

Commercial Motor and Motor Fleet Insurance

Policy Document.

Allianz 

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Introduction

This document contains information designed to help You decide whether to buy Our Commercial Motor and Motor Fleet Insurance Policy.

About Allianz

Allianz Australia Insurance Limited (Incorporated in Australia) trading as Allianz New Zealand is the insurer of the Policy and is part of one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

Important Information for Policy Holders

This is Your Commercial Motor Vehicle Policy which consists of this document, Your proposal or declaration and the attached Schedule.

Unless otherwise stated, all cover is subject to the proviso that the Loss occurs during the Period of Insurance for which a premium has been received by Us.

Please examine this document and the Schedule and if they do not meet Your requirements or if any information is not correctly stated, please return them and ask for the correction to be made.

Types of cover available

You can choose from the following covers:

Cover Type	Description of cover provided
Comprehensive	You have Section 1 covering Loss to Your Insured Vehicle(s) and Section 2 covering Your legal liability for Loss to another person's property and Injury to another person.
Third Party Liability Cover	You have Section 2 only covering Your legal liability for Loss to another person's property and Injury to another person.
Third Party Fire and Theft	You have Section 2 covering Your legal liability for Loss to another person's property and Injury to another person, and Your Section 1 cover is limited to Loss to Your Insured Vehicle(s) caused by fire or theft.

The Cover Type You have chosen is shown in the Schedule.

Definitions

Whenever these words appear in this wording, they have the following special meaning:

Accessories: including, but not limited to:

- detachable and fixed equipment such as on board computers, telephone installations, radios, receivers, tape recorders/players, CD players, TV/video screens, sound amplifiers and/or speakers, radar detectors, heating and/or cooling units, security equipment, signwriting, artwork, load securing or protection equipment (including, but not limited to, tarpaulins, sheets, straps, ropes, chains and other tightening devices) and spare parts, but excluding any item of electrical or communication equipment not permanently affixed to the vehicle or wired into the vehicle's electrical system;
- LPG, CNG or other fuel conversion or performance improvement installation;

whilst in or on or used in connection with any Insured Vehicle, whilst temporary removed to any other Insured Vehicle, whilst temporary removed for repair or renovation or cleaning, or whilst in storage.

Accident(s)/Accidental: An unforeseen and unintended happening or event by You;

Agreed Value: The amount noted as "Agreed Value" in the Schedule.

Description of Use: Being Driven by You, or whilst under Your control or the control of any person using the vehicle with Your consent, provided all legal requirements to drive the Insured Vehicle are being met, and being:

- used in connection with Your business or occupation stated in the Schedule; or
- used for private, social or domestic purposes; or
- used in the course of a business or occupation comparable with Your business or occupation stated in the Schedule and having been temporarily lent out by You.

Driven: Includes when the Insured Vehicle or any component of it is under Your control, and any reference to the driver of that Insured Vehicle will be deemed to include the user or operator of any component of it.

Excess: The first amount of any claim which You must bear.

Injury: Accidental bodily injury including, but not limited to:

- death;
- illness;
- sickness;

- disability;
- disease;
- shock;
- fright;
- mental anguish; or
- mental injury.

Insured Vehicle(s): All vehicles, mobile plant and equipment and vehicular equipment of every description (excluding railway locomotives and rolling stock) owned, used, leased, lent borrowed, hired or under Your care, custody and control or otherwise the responsibility of You or for which You have assumed responsibility.

Any vehicle(s) owned by or in the control of a director, partner, executive officer, consultant, employee or elected member or official whilst the vehicle(s) is being used in connection with Your business.

Loss/Losses: Accidental physical loss, Accidental physical damage or Accidental physical destruction.

Market Value: The price for which You could purchase the same or a comparable vehicle of similar pre-loss age and condition.

Period of Insurance: The period We provide the cover under the Policy as set out in Your Schedule.

Policy: This document (including any endorsement, specification, attachment or memoranda affixed to it), Your proposal or declaration and Your Schedule.

Schedule: The most current Schedule to this wording (including any endorsements) issued to You and any subsequent Schedule (including any endorsements) which may be issued if this insurance is renewed.

We, Our or Us: Allianz Australia Insurance Limited.

You or Your: The entity named in the Schedule as “Insureds”, including:

- any committee or boards established by that entity;
- any subsidiary company of that entity;
- any associated company or other organisation controlled and/or managed by that entity;
- any associated social and/or sporting club operated by that entity;
- any director, partner, executive officer, consultant, employee or elected member or official of that entity; or
- any new company or organisation formed or acquired by that entity through consolidation, merger, purchase or assumption of control or management during the Period of Insurance.

Section 1 – Loss or Damage to Your Vehicle

We will indemnify You against Loss during the Period of Insurance to any Insured Vehicle occurring anywhere in New Zealand or whilst in transit between places in New Zealand.

Basis of Settlement

We will, at Our option repair or replace the Insured Vehicle and its Accessories, or pay You the cost of doing this.

Unless otherwise specified our liability is as follows:

Market value/sum insured

We will pay the lesser of the market value of the insured vehicle or the sum insured shown on the schedule.

Agreed value

If any insured vehicle is subject to the agreed value option shown in the schedule then in the event of a total loss or a constructive total loss we will pay the sum shown in the schedule.

Additional Benefits to Section 1

The following additional benefits form part of this Policy and are subject to all its provisions (unless otherwise stated).

1. Additions and Deletions

We will cover You for all vehicles purchased by You during the currency of this Policy from the date of purchase, and all vehicles disposed of during the currency of this Policy shall be considered as being deleted from cover from the date of disposal.

The premium for all additions and deletions will be adjusted at the end of the Period of Insurance based on 50% of the difference in value of all new additions less deletions based upon the rate agreed at the beginning of the Period of Insurance.

The sum insured for acquired vehicles is the purchase price of the vehicle, subject to a maximum of the amount shown on the Schedule, unless advised to Us at the time of acquisition and agreed to by Us.

2. Claims Preparation Costs

We will cover You for any costs and expenses, up to the limit shown in the Schedule, You reasonably incur for the purpose of the preparation, presentation, and certification of any claim made under this Policy; provided that:

- a. a claim is admissible under this Policy; and
- b. the total costs incurred exceed \$100.

3. Damage to Tyres

Notwithstanding Exclusion 5 to Section 1, We will cover You for Loss during the Period of Insurance to any tyres (including inner tubes) fitted to any Insured Vehicle, provided that:

- a. the Insured Vehicle is not used primarily for the transport of people or property by road;
- b. the Loss is not caused by wear and tear;
- c. the Loss is not caused by the application of brakes;
- d. the Loss is not covered elsewhere under this Policy;
- e. Our liability will not exceed the replacement cost of each damaged tyre, less a reasonable deduction for use of the tyre up to the time of its Loss;
- f. Our liability does not exceed the amount specified in the Schedule for any one tyre; and
- g. We may, at Our option, indemnify You by repairing or replacing of the tyre, or paying You the cost of this.

4. Death by Injury

We will pay \$5,000 where the driver of the Insured Vehicle dies as a direct result of bodily injury arising out of an Accident to an Insured Vehicle, provided that:

- a. death occurs within 90 days of the Accident;
- b. death is not caused by suicide or attempted suicide;
- c. the claim for the Loss to the Insured Vehicle is accepted under Section 1 of this Policy; and
- d. Our liability is limited to \$5,000 in connection with any one Accident.

5. Disability Modifications

We will pay the necessary and reasonable costs of modifying an Insured Vehicle, where a regular driver has been permanently disabled as a direct result of injuries sustained in a Loss for which there is a valid claim under this Policy.

However, Our liability shall be limited to the amount shown in the Schedule and is in excess of any amount recoverable from the Accident Compensation Corporation or from any other insurance or from any other source.

6. Emergency accommodation and travel

We will cover You for any necessary emergency travel and accommodation costs when there has been a Loss to an Insured Vehicle covered by this Policy, and the Insured Vehicle can not be made roadworthy, or You and any passengers are unable to drive or are unfit to drive, as a result of the Loss.

We will pay:

- a. the reasonable costs of transporting You and other occupants of the Insured Vehicle to their home or place of work;
- b. reasonable costs of temporary overnight accommodation for You and Your passengers.

The maximum We will pay for all costs arising out of any one Loss is limited to the amount shown in the Schedule.

7. Employees Personal Effects

We will cover You for Loss to any uninsured personal property of Your employees that occurs as a result of Loss to Your Insured Vehicle that is covered by Section 1 of this Policy. We will not cover cash, negotiable instruments, jewellery and furs belonging to Your employees.

The maximum We will pay for all costs arising out of any one Accident is the amount shown in the Schedule.

8. Employees Vehicles

We will cover You for Loss during the Period of Insurance to vehicles owned by Your employees, provided that:

- a. the vehicle is used in connection with Your business; and
- b. the employee has personal motor vehicle insurance insuring the vehicle; and
- c. the business use of their vehicle results in the employees personal motor vehicle insurance no longer applying.

The maximum We will pay for all costs arising out of any one Accident is the amount shown in the Schedule.

9. Expediting Costs

We will cover You for any additional costs of express freight, air freight, overtime labour, penalty labour, additional labour, hire of plant and equipment and the purchasing of resources reasonably incurred to expedite repairs, reinstatement or replacement.

10. Fire Service Charges

We will cover You for any charge the New Zealand Fire Service is authorised to make against You, under Section 47 (c) of the Fire Services Act in connection with an Accident involving an Insured Vehicle, provided that:

- a. the resulting Loss to the Insured Vehicle is covered by Section 1 of this Policy; or
- b. the resulting liability arising from the Accident is covered by Section 2 of this Policy.

The maximum We will pay for any one Accident is \$10,000.

11. Funeral Costs

We will cover You and any driver authorised to drive by You for funeral costs in excess of any amounts payable by the Accident Compensation Corporation, following the death of You or an authorised driver as a direct result of a Loss to the Insured Vehicle for which a claim is payable under this Policy.

The maximum We will pay for any one Accident is \$5,000.

12. Goods in Transit

We will cover You for Loss during the Period of Insurance to property whilst being carried in or by an Insured Vehicle directly caused by fire, collision, overturning or impact of that Insured Vehicle.

The maximum We will pay for any one Accident is the amount shown in the Schedule.

13. Hire of alternative vehicle following theft

We will cover You for the costs associated with hiring an alternative vehicle of a similar make and model where an Insured Vehicle is stolen and Your claim is covered under Section 1 of the Policy, provided that:

- a. Our liability will:
 - cease on the date the Insured Vehicle is recovered (or upon completion of the repairs to the Insured Vehicle if it is recovered damaged) or replaced or when You are paid a total loss settlement by Us;
 - not exceed the daily limit or maximum amount shown in the Schedule.
- b. You must pay the hire charges for the Excess period specified in the Schedule, as well as the normal costs of running the hired vehicle.

14. Hoists

Notwithstanding Exclusion 1 to Section 1, We will cover You for mechanical breakdown, failure or breakage during the Period of Insurance of any hydraulic hoist or ram attached to an Insured Vehicle, provided that:

- a. mechanical breakdown, failure or breakage is not due to wear and tear;
- b. Our liability does not exceed the amount shown in the Schedule;
- c. the Excess as shown in the Schedule is deducted from any amount payable.

15. Invalidation

We will cover You, but not the driver of the Insured Vehicle, for Loss to the Insured Vehicle if the Loss arises as a result of the Insured Vehicle being used in such a manner that cover under the Policy is excluded, provided that:

- a. the Insured Vehicle was being used in such a manner without Your consent;
- b. You have not waived any right of recovery against the driver or person responsible for the Loss; and
- c. You co-operate fully in any subrogated recovery action.

The maximum We will pay for any one Accident is the amount shown in the Schedule.

Cover also extends in the same way to indemnify You, but not the driver of the Insured Vehicle, for legal liability to pay damages under Section 2 of this Policy.

16. Leased vehicles

Where the Insured Vehicle is leased and We agree it is a total or constructive total loss and We choose not to replace the Insured Vehicle, We will pay the reasonable Market Value or the residual value, whichever is the greater amount, up to an amount no more than the Market Value of the Insured Vehicle plus 20%.

However payment will not include any:

- a. penalty for early termination;
- b. penalty for additional distances travelled;
- c. unpaid outstandings;
- d. penalty resulting from lack of or poor servicing or maintenance;
- e. balloon payment or residual value payment.

17. Locks and keys

We will cover You for the necessary costs of replacing the key mechanism, locks and keys, provided that:

- a. the keys have been stolen are believed on reasonable grounds to have been duplicated; or
- b. have been subject to a Loss during the Period of Insurance.

The maximum We will pay is \$1,000 any one Insured Vehicle and \$10,000 in any one Period of Insurance.

18. New replacement vehicle

Where the Insured Vehicle suffers an Accident within 12 months of its first registration as a new vehicle, and We agree it is a total or constructive total loss that is covered by this Policy, We will (subject to local availability) replace the Insured Vehicle with a new vehicle of similar kind, make and model (including accessories, tools and spare parts).

This additional benefit is limited to sedans, station wagons, 4wds, vans and utility vehicles.

19. Removal of debris

Following Loss to the Insured Vehicle covered under Section 1 of this Policy, We will cover You for the reasonable costs (excluding fines and penalties) incurred in:

- a. cleaning up and clearing away debris and spillage resulting from the Loss;
- b. recovering and reloading any load lost or fallen from the Insured Vehicle as a result of the Loss; and
- c. transferring the load carried on, lost or fallen from an Insured Vehicle to another vehicle and removing it to the nearest place of safety.

The maximum We will pay is \$10,000 for any one Accident.

There is no cover under this benefit for any charge the New Zealand Fire Service is authorised to make against You, under Section 47 (c) of the Fire Services Act. This is covered under benefit 10 above.

20. Rental vehicles

Where You do not accept the vehicle owner's offer of insurance, We will cover a hired vehicle as if it were an Insured Vehicle under this Policy for:

- a. Loss under Section 1 of this Policy, subject to a maximum limit of \$100,000 any one vehicle;
- b. Liability under Section 2 of this Policy for:

- (i) consequential losses caused by a Loss for which a claim is payable under (a) above, subject to a maximum limit of \$50,000 any one claim, and
- (ii) Loss to other property or Injury to persons.

21. Salvage Costs

We will cover You for reasonable costs incurred as a result of a Loss covered under Section 1 of this Policy in salvaging or recovering the Insured Vehicle, including the costs of ensuring its safety and delivery to a place of repair or inspection. We will also cover the reasonable costs of storage of the Insured Vehicle after a claim for Loss has been lodged and which has been accepted by Us.

22. Signwriting

We will cover You for the reasonable costs of replacing signwriting or artwork of an Insured Vehicle following a Loss covered under Section 1 of this Policy.

The maximum We will pay is \$5,000 any one Insured Vehicle.

23. Subrogation waiver

Where You are a parent company controlling more than 50% of the share capital of a subsidiary company or a subsidiary company in a group of companies related to each other by ownership, We agree to waive any rights of subrogation or rights of recovery against any other company in the same group.

24. Substitute vehicle

We will cover a substitute vehicle being used following Loss to the Insured Vehicle covered under Section 1 of this Policy where You have an obligation to insure the substitute vehicle. The cover under this additional benefit ceases when the Insured Vehicle is repaired or when we make a final offer of settlement to You.

25. Temporary Repairs

We will cover You for any temporary repairs to the Insured Vehicle following a Loss covered by this Policy, so that:

- a. the Insured Vehicle can be towed to a repairer; or
- b. You can get the Insured Vehicle to Your destination

The maximum We will pay to make the Insured Vehicle roadworthy is \$1,000.

26. Uninsured third parties

If You have the Cover Types:

- a. Third Party Liability Cover, or
- b. Third Party Fire and Theft

and Your Insured Vehicle suffers Loss during the Period of Insurance in New Zealand that is caused by an identifiable and uninsured driver of another vehicle, then We will cover Your Insured Vehicle under Section 1 of this Policy if We are satisfied that:

- the driver of the Insured Vehicle was completely free of blame, and
- the identity of the driver is established, and
- You are unable to make any recovery from that driver.

The maximum We will pay is the lesser of the Market Value of the Insured Vehicle and \$5,000.

Optional Benefits to Section 1

The following optional benefits will only apply when specified in the Schedule.

27. Burning Cost Premium Adjustment

The premium payable will be adjusted at the end of each Period of Insurance on the basis of Losses incurred during the Period of Insurance, being the total amount of claims paid net of actual and estimated recoveries plus reasonable estimates of outstanding claim amounts to be paid, including all fees.

a. Deposit Premium

At the commencement of each Period of Insurance, You will provide Us with a list of Insured Vehicles with their Market Values and/or Agreed Values (if they are insured on that basis). A deposit premium will be calculated on these vehicles.

This deposit may be increased or decreased during the Period of Insurance by operation of the automatic additions and deletions benefit.

b. Adjustment Premium

At the end of each Period of Insurance, the deposit premium (gross premium, less deletions, plus additions) will be adjusted by applying a rate of 100/65 to the amount of Losses incurred.

If the adjusted premium is greater than the deposit premium, You will pay Us the difference up to a maximum of ##% of the deposit premium. If the adjustment premium is less than the deposit premium We will refund the difference to You up to a maximum refund of ##% of the deposit premium.

##% is the amount noted in the Schedule.

28. Loss of use

If a Loss covered under Section 1 of this Policy prevents You from using an Insured Vehicle, We will cover the costs of hiring a substitute vehicle, provided that:

- a. You have suffered a Loss for which a claim is payable under Section 1 in excess of the Policy Excess;

- b. compensation will begin when the Insured Vehicle is delivered to the repairer to start the repair process or from the date of the Loss if the Insured Vehicle is totally disabled or lost at that date;
- c. the substitute vehicle is of similar specification to the Insured Vehicle; and
- d. no compensation will be paid if You have a free replacement or surplus vehicle available.

We will pay under this extension the following:

- a. up to the specified daily limit (as specified in the Schedule) per day of hire; and
- b. up to two (2) months' hire in total; and
- c. up to \$8,000 for any one Accident; and
- d. nothing for the first seven (7) days of hire.

29. Profit Commission

Subject to the Policy being renewed for a further twelve (12) month period with Us, a profit commission will be deducted from the following renewal premium on the following basis:

- a. at the end of the Period of Insurance a loss ratio will be calculated by comparing the net premium (gross premiums less deletions and commissions) to the total Losses (total amount of claims paid and estimates of claims yet to be paid, including fees and net of actual and estimated recoveries).
- b. If the loss ratio is more than 60% then no profit share will be payable. However if the loss ratio is 60% or less, the amount of profit share will be calculated on the following basis:
 - (i) if the loss ratio is less than 40% = 20% profit commission
 - (ii) if the loss ratio is between 41% and 50% = 15% profit commission
 - (iii) if the loss ratio is between 51% and 60% = 10% profit commission

30. Third Party Fire & Theft

When shown on the Schedule that Third Party Fire & Theft cover type applies, then cover under Section 1 is limited to Loss during the Period of Insurance to any Insured Vehicle caused by fire, lightning, explosion, theft or illegal conversion.

31. Windscreen

If the Loss to the Insured Vehicle is solely restricted to a broken windscreen, sunroof or window (or any scratching or damage to body work resulting solely and directly from such breakage), We agree that the cover under Section 1 will not be subject to any Excess, and Your no claims bonus entitlement will not be affected.

Section 2 – Third Party Liability

We will indemnify You, and any driver driving the Insured Vehicle with Your consent, against legal liability for damages and related defence costs resulting from an Accident caused by or in connection with any Insured Vehicle, including whilst it is being loaded and unloaded, in respect of:

- a. Injury to any person;
- b. Loss to any physical property.

that occurs during the Period of Insurance anywhere in New Zealand or in transit between places in New Zealand.

The limit of Our liability will not exceed the amount stated in the Schedule for third party liability in respect of any one claim or series of claims arising from any one Accident.

If the indemnity provided is insufficient to indemnify You and any other party entitled to cover under this policy it shall apply in priority to You.

Additional Benefits to Section 2

The following additional benefits form part of this Policy and are subject to all its provisions (unless otherwise stated).

32. Defence Costs

We will cover the reasonable costs of Your legal representation, if:

- a. You are charged with careless driving causing death; and/or
- b. You are necessarily legally represented at any inquiry or coroner's inquest in connection with a death; and

such death arises from Accident for which a claim is payable under this Policy.

The limit of Our liability will not exceed the amount stated in the Schedule for any one Accident.

33. Indemnity for moving other vehicles

We will cover Your legal liability for Loss during the Period of Insurance to any vehicle arising from its movement by You or an authorised employee, where such vehicle is:

- a. 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.

The exclusions in this policy will apply to the vehicle being moved as if it was an Insured Vehicle.

34. Marine Liability

We will cover Your legal liability for general average and salvage charges when the Insured Vehicle is transported by sea or air between places in New Zealand during the Period of Insurance.

35. Non-Owned Vehicles Liability

We will cover Your legal liability in respect of any vehicle not owned or supplied by You while that vehicle is being used or Driven by You or an authorised employee in connection with Your business.

36. Punitive or Exemplary Damages

Notwithstanding Exclusion 12 to Section 2 and General Condition 9, We will cover Your legal liability for punitive or exemplary damages awarded by a New Zealand court, provided that:

- a. Our total liability does not exceed \$500,000 in the aggregate for all claims during the Period of Insurance; and
- b. each claim will be subject to a Excess of \$5,000.

No indemnity will be provided where:

- a. the claimant was involved in any way in driving, operating, directing or controlling the Insured Vehicle at the time of the Accident;
- b. the claim arising from any dishonest, fraudulent or malicious act or omission by You or any one acting on behalf of You.

37. Towing disabled vehicles

Notwithstanding Exclusion 10 to Section 2, We will cover Your legal liability whilst any Insured Vehicle is being used for towing any disabled vehicle, provided that such disabled vehicle is not towed for reward or financial gain.

Exclusions

Exclusions applicable to Section 1

The following exclusions form part of this wording. There is no cover under Section 1 of this Policy for:

1. Breakdown

Any kind of Loss to the engine, transmission, mechanical, electrical, alarm or electronic systems and any resulting Loss to the rest of these systems unless the Loss is caused by collision or impact damage, earthquake, fire, flood, lightning, a malicious act, overturning of Insured Vehicle, theft or illegal conversion, or volcanic eruption.

2. Defect in Design

Loss arising from failure of, or defect or fault in, the design, specification or materials incorporated into the Insured Vehicle.

3. Entanglement

Loss to any Insured Vehicle that is an agricultural implement or machine arising from ingestion or entry of any foreign body or object into that Insured Vehicle.

4. Other costs and damage

- a. loss of use;
- b. depreciation;
- c. wear and tear, corrosion, gradual deterioration, rust, rot, mould;
- d. existing defects or damage.

5. Loss to tyres

Loss to tyres of any Insured Vehicle caused by punctures, cuts or bursts. However, this exclusion does not apply if the puncture, cut or burst arises from other Loss to the Insured Vehicle that is covered by this Policy.

Exclusions applicable to Section 2

The following exclusions form part of this wording. There is no cover under Section 2 of this Policy for:

6. Bringing of a load

liability in connection with the bringing of a load to the Insured Vehicle or taking away the load from it.

7. Death of a driver

liability for Injury to any person who, at the time of the Injury, was in charge of the Insured Vehicle.

8. Fines and penalties

any fine, penalty or order for reparation.

9. Not being used as a vehicle

liability directly or indirectly arising from any Insured Vehicle or any component or accessory on the Insured Vehicle being used or operated as a tool of trade or item of mechanically propelled plant or item of machinery, and not being used or operated solely as a vehicle.

10. Property in care, custody or control

liability for property which belongs to, or is in the care, custody or control of You.

11. Weight

liability for Loss to any property (including any road) arising from vibration caused by the Insured Vehicle, or the weight of the Insured Vehicle including the weight of the load carried by the Insured Vehicle.

12. Punitive or exemplary damages

liability for punitive or exemplary damages.

General Exclusions

The following exclusions form part of this Policy. There is no cover under Sections 1 or 2 of this Policy for any Loss or liability:

13. Accident Compensation Corporation

for Injury for which compensation is available under the Injury Prevention Rehabilitation and Compensation Act 2001 (or any replacement Act) and any subsequent amendments.

14. Damage by authorities

which is directly or indirectly caused by confiscation, nationalisation or destruction by or on behalf of government, public or local authorities.

15. Deliberate damage by you

deliberately caused by You.

16. Driving under the influence

arising whilst any Insured Vehicle is being Driven by any person who:

- a. is under the influence of an intoxicating liquor or drug;
- b. has a proportion of alcohol in their breath or blood which exceeds the legal limit.

This exclusion does not apply if the Insured Vehicle is stolen or illegally converted at the time.

17. Excluded persons

sustained or incurred whilst any Insured Vehicle is being Driven by:

- a. any person who is not a holder of a licence that is in full force and effect to drive the Insured Vehicle at the time and place of the Loss; or
- b. any person who is breaching any condition of their licence; or
- c. is excluded from this Policy cover.

The above shall not apply where the Insured Vehicle is being used for the purpose of teaching a learner driver if all requirements of the law are being complied with.

This exclusion does not apply if the Insured Vehicle is stolen or illegally converted at the time.

18. Illegal purpose

sustained or incurred whilst any Insured Vehicle is used for illegal purpose with Your consent.

19. Non-allowable use

sustained or incurred whilst any Insured Vehicle is being used or Driven:

- a. other than in accordance with the Description of Use; or
- b. for hire or carrying of fare-paying passengers; or
- c. for motor sport events, demonstrations, hill climbs, pace-making, racing, tests, trials, or any similar activities whether organised or not; or
- d. being tested in preparation for any of the purposes in (c) above; or
- e. outside New Zealand.

This exclusion does not apply if the Insured Vehicle is stolen or illegally converted at the time.

20. Nuclear waste/materials

which is directly or indirectly caused by nuclear weapons material, ionising radiations or contamination from any nuclear fuel or from any nuclear waste which results from the combustion (including self-sustaining process of nuclear fission) of nuclear fuel.

21. Overloaded vehicle

where the Insured Vehicle is loaded or being loaded in excess of the manufacturer's specifications or in excess of any legal limit.

22. Driving hours

arising whilst the Insured Vehicle is being Driven in breach of the law relating to the maximum driving hours allowable for any one driver.

This exclusion does not apply if the Insured Vehicle is stolen or illegally converted at the time.

23. Submitting to test

sustained or incurred whilst any Insured Vehicle is being used or Driven by any person who following the Loss fails to stop or leaves the scene of the Loss when it is an offence to do so, or refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so.

This exclusion does not apply if the Insured Vehicle is stolen or illegally converted at the time.

24. Terrorism

which is directly or indirectly caused by, contributed to by, resulting from or arising out or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An Act of Terrorism includes any act, or preparation in respect of action, or threat of action designed to influence 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 or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- involves violence against one or more persons; or
- involves damage to property; or
- endangers life other than that of the person committing the action; or
- creates a risk to health or safety of the public or a section of the public; or
- is designed to interfere with or to disrupt an electronic system.

25. Unsafe vehicle

which is directly or indirectly caused by the Insured Vehicle being in an unsafe or damaged condition, unless You:

- a. can prove that such condition did not cause or contribute to the Loss or liability; or
- b. can prove that You and the driver were unaware of such condition; and

- c. had taken all reasonable steps to maintain the Insured Vehicle in a safe condition.

26. War

is caused by war, foreign hostilities, civil war, rebellion, revolution, insurrection, military or usurped power, or looting, sacking or pillage following any of these events.

General Conditions

The following conditions form part of this wording and are applicable to all Sections of this Policy.

1. Breach of conditions

You must comply with all the terms and conditions of this Policy before We will meet any claim under it.

2. Cancellation

You may cancel the Policy at any time by giving written notice to Us.

We have the right to cancel the Policy after giving 30 days' written notice to You or Your insurance broker.

If You or We cancel the Policy We may deduct a pro rata proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy and any government taxes or duties We cannot recover.

In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured for Your property no return of premium will be made for any unused portion of the premium.

3. Change to Your insurance details – what you must tell Us

You must tell Us of all material information before inception of the policy and before each renewal or variation of the Policy. Failure to do so may entitle Us to avoid the Policy.

If circumstances change

You must notify Us immediately of any change in circumstances that has happened after the start of this Policy or that You know is going to happen and which may increase:

- a. the amount of the risk; or
- b. the risk of Loss or liability; or
- c. the risk of insuring You.

When We receive this information, We may:

- a. alter the terms and conditions of the Policy; or
- b. charge You additional premium; or
- c. decide not to offer to renew the Policy.

If You do not provide the information immediately We may not pay a claim under Your Policy.

4. Goods and services tax (GST)

Provided GST is recoverable by Us, the sum or sums insured by this Policy are exclusive of GST. In the event of a claim, We will pay a maximum of the sum insured plus additional GST to a maximum of the current rate of GST applied to that sum insured.

5. Governing law

This Policy will be governed in accordance with the laws of New Zealand. Any disputes arising out of or under this Policy will be submitted to the exclusive jurisdiction of the courts of New Zealand.

6. Separate insurance

If this Policy insures more than one entity, they are insured separately as though a separate Policy was issued to each one. However, the limits contained in this Policy apply across all entities.

7. Other insurance

If at the time of any Loss or liability to any Insured Vehicle, there is any other insurance covering the same Loss or liability this Policy will apply only to the amount of any Loss or liability in excess of that recoverable under the other insurance.

8. Other interested parties

If the Insured Vehicle is financially encumbered and the interested party is named on the Schedule the proceeds of any valid claim will be payable to each such interested party in the order of their legal priorities and their receipt will be sufficient discharge, provided that Our total liability will be limited to such amount as would have been payable to You in the absence of this condition.

9. Prevention of Loss

We may not pay Your claim if You do not take all reasonable precautions to prevent Injury and Loss, including securing all Insured Vehicles against unauthorised entry when unattended. This includes removing the keys and locking the Insured Vehicle. It is a condition of the Policy that all Insured Vehicles are kept in good repair.

Making a claim

What You must do

We may not pay Your claim if You do not act as follows:

1. Do not admit liability

You must not:

- a. admit guilt or liability, or make a promise or offer of payment in connection with any claim; or
- b. offer or agree to settle any claim, without Our written consent.

We are entitled to take over and conduct the defence of any claim made against You for damages by a third party. We have full discretion in conducting any negotiations, proceedings and the settlement of claims. We are entitled to appoint a lawyer to represent You

and Us. You waive any right to legal professional privilege in Our favour.

If the claim is for legal liability, You may make a written request to Us to agree that You are covered in respect of the claim.

2. Prevent further damage

You must take all reasonable precautions to prevent any further Loss or liability.

3. Contact the police

You must contact the police if You think the Loss was caused by a criminal act.

4. Contact Us as soon as possible

If there is any Loss or liability which is likely to result in a claim, You must give Us immediate notice with the full details of any Loss or anticipated or alleged liability.

You or Your representative must give Us full details in the manner We request which will be either:

- a. verbally; or
- b. in writing by completing Our claim form.

Any correspondence You receive regarding the accident or event must be sent to Us immediately.

You must advise Us immediately of:

- a. any notice of impending prosecution;
- b. details of any inquest or official enquiry.

What happens after You make a claim

5. Excess

An Excess is the amount shown in the Schedule which You must pay when You make a claim under the Policy unless We state an Excess does not apply. The payment of an Excess helps to keep the cost of Your premium down by reducing the number of small claims.

There are different types of Excess which may apply to You or the driver of the Insured Vehicle at the time of the claim.

The Excess amount(s) are stated in the Schedule.

These are:

a. Basic excess

The basic Excess is the first amount You must pay on each claim. The amount of the basic Excess will be shown on Your Schedule beside the heading "Basic excess".

b. Age excess

If You make a claim for an accident when the Insured Vehicle was being Driven by or was in the charge of a driver under the age of 25 years, You must pay the age Excess shown in the Schedule in addition to the basic Excess.

c. Inexperienced driver excess

You will need to pay the inexperienced driver Excess shown on the Schedule in addition to the basic Excess payable if You make a claim for an accident when the Insured Vehicle was being Driven by or was in the charge of a driver over the age of 25 who has not held a driver's licence required to drive the subject Insured Vehicle for at least 2 years.

You will not have to pay any young driver (age), or inexperienced driver Excess if You are claiming for any of the following:

- i. windscreen or window glass damage only;
- ii. theft;
- iii. hail, storm or flood damage;
- iv. malicious damage; or
- v. damage to the Insured Vehicle while parked.

d. Faultless excess

You will not be required to pay the basic, age and /or inexperienced driver Excess if:

- i. You satisfy Us that the accident which gave rise to the claim was the fault of the driver of the other vehicle; and
- ii. You can supply the name and address of that driver, and
- iii. You can supply the registration number of the vehicle.

6. Deciding who is at fault

We will be solely responsible for deciding whether You contributed to the cause of an accident.

7. Authorising repairs

Where You have Section 1 cover You may only authorise emergency repairs as detailed on page 6 under "Temporary repairs". You cannot authorise further repairs to the Insured Vehicle without Our prior consent.

Before We make a decision regarding Your claim and repairs to the Insured Vehicle, We may need to inspect the Insured Vehicle. A motor vehicle assessor will be appointed by Us. We or Our assessor will make the necessary arrangements with You.

8. Dishonesty

If Your claim is dishonest or fraudulent in any way, We may at Our sole discretion:

- decline Your claim either in whole or in part, and/or
- avoid this Policy alone or all policies You have with Us.

9. Discharge of liability

In relation to a Section 2 claim, We may elect at any time to pay You:

- the maximum amount payable under the Policy, or
- any lesser sum that the claim against You can be settled for.

Once We have paid this (plus any defence costs already incurred) Our liability to you under the Policy is met in full.

10. Guarantee and warranty

We guarantee materials and workmanship on repairs We authorise for as long as You own or lease the Insured Vehicle. This guarantee is not transferable.

11. Assist us with your claim

You must assist Us with Your claim. This means give Us all the information and assistance with Your claim which We may reasonably require. If You do not We may not pay Your claim or provide cover.

12. Our rights of recovery

We have the right to recover from any person, in Your name, the amount of any claim paid under the Policy and We have full discretion in the conduct, settlement or defence of any claim in Your name. If We recover more than the amount We have paid to You or on Your behalf, We will pay You the balance.

13. Salvage of your vehicle when it is a total loss

If Your Vehicle is a total loss and We have agreed to pay the Market Value, Sum Insured or Agreed Value for Your Vehicle:

- a. the wreckage of Your Vehicle will become Our property, and
- b. We will keep the proceeds of any salvage sale.

14. Payment of unpaid premium when your vehicle is a total loss

If the Insured Vehicle is a total loss and We have agreed to pay the Market Value, Sum Insured or Agreed Value for Your Vehicle:

- a. the amount of any unpaid premium for the Period of Insurance will be deducted from the amount payable to You, and

- b. if We are replacing the Insured Vehicle, You must pay Us the balance of any unpaid premium or instalments for the Period of Insurance.

15. No return of premium after a total loss

If Your Vehicle is a total loss and We have agreed to pay the Market Value, Sum Insured or Agreed Value for Your Vehicle, no return of premium will be made for any unused portion of the premium.

16. GST

We will adjust Your claims payment in accordance with the GST provision noted under General conditions applicable to all sections of the Policy”, “Goods and services tax” on page 11.

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For all enquiries please call your insurance intermediary

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