicle', and2. Cover under 'Section 1: Automatic Extensions', and3. Cover under 'Section 2: Liability Cover', and4. Cover under 'Section 2: Automatic Extensions', and5. Cover under 'Automatic Extensions applicable to both Sections 1 and 2'.
Third Party, Fire and Theft	<ol style="list-style-type: none">1. Cover under 'Section 1: Cover for the Insured Vehicle' only covering accidental loss to the insured vehicle caused by: fire, lightning, explosion, theft or illegal conversion, and2. Cover under 'Section 1: Automatic Extensions', only in respect of a claim covered under Section 1: Cover for the Insured Vehicle' and3. Cover under 'Section 1: Automatic Extensions D. Damage Caused by an Uninsured Third Party', and4. Cover under 'Section 2: Liability Cover', and5. Cover under 'Section 2: Automatic Extensions', and6. Cover under 'Automatic Extensions applicable to both Sections 1 and 2'.

Third Party Only	<ol style="list-style-type: none"> 1. Cover under 'Section 1: Automatic Extensions D. Damage Caused by an Uninsured Third Party', and 2. Cover under 'Section 2: Liability Cover', and 3. Cover under 'Section 2: Automatic Extensions', and 4. Cover under 'Automatic Extensions applicable to both Sections 1 and 2'.
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When Cover Applies

There is only cover under this policy when any **vehicle** insured under this policy is being **used**:

1. For the **insured's** business or occupation as agreed by **us** prior to inception of this policy or any renewal, or
2. For the **insured's** private, social or domestic purposes, or
3. For a business or occupation comparable with the **insured's** business or occupation as above, when hired, rented or lent out by the **insured**, with or without a driver, provided that:
 - a. all policy terms and conditions are observed at the time that any **loss** to the **insured vehicle** occurs, and
 - b. there is no other insurance which covers the **loss**.

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

Section 1: Cover for the Insured Vehicle

Accidental Loss to the Vehicle:

We will indemnify the **insured** for **accidental loss** to an **insured vehicle** occurring anywhere in New Zealand during the **period of insurance**

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 GENERAL EXCLUSIONS that apply to all parts of this policy.

A. Types Of Loss Not Covered

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

1. Wear and tear, or
2. Rust or corrosion, or
3. The failure of, or any fault or defect in, the **insured vehicle's** design, specification or materials.

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

B. Ingestion And Entanglement

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

C. Consequential Loss

This policy does not insure:

1. 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 or Optional Extensions, or
2. Depreciation or loss in value.

D. Vehicle Parts

1. This policy does not insure **loss** to the following parts of an **insured vehicle**:
 - a. engine and all engine parts,
 - b. cooling systems, including but not limited to radiators, heat exchangers, cooling fans, pressure caps, water pumps, thermostats and hoses,
 - c. hydraulic system, including but not limited to shock absorbers and suspension systems,
 - d. transmission system, including but not limited to gearbox, drive shafts, axles, differentials, clutches, and wheel hubs,
 - e. fuel systems,
 - f. braking systems,
 - g. electrical/electronic systems, computer systems, and mechanical systems,
 - h. pumping and vacuuming systems,
 - i. any fixed plant machinery (including but not limited to food/drink preparation equipment),
 - j. underground exploratory devices.
2. However, this exclusion does not apply to **loss** the direct result of:
 - a. fire,
 - b. the **insured vehicle** or a conveying **vehicle** overturning,
 - c. the **insured vehicle** suffering an impact or collision with an external object,
 - d. the **insured vehicle** being partly or fully immersed in a body of water,
 - e. the **insured vehicle** being stolen or converted,
 - f. the **insured vehicle** being maliciously damaged,
 - g. the **insured vehicle** being accidentally operated with the incorrect fuel type (*e.g. 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,
 - h. hail, snow, storm or lightning,
 - i. natural disaster,
 - j. animals.

E. Drilling Equipment

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

F. Tyres

This policy does not insure damage to or destruction of tyres. However this exclusion will not apply if the damage or destruction results from a **loss** otherwise covered under Section 1 of this policy.

G. Vehicles Hired, Rented Or Lent Out

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

Section 1: Basis of Settlement

A. Method Of Indemnity

Unless stated differently in this policy, **we** will indemnify the **insured** by whichever of the following options **we** choose, having regard to the **insured's** interest.

1. If **we** consider the **insured vehicle** is economic to repair, **we** will at **our** option:
 - a. Pay the reasonable cost of repairs to the **insured vehicle**, or
 - b. Pay the cash equivalent of the reasonable cost of repairs to the **insured vehicle**.
2. If **we** consider the **insured vehicle** is a **total loss**, **we** will at **our** option:
 - a. Replace the **insured vehicle** with a **vehicle** of similar condition, or
 - b. Pay an amount equal to the **market value** of the **insured vehicle** or the amount stated in the **vehicle declaration**, whichever is the lesser, unless the **insured vehicle** is leased, in which case **we** will pay an amount equal to the **market value** or **residual value** of the **insured vehicle**, whichever is the greater.

B. Maximum Amount Payable

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

1. Is the **market value** of the **insured vehicle**, or the value of the **insured vehicle** stated in the **vehicle declaration**, whichever is lesser, unless the **insured vehicle** is leased, in which case **we** will pay an amount equal to the **market value** or **residual value** of the **insured vehicle**, whichever is the greater, or
2. Is the limit specified in the Limits and Excesses section for **vehicles** hired, rented, or borrowed without financial or other consideration, by the **insured** during the **period of insurance**.

C. Improvements

We will not pay, including pay by way of cash equivalent, for that portion of any repair or replacement that improves the condition of the **insured vehicle** beyond its condition before the **loss**.

D. Obsolete Parts

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

1. The last known list price in New Zealand, or
2. The price of the part's closest New Zealand equivalent, or
3. The cost of making a new part.

E. Excess

The **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 of the **loss** for each **event**. Where the cause of **loss** is theft or fire (fire not resulting from impact) to the **insured vehicle**, no **excess** will apply to the Section 1 claim unless stated in the **schedule** or payable under any Section 1: Automatic Extension or Section 1: Optional Extension.

If more than one **insured vehicle** suffers **loss** from a single **event**, only one **excess** shown in the **schedule** will apply, being the highest **excess**, together with any **excess** payable under any Section 1: Automatic Extension or Section 1: Optional Extension.

Section 1: Automatic Extensions

In addition to the cover under 'Section 1: Cover For The Insured Vehicle' above, **we** also provide the following automatic extensions. Where a limit is specified in the extension, this is in addition to the maximum liability under 'Section 1: Basis of Settlement'. Otherwise, any payment under an extension is subject to the maximum amount payable under 'Section 1: Basis of Settlement'.

A. Appreciation – Mechanical Plant

Section 1 is extended to cover the **insured** for appreciation of the **market value** of the **mechanical plant** specified in the **vehicle declaration** as a result of **loss** covered under Section 1 provided:

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

B. Claim Preparation Costs

Section 1 is extended to cover reasonable costs incurred by the **insured** (other than the **insured's** internal costs) in having a claim prepared for a **loss** covered under Section 1, or proving that a **loss** is a claim under Section 1 (but not costs incurred in disputing the claim if it is declined). The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

C. Completion Of Journey Costs

When, as a result of a **loss** covered under Section 1, the **insured's** journey cannot be continued, this policy covers the **insured's** reasonable costs incurred in:

1. Hiring another **vehicle** of similar make and model to complete the journey, or to return the **insured** or **driver** to where the journey first commenced, and
2. Returning the **insured vehicle** to the premises where it is normally based following its repair, or the cost of recovering it in the event of theft or conversion.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

D. Damage Caused By An Uninsured Third Party

The **insured** is covered for any uninsured **losses** (including any **excess**) caused by an identifiable and uninsured driver of another **vehicle** occurring in New Zealand during the **period of insurance**, provided that:

1. Full liability is admitted by that third party, or the **insured** has provided **us** with evidence establishing full liability of that third party, and
2. The **insured** supplies **us** with enough information to identify the third party (such as the correct registration, their name and address).

This extension is independent of cover provided under Section 1. The most **we** will pay under this extension for any one **insured vehicle** for any one **event** is the limit shown in the Limits and Excesses section.

E. Death By Accident

If the **insured** or an employee of the **insured**, or any member of the immediate family (*e.g. father, mother, brother*) of the **insured** or the **insured's** employee, dies as a direct result of an **accident** causing **loss** to an **insured vehicle**, whether or not death occurs at the time of the **accident**, **we** will pay to the **insured** the amount shown in the Limits and Excesses section, regardless of any other insurance.

F. Disability Modifications

If the **insured** or an employee of the **insured** become permanently disabled as a direct result of **bodily injury** sustained in an **accident** covered under Section 1 **we** will pay to the **insured** the reasonable costs of any necessary modifications in excess of any amount payable by the Accident Compensation Corporation, (*e.g. hand controls*) to any one **vehicle**. The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

G. Employees' Vehicles

Section 1 is extended to cover **vehicles** owned by the **insured's** employees, provided that:

1. The **vehicle** is **used** in the course of the **insured's** business,
2. The employee has personal motor vehicle insurance insuring the **vehicle**,
3. That **use** results in the employee's personal motor vehicle insurance no longer applying, and
4. The person **using** the **vehicle** meets all the same terms of this policy that the **insured** must meet.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

H. Expediting Expenses

This policy is extended to cover the **insured** for the reasonable additional costs of express freight and overtime 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.

I. Funeral Expenses

If the **insured**, an employee of the **insured**, member of the immediate family (*e.g. father, mother, brother*) of the **insured** or the **insured's** employee, 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**, **we** will pay to the **insured** all funeral expenses associated with the burial or cremation of the deceased, in excess of any amount payable by the Accident Compensation Corporation or any other insurer. This policy extension also covers any travel costs within New Zealand of any immediate family member (*e.g. father, mother, brother*) of the deceased necessarily incurred as a result of attending the funeral.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

J. Goods In Transit

If an **insured vehicle** suffers **loss** arising from:

1. Fire, or
2. Collision, or
3. Impact, or
4. Overturning,

Which is covered under Section 1, this extension covers **loss** to goods owned by the **insured** carried on or in the **insured vehicle** at the time of the **loss**.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

The additional **excess** shown in the Limits and Excesses section applies.

K. Hoists

Section 1 is extended to cover the **insured** for **loss** during the **period of insurance** to hydraulic rams and hoists permanently attached to the **insured vehicle**, caused by mechanical breakdown or mechanical failure.

The cover provided by this extension does not apply if the mechanical breakdown or mechanical failure is caused by wear and tear.

Section 1: Exclusions, 'D – Vehicle Parts', does not apply to this extension.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

The **excess**:

1. As shown in the Limits and Excesses section, or
2. The Section 1 **insured vehicle excess**,
applies, whichever is the greater.

L. Keys And Locks

Where any key giving access to the **insured vehicle** is lost, stolen or believed on reasonable grounds to have been duplicated without the **insured's** permission during the **period of insurance**, **we** will cover the costs reasonably incurred in replacing that key and altering or replacing the locking mechanism.

The most **we** will pay under this extension are the limits shown in the Limits and Excesses section.

The **excess** shown in the Limits and Excesses section applies.

M. Load Recovery

Section 1 of this policy is extended to cover the reasonable costs incurred in salvaging any load carried by an **insured vehicle** which has spilled onto a road, carriageway or parking area. 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 the **insured**.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

N. Mutually Acceptable Assessors

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

O. New Replacement Vehicle

If a car, station wagon, utility, van or four wheel drive vehicle under 3,500kgs owned or leased by the **insured** and is covered under Section 1 of this policy, suffers a total loss within 12 months of it being first registered as a new **vehicle** in New Zealand, **we** will either:

1. Provide a new replacement **vehicle** of the same make, model and specification, or
2. If a new replacement is not available, pay an amount equal to the price for which such a **vehicle** was last available in New Zealand.

If the **insured** elects not to have the **insured vehicle** replaced in accordance with this extension, **we** will indemnify the **insured** in accordance with Section 1: Basis of Settlement clause above.

P. Repair Authorisation

The **insured** may authorise any reasonable repairs for **loss** to an **insured vehicle** without prior notice to **us**.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section. If the estimated repair costs exceed this limit, repairs must not be commenced without **our** consent or the assessor's consent.

Q. Rewards

Section 1 of this policy is extended to cover a reward offered and paid by the **insured** to successfully secure the return of the **insured vehicle** following its theft, if the theft is covered under Section 1, and the offer is made with **our** prior approval.

The most **we** will pay under this extension for all rewards offered for any one **event** is the limit shown in the Limits and Excesses section.

R. Salvage And Safety

Section 1 of this policy is extended to cover the reasonable costs incurred in salvaging or recovering the **insured vehicle**, including the costs of ensuring its safety and delivery to a place of suitable repair or inspection, following a **loss** covered under Section 1.

S. Theft – Hire Of Alternative Vehicle

Section 1 of this policy is extended to cover the reasonable costs incurred by the **insured** of hiring another **vehicle** of a similar make, model and specification, following a loss to the **insured vehicle** caused by theft or illegal conversion covered under Section 1, provided that:

1. Cover under this extension begins on the date the **insured vehicle** is stolen,
2. The cost of the first 7 days of hire is not covered by this extension,
3. Cover under this extension ends:
 - a. If the **insured vehicle** is recovered and is not a **total loss**, and has been repaired and returned to the **insured**, or
 - b. When **we** have settled the **insured's** claim under Section 1 of this policy, whichever is the earlier date,
4. This extension does not cover the costs of insurance, petrol or normal running costs of the hire **vehicle**.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

T. Tyre Damage

Section 1 of this policy is extended to cover **loss** during the **period of insurance** to any tyre (including its inner tube) fitted to an **insured vehicle** not principally used for driving on a road, regardless of whether there has been **loss** to any other part of the **insured vehicle** or not.

We will at **our** option pay:

1. The cost to repair the damage, or
2. An amount equal to the reasonable cost of repair, or
3. The cost to replace the tyre, less a reasonable deduction for the damaged tyre's wear and tear, or
4. An amount equal to the value of the tyre immediately prior to the **loss**.

The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section.

No **excess** will apply to this extension

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

U. Windscreens And Window Glass

If the **insured's** claim under Section 1 is solely for **loss** to windscreens, sunroof, headlights, tail lights, indicator light glass, mirror glass or window glass (including scratching or damage to bodywork resulting solely from broken glass):

1. No **excess** applies to the claim, unless otherwise specified on the **schedule**, and
2. If there was tinting or signwriting affixed to the windscreens or window glass, **we** will pay to have that portion of the tinting or signwriting reinstated. **We** will not pay for any costs associated with joining or associated tinting or signwriting on other parts of the **insured vehicle** under this extension.

Section 1: Optional Extensions

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

A. Agreed Value

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

B. Ingestion Or Entanglement Of Foreign Objects

We will indemnify the **insured** for **loss** resulting from entanglement, ingestion, or entry of any foreign object into any mulching, chipping or agricultural implement or machine, provided this occurs whilst the **insured vehicle** is operated for the purpose for which it has been designed, and is being used in conjunction with the agricultural implement or machine.

Section 1: Exclusions, 'B – Ingestion and Entanglement' does not apply to this Optional Extension.

C. Loss Of Use

Section 1 of this policy is extended to cover the reasonable costs incurred by the **insured** of hiring another **vehicle** of a similar make, model and specification, following a **total loss** or pending repair of **loss** covered under Section 1, while the **insured vehicle** is unfit to be driven, provided that:

1. This extension applies only to an **insured vehicle** stated in the **schedule** as being subject to this extension, and
2. In the case of repair, the **insured** must have the repair carried out as soon as reasonably practicable after suffering the **loss**, and
3. This extension does not apply if the **insured** has available a free substitute **vehicle** or purchases an additional **vehicle**, and
4. Cover under this extension begins:
 - a. When the **insured vehicle** is delivered to the repairer agreed to by **us** to start the repair, or
 - b. The date of the **loss**, if the **insured vehicle** is unfit to be driven, or is deemed a **total loss** at that date, and
5. Cover under this extension ends:
 - a. In the case of a **total loss**, when **we** have agreed to the **insured's** claim under Section 1 of this policy,
 - b. In the case of repair, when the repairs are completed and the **insured vehicle** is available to be collected or delivered,
 - c. When the **insured** has returned the substitute hire **vehicle**,

Whichever is the earlier date, and

6. The cost of the first 7 days of hire is not covered by this extension, and
7. This extension does not cover the costs of insurance, petrol or normal running costs of the hire **vehicle**, and
8. This extension does not apply if the **insured** has made a claim under Section 1: Automatic Extensions, 'S – Theft – Hire of Alternative Vehicle'.

If no **vehicle** of a similar make, model and specification is available for hire (the **insured** having consulted with **us** as to availability of such a **vehicle**), following a **total loss** or pending repair of **loss** covered under Section 1, while the **insured vehicle** is unfit to be driven, subject to the application of and compliance with all other terms of this extension, **we** will pay to the **insured** the daily rate shown in the **schedule** from the date cover under this extension begins to the date cover under this extension ends. The most **we** will pay under this extension for any one **event** is the limit shown in the **schedule**.

D. Portable Electronic Devices

We will pay the reasonable replacement cost of other property of the **insured** specified in the **schedule**. The most **we** will pay under this extension for any one **event** is the limit shown in the Limits and Excesses section. The **excess** as shown on the **schedule** will apply to each claim, including theft.

E. Taxi Coverage

Section 1 of this policy is extended to cover an **insured vehicle used** as a taxi by the lawful holder of a licence to do so as follows:

1. De – installation / Re – installation:

If the **insured vehicle** is a **total loss**, **we** will contribute to the de-installation / re-installation costs associated with **loss** to LPG, CNG units, in-vehicle cameras, meters and the like.

The most **we** will pay under this clause of this extension for any one **event** is the limit shown in the Limits and Excesses section.

2. Employee and passenger effects:

We will cover **loss** to passenger's baggage and employees' personal effects if the **loss** occurs during the taxi driver's paid shift period and the items are not covered under any other insurance policy.

This extension applies only to an **insured vehicle** stated in the **schedule** as being subject to this extension.

The most **we** will pay under this clause of this extension for any one **event** is the limit shown in the Limits and Excesses section.

F. Total Loss Signwriting

Section 1 of this policy is extended to cover the reasonable cost incurred by the **insured** to replicate on any replacement **vehicle**, any signwriting, vehicle wraps and artwork that were affixed to the **insured vehicle** at the time of the **loss**, in the event of a **total loss** covered under Section 1.

This extension applies only to an **insured vehicle** stated in the **schedule** as being subject to this extension.

The most **we** will pay under this extension for each **insured vehicle** is the 'Total Loss Signwriting' amount stated on the **schedule**.

Section 2: Liability Cover

A. Legal Liability Cover

We will indemnify the **insured** for legal liability arising from:

1. **Accidental bodily injury**, or

2. **Accidental loss** to any property,

occurring during the **period of insurance**, caused by or through or in connection with their **use** of an **insured vehicle** in New Zealand.

B. Litigation Defence Costs

We will indemnify the **insured** for legal defence costs and expenses necessarily and reasonably incurred to defend any civil proceeding (or threat of civil proceeding) brought against the **insured**, in relation to an alleged liability that, if proven, would be covered under 'Section 2: Legal Liability Cover'.

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

C. Legal Liability Of Other Users Of An Insured Vehicle

We will cover the legal liability and litigation defence costs of any other person caused by or through or in connection with their **use** of an **insured vehicle** or a vehicle covered under Section 1: Automatic Extensions, 'G – Employee's Vehicles', in the same manner as we cover the **insured**, provided:

1. Such **use** has the permission of the **insured**, and
2. Their liability is not covered by any other insurance, and
3. The person **using** the **insured vehicle** meets all the same terms of this policy that the **insured** must meet.

Section 2: Exclusions

The following exclusions apply to Section 2: Liability Cover, and Section 2: Automatic Extensions.

IMPORTANT: Please also read GENERAL EXCLUSIONS that apply to all parts of this policy

A. Airside Liability

This policy does not insure liability arising out of the ownership, operation or maintenance of any **vehicle** within the restricted area of any airport used for scheduled commercial flights.

B. Contractual Liability

This policy does not insure liability arising out of a contract or agreement unless the **insured** would have been liable even without such contract or agreement.

C. Criminal Offences

This policy does not insure any legal defence costs, fines or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.

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

D. Drivers

This policy does not insure any liability of any **driver**, including the **insured**, for or arising from:

1. **Bodily injury** to, or

2. **loss** to any property owned by,

that **driver**, and/or insured who claims under Section 2 of this policy.

E. Exemplary Damages

This policy does not insure liability for punitive or exemplary damages.

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

F. Liability Determined By Foreign Court

This policy does not insure liability determined by any court outside New Zealand.

G. Operation Of Plant Or Machinery

This policy does not insure 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 back hoe*).

This exclusion does not apply to the operation of any vehicle mounted crane whilst being used to load or unload to or from that **vehicle**, or of any fork hoist.

H. Property Owned, In Care, Custody Or Control

This policy does not insure liability for **loss** to property that belongs to, or is, or was in the care, custody or control of the **insured**, other than:

1. personal baggage and wearing apparel of any passenger, or
2. a building leased or rented by the **insured**, or
3. a **vehicle** (which is not insured under Section 1 of this policy or owned by the **insured**), which is being towed by an **insured vehicle**. However, this does not apply to **vehicles** which are towed or recovered for reward where the **insured's** business includes a **vehicle** recovery service.

I. Transporting Of A Load

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

J. Vehicles

This section does not insure liability for **loss** to any **vehicle** that is insured under this policy.

K. Vibration Or Weight

This policy does not insure liability for **loss** to any property (including roads) arising from:

1. vibration caused by the **insured vehicle**, or
2. the weight of the load carried by the **insured vehicle**, or
3. the weight of the **insured vehicle**, or
4. the combined weight of the load and the **insured vehicle**.

Note: Please see Section 2: Automatic Extensions, 'K – Vibration or Weight Damage

Section 2: Basis of Settlement

A. Maximum Amount Payable

The most **we** will pay in total for any **event**:

1. for legal liability is the sum insured for Section 2 'Legal Liability Cover' stated in the Limits and Excesses section.

2. for legal defence costs and expenses is the sum insured for Section 2 'Litigation Defence Costs' stated in the Limits and Excesses section.

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

B. Excess

The **excess** shown in the **schedule** applies to any claim under Section 2.

C. Sub Limits

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

1. the limit shown in the Limits and Excesses section, or
2. the amount specified in the **schedule**,

whichever is the higher.

Section 2: Automatic Extensions

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

A. Clean Up Costs

Section 2 is extended to cover all costs lawfully charged by any local government body or authority, the New Zealand Fire Service, or any other entity for cleaning or restoring the site of an accident covered under 'Section 1: Cover For The Insured Vehicle'.

There is no cover under this extension for costs arising from a Hazardous Substance Emergency.

Note: Please see Section 2: Automatic Extensions, 'F. – Hazardous Substance Emergency'.

The most **we** will pay under this extension for any one **event** is the amount shown in the Limits and Excesses section.

An additional **excess** as shown in the Limits and Excesses section for each **event** applies.

B. Criminal Court Action / Inquiries / Inquests

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

1. defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death, and
 2. for legal representation at any inquiry or coroner's inquest related thereto,
- resulting from any person covered under Section 2 of this policy **using** a **vehicle** insured under this policy.

The most **we** will pay under this automatic extension for any **event** is the amount stated in the Limits and Excesses section.

Section 2: Exclusions 'C. – Criminal Offences' does not apply to this extension.

C. Exemplary Damages

Section 2 is extended to indemnify the **insured** against liability for punitive or exemplary damages arising from:

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

occurring during the **period of insurance**, caused by or through or in connection with their **use** of the **insured vehicle** in New Zealand, provided that there is no indemnity under this extension:

- a. arising from any dishonest, fraudulent or malicious act or omission by the **insured** or anyone acting on behalf of the **insured**, or
- b. arising from any claim first notified to the **insured** but not notified to us within six months of that date.

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

- i. for any one **event** is the amount shown in the Limits and Excesses section, and
- ii. in total for all claims during an **annual period** is the amount shown in the Limits and Excesses section.

Section 2: Exclusions, 'C – Exemplary Damages' does not apply to this extension.

In addition to any other policy **excess**, each claim will be subject to an **excess** of 10% of any sum for which the **insured** is found legally liable. However, a minimum **excess** as shown in the Limits and Excesses section applies to each claim.

D. Financial Charge

Section 2 is extended to cover the balance of any outstanding charge on an **insured vehicle** where:

1. the **insured vehicle** is purchased during the **period of insurance**, and
2. the **insured vehicle** suffers **loss** which is covered under Section 1 of the policy, and
3. the **insured** has made proper enquiries in relation to the existence of any charge before making the purchase, and
4. the **insured** is liable to pay the outstanding charge.

The most **we** will pay under this extension for any one **insured vehicle** is the amount shown in the Limits and Excesses section.

E. Hazardous Substance Emergency

Section 2 is extended to cover any charge the New Zealand Fire Service is authorised to impose on the **insured**, for their attendance at a hazardous substance emergency arising from the **use** of a vehicle.

The most **we** will pay under this extension for any **event** is the amount shown in the Limits and Excesses section.

F. Hired And Rented Vehicles

If the **insured** hires or rents a **vehicle** during the **period of insurance** and accepts the rental vehicle owner's statutory offer of insurance, this extension covers:

1. liability to third parties as provided under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions', but only for the difference between the amount payable for liability under the statutory offer of insurance, and the maximum amount payable under 'Section 2: Legal Liability Cover', and
2. the difference between the Section 1 **excess** under this policy and any deductible applicable under the rental vehicle owner's insurance, for any **event**.

Section 2: Exclusions, 'H – Property Owned, In Care, Custody or Control', General Exclusions, 'H – Rented Vehicles', and General Conditions, How We Administer This Policy, 'Other Insurance', do not apply to this extension.

G. Hired And Rented Vehicles – Consequential Loss

If the **insured** hires or rents a **vehicle** during the **period of insurance** and rejects the rental vehicle owner's statutory offer of insurance, this extension covers the **insured's** liability to the owner of that **vehicle** for consequential losses caused by **loss** covered under Section 1.

The most **we** will pay under this extension for any **event** is the limit shown in the Limits and Excesses Section.

H. Marine Liability

Section 2 is extended to cover general average and salvage charges that the **insured** is liable to meet as a result of the **insured vehicle** being carried by ship between places in New Zealand during the **period of insurance**.

I. Movement Of Other Vehicles

Section 2 is extended to cover the **insured's** liability for:

1. **accidental bodily injury** to any person, or

2. **accidental loss** to any property,

occurring in New Zealand during the **period of insurance** and arising from the movement by the **insured** of any **vehicle** which:

a. is parked in a position which prevents or impedes the loading or unloading of the **insured vehicle**, or

b. prevents or impedes the legitimate passage of the **insured vehicle**.

Section 2: Exclusions, 'H. – Property Owned, In Care, Custody or Control' does not apply to the **vehicle** being moved.

J. Principal's Indemnity

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

1. where the liability arises in connection with the **use** by the **insured** of an **insured vehicle** on that project, for which the **insured** is legally liable; and

2. the liability is for **accidental loss** to property or **accidental bodily injury** occurring in New Zealand during the **period of insurance**.

K. Vibration Or Weight Damage

Section 2 is extended to indemnify the **insured** against liability for **loss** to any property (including roads) during the **period of insurance** caused by:

1. the weight of the load carried by the **insured vehicle**, or

2. the weight of the **insured vehicle**, or

3. the combined weight of the load and the **insured vehicle**.

The most **we** will pay under this extension for any one **event** is the amount shown in the Limits and Excesses section.

An **excess** as shown in the Limits and Excesses section will apply to each **event**.

Section 2: Exclusions, 'K. – Vibration or Weight' clauses 2, 3 and 4 do not apply to this extension.

Automatic Policy Extensions Applicable to both Sections 1 and 2

These extensions automatically apply.

A. Additions And Deletions

1. Additions

Any **vehicle** purchased or leased by the **insured** during the **period of insurance** is an **insured vehicle** under this policy from the date of purchase or commencement of the lease. The maximum amount **we** will pay under 'Section 1: Basis of Settlement' for each purchased or leased **vehicle** covered under this extension is the amount shown in the Limits and Excesses section.

Note: Cover in excess of the applicable limit may be available on request.

2. Deletions

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

3. Premium adjustment

- a. The premium payable by the **insured** under this policy will be adjusted at the end of the **period of insurance** to reflect **insured vehicles** added or deleted under this extension during the **period of insurance**.
- b. **We** will apply the additions and deletions premium rate as agreed, to 50% of the difference in value between all additions and deletions, to calculate any additional premium to be paid to **us** by the **insured**, or any refund of premium **we** are to pay to the **insured** for that **period of insurance**, and the **insured** will pay any additional premium, or **we** will refund such sum.

B. Breach Of Condition

Where there is a breach of any condition of this policy, the **insured** will be covered, provided that:

1. The breach occurs without knowledge of any **insured**, and not reasonably expected to have known about it, and
2. **We** are advised as soon as any **insured** is aware of the breach of condition, and
3. The **insured** pays **us** any additional premium **we** require, and
4. **We** may apply reasonable terms and conditions to this policy.

C. Invalidation

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

1. 'General Exclusions, B – Alcohol, Drugs, and Other Intoxicating Substances',
2. 'General Exclusions, E – Excessive Loads',
3. 'General Exclusions, F – Intentional or Reckless Acts',
4. 'General Exclusions, K – Unlicensed Drivers',
5. 'General Exclusions, L – Unsafe Vehicles',
6. 'General Exclusions, N – Work Time Rules',

provided that:

- a. the driving in those excluded circumstances was without the knowledge of the **insured**, and were not reasonably expected to have known, and
- b. the **insured** has not waived any right of recovery against the **driver**, and
- c. the **insured** cooperates fully with **us** and the police in pursuit of reparation from the **driver**.

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

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

- i. any person employed by the **insured** with the authority of the **insured** to control the conduct of the **driver** of the **vehicle** concerned, or
- ii. the **driver**, if the **driver** is of such senior position within the business of the **insured** that his/her knowledge is by law deemed to be the knowledge of the **insured**.

Optional Policy Extensions Applicable to both Sections 1 and 2

These extensions are optional and only apply when stated in the **schedule**.

A. Burning Cost

The premium payable under this policy shall be adjusted on claim costs incurred (claim costs paid plus outstanding estimates) during the **period of insurance**. This will be calculated as follows:

1. 30 days after the end of the **period of insurance** the total premium shall be adjusted by dividing the claims cost incurred by the multiplier as agreed in the **schedule**.
2. If the premium produced is greater than the total premium paid the **insured** shall pay the difference but not exceeding the percentage of the deposit premium as agreed in the **schedule**.
3. If the premium produced is less than the total premium paid **we** shall refund the difference to a minimum retained premium of the agreed percentage in the **schedule** of the deposit premium.

For the purposes of this extension, total premium shall mean deposit premium plus any additional or return premium adjustments processed during the **period of insurance**.

B. Profit Share

If, at the end of the **period of insurance**, the **insured** agrees to renew the insurance with **us**, **we** will adjust the premium paid for that **period of insurance** as follows:

1. 30 days after the end of the **period of insurance** the Net Premium will be totalled together with incurred claims costs as a result of **accidents** during the **period of insurance**, and
2. a loss ratio will be calculated by comparing the Net Premium to the total of Incurred claims costs, and
3. if this incurred claim loss ratio is more than 60%, no profit share is payable. If the Incurred Claim cost loss ratio is 60% or less, the amount of profit share will be calculated by using one of the following profit share percentages:

Profit Share Percentage

- a. If the Incurred Claim costs ratio is 40% or less – 20%
- b. If the Incurred Claim costs ratio is between 40% and 50% - 15%
- c. If the Incurred Claim costs ratio is 50% or more but not greater than 60% - 10%

If a profit share is payable, then it will be calculated by multiplying the profit share percentage against the sum of Net Premium less incurred claim costs. This adjustment is processed net of commission.

For the purposes of this extension:

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

'Incurred Claim costs' will mean the total amount of claims paid and reasonable estimates of claims yet to be paid, including fees, net of actual and estimated recoveries.

General Exclusions

These exclusions apply to all parts of this policy.

A. Accident Compensation Act

This policy does not insure:

1. liability for **bodily injury** which is covered by the Accident Compensation Act 2001 ('Act'), and
2. in particular, liability for **bodily injury** payable as **reparation** for any amounts which are covered by the Act, or would be covered but for:
 - a. a failure by the victim of offending to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
 - b. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
 - c. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

B. Alcohol, Drugs, And Other Intoxicating Substances

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

1. has a proportion of alcohol in their breath or blood that exceeds the legal limit, or
2. is under the influence of any other intoxicating substance or drug, or
3. fails or refuses to supply a breath or blood sample as required by law, or
4. fails or refuses to stop, or remain at the scene, following an accident (as required by law).

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

C. Confiscation

This policy does not insure 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).

D. Electronic Data

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

1. loss of, alteration of, or damage to, or
2. a reduction in the functionality, availability or operation of,
a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the **insured's** property or not, that do not in and of themselves constitute an event unless arising out of one or more of the following events:
 - a. fire, lighting, explosion, or
 - b. aircraft, or vehicle impact, falling objects, or
 - c. windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze, weight of snow.

E. Excessive Loads

This policy does not insure loss or liability while any **insured vehicle** is:

1. loaded or operated contrary to the manufacturer's recommended specifications, or
2. 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 **loss** arising from theft or illegal conversion of any **insured vehicle**.

F. Intentional Or Reckless Acts

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

G. Nuclear

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

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

H. Rented Vehicles

This policy does not insure any **vehicle** hired or rented by the **insured** when the **insured** has purchased insurance offered by the rental vehicle hirer.

Note: Please see Section 2: Automatic Extensions, 'F – Hired and Rented Vehicles'.

I. Seepage, Pollution And Contamination

This policy does not insure loss or liability of any type in connection with seepage, pollution or contamination, unless sudden, unintended and unexpected, occurring during the **period of insurance**. The coverage under this policy is limited to costs and expenses reasonably and necessarily incurred to:

1. remove, store and/or dispose of debris or the decontamination, demolish, dismantle, dewater, shore up, prop, underpin or carry out other temporary repairs consequent upon damage which is covered by the policy and caused by an insured **event**.
2. demolish and remove any property belonging to the **insured** which is no longer useful for the purpose it was intended for, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement.
3. clean up and remove pollutants from land confined to insured premises if the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by an insured **event**.

J. Terrorism

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

K. Unlicensed Drivers

This policy does not insure loss or liability when any **insured vehicle** is being **used** by a person who:

1. does not hold a driver's license appropriate for the class or operation of the **insured vehicle** (or the **insured vehicle's** components), unless the:
 - a. **driver** has held, (and is not disqualified from holding or obtaining) and actually obtains, such a license without a further driving test, or

- b. **insured vehicle** is being used for the purpose of teaching a learner to drive, and all the requirements of the law are being complied with, or
2. breaches any license conditions that apply when driving the **insured vehicle** or the **insured vehicle's** components..

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

L. Unsafe Vehicles

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

1. which is contrary to any recommendation by the manufacturer of the **insured vehicle**, or
2. as a result of which the **insured vehicle** is not fit to deal with any peril likely to be encountered during the course of its operation,

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

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

M. War

This policy does not insure any loss or liability in connection with any of the following, including controlling, preventing or suppressing any of the following: war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

N. Work Time Rules

This policy does not insure loss or liability when any **insured 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 **loss** arising from theft or illegal conversion of the **insured vehicle**.

O. Sanctions

This policy does not any insure any **loss** to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolution or the trade or economic sanctions, laws or regulation of New Zealand, Australia, the European Union, United Kingdom or United States of America.

How to Claim

A. What You Must Do

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

1. do what they can to take care of the **vehicle** and to prevent any further **loss**, expense or liability, and
2. tell **us** as soon as possible by notifying our dedicated claims team below:
P: 0800 785 400
E: Dual_Motor_Claims@hdi-specialty.com, and
3. notify the police as soon as possible if it is believed any loss was caused by an illegal act of a person other than a person covered by this policy, and
4. allow **us** to examine the **vehicle** before any permanent repairs are started, and
5. send to **us** as soon as possible anything received from anyone about a claim or possible claim against the **insured** or anyone else entitled to cover under this policy, and

6. give **us** any information or help that **we** ask for, and
7. consent to the **insured's** personal information in connection with the claim being:
 - a. disclosed to **us**, and
8. tell **us** immediately if the **insured** or anyone else entitled to cover under this policy are charged with any offence in connection with the **use** of an **insured vehicle** which resulted in **loss** of property or **bodily injury** to another person, and
9. Provide **us** with any reasonable assistance and information that **we** request in relation to the claim. This may mean giving written statements or documents to **our** representative or **us**. **We** may require **you** to go to Court to give evidence.

B. What You Must Obtain Our Agreement To Do

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

1. incur any expenses in connection with any claim under this policy, or
2. negotiate, pay, settle, admit or deny any claim made against the **insured** or anyone else entitled to cover under this policy, or
3. negotiate, make or agree any offer of amends to a victim of offending by any person covered by this policy, or
4. do anything that may prejudice **our** rights of recovery.

C. Dishonesty

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

1. decline the claim, either in whole or in part, and/or
2. declare either this policy or all insurance the **insured** has with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

This is at **our** sole discretion.

D. Things You Must Do After We Pay A Claim

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

1. tell **us** if any lost or stolen property which was part of the claim is found or recovered, and hand it over to **us** if **we** request it.
2. tell **us** if any person is ordered to make reparation to the **insured** for any loss or cost which is part of the claim, and reimburse **us** for that payment as soon as any reparation is received.

E. Actions We May Take

1. Subrogation

Once **we** have accepted any part of a claim under this policy, **we** may assume the **insured's** or any other person entitled to cover under this policy's legal right of recovery. If **we** initiate a recovery **we** will include any **excess**, and any other uninsured losses suffered. Where **we** do this, the **insured** (or other person entitled to cover) agree to pay their proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse the **excess** first. The **insured** (or any other person entitled to cover) must fully co-operate with any recovery process.

2. Conduct of Defence

We have the sole right to act in the name of the **insured** or any other person insured under this policy, and on 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 the **insured** or any other person covered under this policy is met in full. The lawyers we instruct to act on behalf of the **insured** or other person entitled to cover, are authorised by the **insured** or such other person, to disclose to us any information the lawyers receive in that capacity, including information they receive from the **insured** or other person.

3. Waiver of Subrogation (Group of Related Companies)

Where the **insured** is a parent or **subsidiary** in a group of related companies, we waive any right of recovery it may have against any other company in the same group.

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

4. Recoveries

If an **insured vehicle** or any property we have paid a claim for is later found or recovered, the **insured** must tell us immediately and hand it over to us if we request it. We have the right to keep the **insured vehicle** and any property that we have paid a claim for under this policy, including any proceeds if it is sold.

5. Reparation

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

General Conditions

Your Obligations

1. Breach of any Condition

If:

1. the **insured**, or
2. any other person we insure under this policy, or
3. anyone acting on the **insured's** behalf,
breaches any of the conditions of this policy, we may:
 - a. decline the claim either in whole or in part, and/or
 - b. declare either this policy or all insurance the **insured** has with us to be unenforceable.

This is at our sole discretion.

2. True Statements and Answers

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

1. applies for this insurance, and/or
2. notifies us regarding any change in circumstances, and/or
3. makes a claim under this policy.

3. Reasonable Care

The **insured**, 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 the **insured** is reckless or grossly irresponsible.

4. Complying with this Policy

We will not pay any claim unless the **insured**, or any person who acts on their behalf, complies with this policy. This also applies to any other person who can claim under the policy.

5. Changes in Circumstances

The **insured** must tell **us** immediately if there are any:

1. **modifications** to an **insured vehicle**, or
2. change in the use of an **insured vehicle**, or
3. 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:

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

The 'risk insured' refers to both:

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

6. Vehicle values

All values of **insured vehicles** stated in the **vehicle declaration** must represent, as nearly as possible, their **market value**. Values such as book value, depreciated cost, written down value and residual value are not sufficient to comply with this policy condition.

We may require the **insured** to provide **vehicle declarations** showing their book value, depreciated cost, written down value or residual value in the **insured's** business records.

How We Administer This Policy

Cancellation

BY THE INSURED

The **insured** may cancel this policy at any time. If they do, **we** will refund any premium that is due based on the unused portion of the **period of insurance**.

BY US

We may cancel this policy by giving the **insured** notice in writing or by electronic means at their last known address. The policy will be cancelled from 4pm on the 30th day after the date of the notice. **We** will refund the **insured** any premium that is due based on the unused portion of the **period of insurance**.

Change of Terms

We may change the terms of this policy (including the **excess**) by giving the **insured** notice in writing or by electronic means at the last known address **we** have for the **insured**. The policy will be changed from 4pm on the 30th day after the date of the notice.

Other Insurance

The **insured** must tell **us** as soon as they know about any other insurance which covers an **insured vehicle**. This policy does not cover loss or liability at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

Joint Insurance

If this policy insures more than one person, then all persons are jointly insured. This means that a breach of this policy by any one person affects everyone's ability to claim under this policy.

We may choose to pay any claim in full to the person who is named first in the **schedule**, and this will meet all **our** obligations under this policy for that claim.

Interests of Other Parties

If **we** know of anyone who has a financial interest over an **insured vehicle**, **we** can pay them part or all of any claim proceeds. This payment goes towards meeting **our** obligations under the policy. However, anyone recorded as having a financial interest under this policy is not covered by it and has no right to make a claim.

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

Total Loss

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

1. that **insured vehicle** will become **our** property, and
2. that **vehicle** is no longer an **insured vehicle** under this policy, and
3. **we** will not give any refund of premium, and
4. in the event premium for the **period of insurance** is to be paid in instalments, any unpaid premium for the **period of insurance** is due immediately and may be deducted from any payment made by **us**.

Laws And Acts That Govern This Policy

1. Governing Law and Jurisdiction

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

2. Legislation Changes

Where this policy refers to any Act of Parliament, it also includes any sub-ordinate legislation made under it, and any subsequent or replacement Acts or Regulations.

3. Insurance Law Reform Acts

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

4. Currency

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

5. Goods and Services Tax

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

1. all **vehicle** values specified in the **vehicle declaration** exclude GST, and

2. all limits and sub limits exclude GST, and
3. all **excesses** include GST, and
4. GST will be added, where applicable, to claim payments.

Limits and Excesses

The following limits and **excesses** apply, unless a different amount is shown in the **schedule**.

Note: Please refer to the schedule for further applicable limits and excesses.

	Limit	Excess
Section 1: Basis Of Settlement		
B. Maximum Amount Payable		
2. Hired, Rented, or Borrowed Vehicles	\$300,000	–
Section 1: Automatic Extensions		
B. Claim Preparation Costs	\$5,000	\$500
C. Completion of Journey Costs	\$10,000	–
D. Damage Caused by an Uninsured Third Party	\$5,000	–
E. Death by Accident	\$10,000	–
F. Disability Modifications	\$5,000	–
G. Employees' Vehicles	\$100,000	–
I. Funeral Expenses	\$5,000	–
J. Goods in Transit	\$5,000	\$100
K. Hoists	\$5,000	\$500
L. Keys and Locks:		
Per vehicle per event	\$10,000	\$250
In total for all vehicles per event	\$20,000	\$250
M. Load Recovery	\$10,000	–
P. Repair Authorisation	\$1,000	–
Q. Rewards	\$5,000	
S. Theft – Hire of Alternative Vehicle	\$2,500	7 Days
T. Tyre Damage	\$5,000	
Section 1: Optional Extensions		
D. Portable Electronic Devices	As per schedule	Minimum \$250, or as per schedule
E. Taxi Coverage		
De-Installation / Reinstallation	\$2,500	–
Employee and Passenger Effects	\$2,500	

Section 2: Liability Cover

A. Legal Liability Cover	\$10,000,000	
B. Litigation Defence Costs	\$1,000,000	

Section 2: Automatic Extensions

A. Clean Up Costs	\$20,000	\$500
B. Criminal Court Action / Inquiries / Inquests	\$10,000	
C. Exemplary Damages		10% of any sum awarded, subject to a minimum of \$5,000
Per event	\$500,000	
In total for all events during an annual period	\$1,000,000	
D. Financial Charge	\$5,000	
E. Hazardous Substances Emergency	\$20,000	
G. Hired and Rented Vehicles – Consequential Loss	\$50,000	
K. Vibration or Weight Damage	\$500,000	\$2,000

Automatic Extensions Applicable To Both Sections 1 And 2

A. Additions and Deletions	\$300,000	
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