



*Rural*

COMMERCIAL MOTOR VEHICLE

POLICY WORDING

# Rural / COMMERCIAL MOTOR VEHICLE INSURANCE POLICY

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### INTRODUCTION

#### WELCOME

Welcome to NZI. Thank you for selecting us as your insurer. This is your Rural Commercial Motor Vehicle Policy Document.

It will tell you what you are insured for and what you are not insured for, as well as any obligations that you or we must abide by to ensure an enforceable policy. This policy document is a legal contract so please read it thoroughly and keep it in a safe place. If you need help with understanding your policy document, please contact your insurance broker.

#### AGREEMENT

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

#### POLICY CONTRACT

This policy consists of the following parts:

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

#### INTERPRETING THIS POLICY

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

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

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

### POLICY COVER OPTIONS

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

#### TYPE OF COVER

#### PROVIDES

##### Full Cover

1. Full cover under 'Section 1: Damage to the Vehicle', and
2. Full cover under 'Section 2: Liability Cover'.

##### Third Party, Fire and Theft

1. Limited cover under 'Section 1: Damage to the Vehicle' only covering **accidental loss** to the **vehicle** caused by: fire, lightning, explosion, theft or illegal conversion (including attempted theft or illegal conversion), and
2. Full cover under 'Section 1: Automatic Extensions, Part D', and
3. Full cover under 'Section 2: Liability Cover'.

##### Third Party Only

1. Full cover under 'Section 1: Automatic Extensions, Part D', and
2. Full cover under 'Section 2: Liability Cover'.

## WHEN COVER APPLIES

- A. WHO MAY USE THE VEHICLE** This policy only covers the **vehicle** while it is being used by:
1. **you**, or
  2. any person with **your** consent, provided that the **driver**:
    - 2.1 is legally allowed to operate the **vehicle**, and
    - 2.2 holds a current licence to drive the **vehicle** (if required), and
    - 2.3 is not breaching any licence condition relating to that **vehicle**.
- The above restrictions do not apply to any person who steals or illegally converts the **vehicle**.
- B. WHAT THE VEHICLE CAN BE USED FOR** This policy only covers the **vehicle** while it is being used:
1. in connection with **your business** or occupation, or
  2. for private, social or domestic purposes, including:
    - (a) while temporarily lent out by **you** without charge, or
    - (b) while used in a car pooling agreement carrying passengers for payment, for purposes comparable with those listed in 1. or 2. above.
- No cover applies if the **vehicle** is used for racing, pacemaking, reliability trials, hill climbing, speed tests, or testing in preparation for any of these.

## SECTION ONE – DAMAGE TO THE VEHICLE

- A. ACCIDENTAL LOSS TO THE VEHICLE** **You** are insured for **accidental loss** to the **vehicle** occurring anywhere in New Zealand.
- B. ACCIDENTAL LOSS TO UNSPECIFIED VEHICLES** **You** are insured for **accidental loss** to **unspecified vehicles** occurring anywhere in New Zealand.

## SECTION ONE – AUTOMATIC EXTENSIONS

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

- A. BORROWED VEHICLES** **You** are insured for **accidental loss** to any vehicle that:
1. does not belong to **you**, and
  2. is in **your** temporary care or control, and
  3. is not otherwise insured.
- The most **we** will pay under this extension for any one vehicle is:
1. the **market value** of the vehicle, or
  2. \$20,000,
- whichever is the lesser.  
An excess of \$1,000 applies to this extension.
- B. BREAKAGE OF WINDSCREENS AND WINDOW GLASS** This extension only applies where the **vehicle** is insured for 'Full Cover' as described in the 'Policy Cover Options'.
- You** are insured for **accidental loss** to windscreens, windows and sunroofs (including scratching or damage to bodywork resulting solely from the broken glass), provided that:
1. **we** have accepted the claim under 'Section 1: Damage to the Vehicle', and
  2. there has been no other **loss** to the **vehicle**.
- Any claim **you** make under this extension will not affect **your** No Claim Bonus entitlement.  
No excess applies to this extension.
- C. CLAIMS PREPARATION COSTS** **You** are insured for the reasonable costs incurred to prepare a claim for **loss** covered under 'Section 1: Damage to the Vehicle'.
- The most **we** will pay under this extension is \$5,000 for any **event**.

## D. DAMAGE CAUSED BY AN UNINSURED THIRD PARTY

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

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

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

1. occurs in New Zealand, and
2. is caused by an identifiable and uninsured driver of another vehicle, provided that:
  - (a) full liability is admitted by or established against that third party, and
  - (b) **you** supply **us** with enough information to identify the third party (*such as the correct registration, their name and address*).

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

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

whichever is the lesser.

No excess applies to this extension.

## E. DEATH BY INJURY

**You** are insured for:

1. a death payment of \$10,000, and
2. funeral costs, in excess of any entitlement under ACC, up to a maximum of \$5,000, if the **driver** dies as a direct result of **injury** sustained in an **accident**, provided that:
  - (a) the **accident** is covered under 'Section 1: Damage to the Vehicle' and
  - (b) the death occurs within 12 months of the **accident**.

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

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

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

## F. DISABILITY MODIFICATIONS

**You** are insured for the reasonable costs of any necessary modifications in excess of any entitlement under ACC (*e.g. hand controls*) to any one **vehicle** should a **driver** become permanently disabled as a direct result of **injury** sustained in an **accident** covered under 'Section 1: Damage to the Vehicle'.

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

## G. EMPLOYEE'S VEHICLES

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

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

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

## H. EMPLOYEE'S VEHICLE ACCESSORIES

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

1. the accessories were in **your vehicle** at the time of the **loss**, and
2. no other insurance policy covers the **loss**.

**We** will pay the **market value** of **your** employee's vehicle accessories.

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

## I. EXPEDITING COSTS

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

## J. FIRE FIGHTING EQUIPMENT

**You** are insured for the reasonable costs **you** incur of replenishing **your** fire fighting equipment after the equipment has been used to protect **your vehicle** from **loss** covered under 'Section 1: Damage to the Vehicle'.

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

## K. GOODS IN TRANSIT

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

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

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

An excess of \$100 applies to this extension.

## L. HOISTS

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

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

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

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

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

## M. KEYS AND LOCKS

**You** are insured for the reasonable costs **you** incur to replace the keys and locks of **your vehicle**, if the keys are stolen, or there are reasonable grounds to believe they have been duplicated without **your** permission, during the **period of insurance**.

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

## N. LOAD RECOVERY

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

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

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

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

## O. LOSS OF USE

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

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

Cover under this extension begins:

- (a) after **we** have had the opportunity to assess and authorise repairs to the **vehicle**, or
- (b) from the date the **vehicle** was stolen, or
- (c) from the date the **vehicle** is declared an **agreed total loss** by **us**, whichever occurs first.

Cover under this extension ends:

1. once **we** have repaired the **vehicle** and returned it to **you**, or
2. once **we** have settled **your** claim in full, whichever occurs first.

No cover is available under this extension if a free replacement vehicle is available to **you**.

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

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

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

1. \$250 per day, unless a different amount is specified in the **schedule**, and
2. \$5,000, in total, for any **event**.

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

## P. RECOVERY COSTS

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

## Q. RESTRICTED DRIVERS VEHICLE SERVICING AND EMERGENCY USAGE

If there are restrictions placed on who may drive **your vehicle**, **we** will not apply those restrictions when the **vehicle** is being:

1. parked by a parking attendant,
2. driven while undergoing repair, service or testing by a motor trade professional,
3. driven by a professional dial-a-driver in the course of returning the **vehicle** to **your** home or business situation,
4. used to transport a person in the event of a medical emergency to a medical facility.

The excess that will apply under this extension will be the same as if the **vehicle** was being driven by the last insured **driver**.

*A medical emergency is a physical injury, condition or illness that places a person's life at risk.*

## R. RETURN HOME COVER

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

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

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

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

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

## S. REWARDS COVER

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

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

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

## T. SAFETY OF THE VEHICLE

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

## U. STOCK CRATES, TARPULINS, SHEETS, ROPES OR CHAINS

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

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

An excess of \$250 applies to this extension.

## V. TYRE DAMAGE

**You** are insured for **accidental loss** to any tyre (including its inner tube) fitted to the **vehicle**, provided that:

1. the **vehicle** is primarily not used for driving on public or private roads, and
2. the **vehicle** is a tractor, or an agricultural implement, and
3. the **loss** is not to the inner tube only.

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

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

- (a) the cost to repair the damage, or
- (b) an amount equal to the reasonable cost of repair, or
- (c) the cost to replace the tyre, or
- (d) an amount equal to the cost of the tyre immediately prior to the **loss**.

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

## W. VEHICLE TOTAL LOSS – PREMIUM RETURN

If **your vehicle** is a total loss, **we** will:

1. keep the premium, which related to that **vehicle**, for the period that the policy was in force, and
2. return to **you** the premium, which related to that **vehicle**, for the period from the date the policy ended to the due date of the policy,

provided:

- (a) the total loss occurred through no fault of the **driver**, and
- (b) if the **vehicle** was stolen, the **vehicle** was locked and the keys were not kept with the **vehicle**.

## SECTION ONE – OPTIONAL EXTENSIONS

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

- A. AGREED VALUE – SPECIALIST MOBILE PLANT ONLY**
- You** are insured for the agreed value as specified in the **schedule** following an **agreed total loss** covered under 'Section 1: Damage to the Vehicle'.  
**We** will not pay more than the **market value** if **you**:
1. choose not to replace the **vehicle**, or
  2. do not replace the **vehicle** within a reasonable time.
- No payment will be made until the cost of replacement has actually been incurred.
- B. APPRECIATION – MOBILE PLANT ONLY**
- You** are insured for any appreciation of the **market value** of the off road mobile plant specified in the **schedule**, provided that:
1. a claim has been accepted under 'Section 1: Damage to the Vehicle', and
  2. the specified **market value** was correct at the time of inception or renewal.
- 'Section 1: Exclusions, Part B' does not apply to this extension.  
The amount **we** will pay will be no greater than 125% of the sum insured specified in the **schedule**.
- C. FOREIGN OBJECTS**
- You** are insured for **accidental loss** connected with the ingestion or entry of a foreign object into any agricultural implement or machine.  
'Section 1: Exclusions, Part D' does not apply to this extension.  
An additional excess of \$500 applies to this extension, unless a different excess is specified in the **schedule**.
- D. AGRICULTURAL AND HORTICULTURAL CONTRACTING**
- You** are insured for **accidental loss** to the **vehicle** while the **vehicle** is used for agricultural and horticultural contracting.
- E. LOSS OF PROFIT – AGRICULTURAL AND HORTICULTURAL CONTRACTING**
- You** are insured for loss of profit from agricultural and horticultural contracting, provided that:
1. the loss of profit results from **loss to your vehicle** covered under 'Section 1: Damage to the Vehicle', and
  2. **your vehicle** is specifically used to earn an income for **your** agricultural and horticultural contracting business, and
  3. the **vehicle** is unable to perform its usual tasks, and requires repairs to enable it to operate.
- Cover under this extension begins:
- (a) after **we** have had the opportunity to assess and authorise repairs to the **vehicle**, or
  - (b) from the date the **vehicle** was stolen, or
  - (c) from the date the **vehicle** is declared an **agreed total loss** by **us**,
- whichever occurs first.
- Cover under this extension ends:
1. once **we** have repaired the **vehicle** and returned it to **you** if recovered, or
  2. once **we** have settled **your** claim in full,
- whichever occurs first.
- You** must do everything **you** can to ensure that the **vehicle** is repaired or replaced as quickly as possible.
- Cover under this extension is not available if:
1. a free replacement vehicle is available to **you**, or
  2. **you** purchase an additional or replacement vehicle.
- The most **we** will pay under this extension is:
1. \$250 per day, and
  2. \$7,500, in total, for any **event**.
- The excess under this extension is the first seven days following the **event**.



## SECTION ONE – EXCLUSIONS

- A. TYPES OF LOSS NOT COVERED** This policy does not insure:
1. punctures, cuts or bursts to **your** tyres. However, this exclusion does not apply to punctures, cuts or bursts that result in or from a **loss** otherwise covered under 'Section 1: Damage to the Vehicle'.
  2. rust or corrosion. This exclusion is limited to the part immediately affected and does not apply to any resultant **accidental loss** to any other part of the **vehicle**.
  3. damage or failure that is:
    - 3.1 mechanical, or
    - 3.2 electrical, or
    - 3.3 electronic.However, this exclusion does not apply to the above types of **loss** to the **vehicle** where it results in or results from any of the following external causes: fire, collision, overturning, immersion in water, flood, malicious damage, theft or illegal conversion, earthquake, volcanic eruption, hydrothermal activity or tsunami.
  4. wear and tear. This exclusion does not apply to any resultant **accidental loss** to any other part of the **vehicle**, unless it is to:
    - 4.1 the engine hydraulic systems, or
    - 4.2 the engine transmission systems, or
    - 4.3 any other engine part or engine component.
- B. CONSEQUENTIAL LOSS** This policy does not insure:
1. loss of use or any costs or expenses that result from this (or any other consequential loss), unless expressly insured under 'Section 1: Damage to the Vehicle', 'Section 1: Automatic Extensions' or 'Section 1: Optional Extensions'.
  2. depreciation, or loss in value.
- C. DEFECTS IN DESIGN / SPECIFICATIONS / MATERIALS** This policy does not insure **loss** connected with:
1. the failure of, or
  2. any defect in, or
  3. any fault in,
- the **vehicle's** design, specifications or materials.  
This exclusion is limited to the part immediately affected and does not apply to any resultant **accidental loss** to any other part of the **vehicle**.
- D. FOREIGN OBJECTS IN AGRICULTURAL IMPLEMENT** This policy does not insure **loss** connected with the ingestion or entry of any foreign object into any agricultural implement or machine (e.g. tractor or hay baler).
- E. THEFT BY PURPORTED PURCHASER** This policy does not insure **loss** of the **vehicle** arising from a purported purchaser:
1. using any fraudulent scheme or device, or
  2. practising any false pretence,
- to obtain it from **you**.  
*Important: Please also read 'General Exclusions'.*

## SECTION ONE – BASIS OF SETTLEMENT

- A. METHOD OF INDEMNITY** We will indemnify **you** by whichever of the following options **we** choose.  
We will:
1. pay the cost of repairs, or
  2. pay an amount equal to the reasonable cost of repair, or
  3. replace the **vehicle** with a vehicle of similar condition, or
  4. pay an amount equal to the **market value** of the **vehicle**.
- B. MAXIMUM AMOUNT PAYABLE** Unless stated differently in this policy, the maximum amount **we** will pay is:
1. the **market value** of the **vehicle**, or
  2. the sum insured shown in the **schedule**,  
whichever is the lesser.
- C. EXCESS** The excess shown in the **schedule** will be deducted from the amount of the **loss** for each **event**, unless a different excess or nil excess is stated in this policy.  
Any underage excess shown in the **schedule** will be deducted from the amount of the **loss** for each **event** where the **driver** of the **vehicle** is aged under 25 years, unless:
- (a) the **vehicle** is a tractor, farm motorcycle, quad bike, hay baler or harvester, and
  - (b) the **vehicle** is being used in connection with **your business**, and
  - (c) the **vehicle** is being used on property owned or occupied by **you**.
- If more than one **vehicle** suffers **loss** from a single **event**, only one excess will apply, being the highest excess.
- D. EXCESS – THEFT OF VEHICLE** The excess shown in the **schedule** will not be deducted from the amount of the **loss** for each **event** caused by theft, attempted theft, or illegal conversion unless the **vehicle** is a farm motorcycle or quad bike.  
An excess of \$1,000 applies to each **event** for **loss** of a farm motorcycle or quad bike from theft, attempted theft or illegal conversion unless:
- (a) the farm motorcycle or quad bike was contained in a fully enclosed and secure building, or
  - (b) the farm motorcycle or quad bike was fitted with a suitable anti-theft device that was active at the time of **loss**.
- This excess does not apply where the theft is accompanied by violence or threat of violence to **you**.
- E. LEASED VEHICLES** This part only applies where the **vehicle** is insured for 'Full Cover' as described in the 'Policy Cover Options'.  
If the **vehicle** is leased, and:
1. **we** determine it is an **agreed total loss**, and
  2. the **vehicle** weighs 3,500 kilograms or less,  
**we** will pay the **market value** or the residual value, whichever is the greater.
- However, **our** settlement will not include any of the following:
1. penalties for early termination,
  2. penalties for any additional distance travelled,
  3. unpaid obligations under the lease at the time of the **loss**,
  4. penalties resulting from lack of servicing or poor maintenance,
  5. 'balloon' payments,
  6. the amount by which the residual value of the **vehicle** exceeds 120% of its **market value**, where a guaranteed buy back agreement is in place.
- F. OBSOLETE VEHICLES** If the **vehicle** is no longer manufactured, **we** will not pay more than the supplier's or manufacturer's last list price for any:
1. part, or
  2. **accessory**,
- for that **vehicle** plus the reasonable costs of fitting that part or **accessory**.

## G. REPLACEMENT VEHICLE

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

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

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

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

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

## H. UNSPECIFIED VEHICLES

The most **we** will pay for any one **unspecified vehicle** is:

1. the **market value** of the **unspecified vehicle**, or
2. \$2,500,

whichever is the lesser.

The most **we** will pay for any one **annual period** is the sum insured for the **unspecified vehicles** shown in the **schedule**.

## I. SUB LIMITS

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

1. the amount specified in this policy wording, or
  2. the amount specified in the **schedule**,
- whichever is the higher.

## SECTION TWO – LIABILITY COVER

### A. DAMAGES AND REPARATION

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

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

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

**You** are also insured for **your** legal liability to pay **reparation** to a victim who has suffered **accidental bodily injury** or **accidental loss** to any property as a result of **your** committing an offence in connection with **your** use of the **vehicle** or **unspecified vehicle** in New Zealand, provided that:

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

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

1. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
2. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
3. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

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

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

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

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

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

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

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

## B. DEFENCE COSTS

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

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

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

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

## C. CRIMINAL COURT ACTION / ENQUIRIES / INQUESTS

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

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

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

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

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

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

## SECTION TWO – AUTOMATIC EXTENSIONS

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

### A. CLEAN UP COSTS

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

There is no indemnity under this extension for costs arising from a hazardous substance emergency. *Please read Extension D (below).*

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

An excess of \$500 applies to this extension.

### B. EXEMPLARY DAMAGES

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

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

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

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

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

### C. GENERAL AVERAGE

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

### D. HAZARDOUS SUBSTANCE EMERGENCY

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

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

# Rural / COMMERCIAL MOTOR VEHICLE INSURANCE POLICY

## E. MOVEMENT OF OTHER VEHICLES

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

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

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

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

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

## F. PRINCIPAL'S INDEMNITY

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

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

## G. TOWING

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

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

provided that:

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

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

## H. WEIGHT DAMAGE

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

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

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

The most **we** will pay under this extension is \$500,000 for any **event**. An excess of \$2,500 applies to this extension.

## SECTION TWO – OPTIONAL EXTENSIONS

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

### A. LIABILITY FOR RENTAL VEHICLES – FULL COVER

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

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

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

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

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

whichever is the lesser.

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

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

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

# Rural / COMMERCIAL MOTOR VEHICLE INSURANCE POLICY

- B. LIABILITY FOR RENTAL VEHICLES – RESTRICTED COVER**
- If **you** have accepted the rental vehicle owner’s offer of insurance, **we** will pay:
1. any deductible applicable under the rental vehicle owner’s insurance, and
  2. liability to third parties as provided under ‘Section 2: Liability Cover’ and ‘Section 2: Automatic Extensions’, but only for the difference between:
    - 2.1 \$250,000 (or any greater amount provided under Clause 10 of the rental agreement for liability for damages to property), and
    - 2.2 \$1,000,000, for any **event**.
- ‘Section 2: Exclusions, Part F’ does not apply to this extension.

## SECTION TWO – EXCLUSIONS

- A. CONTRACTUAL LIABILITY**
- This policy does not insure liability that **you** agree to under a contract, where that liability:
1. arises solely under the contract, and
  2. does not otherwise arise at law.
- B. DRIVERS**
- This policy does not insure liability for or arising from:
1. **bodily injury** to, or
  2. **loss** of property belonging to, the **driver** of the **vehicle** or any driver, including **you**, who claims under Section 2 of this policy.
- C. EXEMPLARY DAMAGES**
- This policy does not insure liability for any exemplary damages.
- D. OPERATION OF MECHANICAL PLANT OR MACHINERY**
- This policy does not insure liability arising out of the operation of any **mechanical plant** while it is being used for the purpose it was designed (e.g. *the operation of a crane or backhoe*). This exclusion does not apply to the operation of any fork hoist.
- E. PROPERTY BENEATH THE VEHICLE**
- This policy does not insure liability for **loss** to any property or road caused by:
1. the vibration by the **vehicle**, or
  2. the weight of the **vehicle**, and/or
  3. the weight of the load carried by the **vehicle**.
- F. PROPERTY OWNED OR IN YOUR CARE**
- This policy does not insure liability arising from **loss** to property that belongs to **you**, or is in **your** possession or control.
- G. TRANSPORTING OF A LOAD**
- This policy does not insure liability arising from the transportation of a load to or from the **vehicle**. However, this exclusion does not apply to liability arising from the actual loading and unloading of the **vehicle**.
- H. VEHICLES**
- This policy does not insure liability arising from **loss** to any:
1. **vehicle** that is insured by this policy, or
  2. property being carried in or on it.
- Important: Please also read ‘General Exclusions’.*
- I. OFFENCES**
- This policy does not insure any legal defence costs, fines or court costs arising from the prosecution of any offence under any Act of Parliament.

## SECTION TWO – BASIS OF SETTLEMENT

- A. MAXIMUM AMOUNT PAYABLE** The maximum amount payable, inclusive of defence costs, under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions', in total, for any **event** is \$10,000,000, unless a different amount is shown in the **schedule** or in this policy.  
However, the maximum amount payable, inclusive of defence costs, under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions' arising out of the ownership, operation or maintenance of any **vehicles** within the restricted area of any airport used for scheduled commercial flights is \$1,000,000 for any **event**.
- B. EXCESS** An excess will only apply under 'Section 2: Liability Cover' and 'Section 2: Automatic Extensions' if specified in the **schedule** or this policy.
- C. SUB LIMITS** The most **we** will pay under any automatic or optional extension is:
1. the amount specified in this policy wording, or
  2. the amount specified in the **schedule**, whichever is the higher.

## AUTOMATIC EXTENSIONS TO SECTIONS ONE AND TWO IN ADDITION TO THE COVER UNDER:

1. 'Section 1: Damage to the Vehicle', and
  2. 'Section 1: Automatic Extensions', and
  3. 'Section 2: Liability Cover', and
  4. 'Section 2: Automatic Extensions',
- we** also provide the following automatic extensions.
- A. ADDITIONS AND DELETIONS** **You** are insured for any additional vehicle purchased during the **period of insurance**. The additional vehicle will be automatically covered from the date of purchase, provided that **you** advise **us** within 30 days.  
**You** must pay **us** any additional premium if **we** request it.  
Each additional vehicle will be insured for its **market value**, up to a maximum \$100,000 unless **you** advise **us** differently at the time of purchase.  
If a **vehicle** is sold during the **period of insurance**, it will be deleted from the **schedule** from the date it is sold, provided that **you** advise **us** within 30 days.  
*We will refund any pro-rata premium as appropriate.*
- B. BREACH OF CONDITION** **You** are insured where there is a breach of any condition of this policy, provided that:
1. the breach occurs without **your** knowledge, and
  2. **you** advise **us** as soon as **you** are aware of the breach of condition, and
  3. **you** pay **us** any additional premium **we** require.
- An additional excess of \$2,500 applies to this extension.
- C. INVALIDATION COVER** **You** are insured for **loss** or liability that arises when the **vehicle** is driven under any of the circumstances excluded in:
1. General Exclusions, Part A – Driving Hours
  2. General Exclusions, Part C – Excessive Loads
  3. General Exclusions, Part D – Alcohol, Drugs, and Other Intoxicating Substances
  4. General Exclusions, Part H – Unlicensed Drivers
  5. General Exclusions, Part I – Unsafe Vehicles
  6. General Exclusions, Part K – Intentional or Reckless Acts

provided that:

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

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

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

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

1. \$250,000 per **event** under 'Section 1: Damage to the Vehicle', and
2. \$1,000,000 per **event** under 'Section 2: Liability Cover'.

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

## GENERAL EXCLUSIONS

These exclusions apply to all parts of this policy.

### A. DRIVING HOURS

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

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

### B. ELECTRONIC DATA

This policy does not insure any insured **event** of any type in connection with:

1. loss of, alteration of, or damage to, or
2. a reduction in functionality, availability or operation of, a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether **your** 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, lightning, explosion, or
  - (b) aircraft, or vehicle impact, falling objects, or
  - (c) windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze, weight of snow.

### C. EXCESSIVE LOADS

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

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

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

### D. ALCOHOL, DRUGS AND OTHER INTOXICATING SUBSTANCES

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

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

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

### E. NUCLEAR

This policy does not insure **loss**, liability, prosecution or expense of any type in connection with any operations employing the process of nuclear fission or fusion, or handling of radioactive material.

This includes, but is not limited to:

1. the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, or
2. the use, handling or transportation of any radioactive material, or
3. the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion.



## F. SEEPAGE, POLLUTION AND CONTAMINATION

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

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

## G. TERRORISM

This policy does not insure **loss**, liability, prosecution or expense of any type in connection with an **act of terrorism**.

## H. UNLICENSED DRIVERS

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

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

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

## I. UNSAFE VEHICLES

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

1. that condition contributes to the **loss** or liability, and
2. **you**, or any **driver** was (or should have been) aware of that condition.

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

## J. WAR

**You** are not insured for **loss**, liability, prosecution or expense of any type in connection with:

1. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or
2. confiscation, nationalisation, requisition, destruction or damage to property by any government or public or local authority.

## K. INTENTIONAL OR RECKLESS ACTS

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

## MANAGING YOUR CLAIM

### A. YOUR OBLIGATIONS

1. Advise Us  
If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.  
**You** and anyone else entitled to cover under this policy must tell **us** immediately if **you** or they are charged with any offence in connection with the **use** of the **vehicle** or another vehicle which resulted in **loss** of property or **bodily injury** to another person.
2. Minimise the Loss  
**You** must take all reasonable steps to minimise the claim and avoid any further **loss** or liability arising.
3. Notify the Police  
**You** must immediately lay a complaint with the Police if **you** suspect burglary, theft, arson or intentional damage has occurred.
4. Provide Full Information  
When **you** make a claim **you** consent to **your** personal information in connection with the claim being:
  - 4.1 disclosed to **us**, and
  - 4.2 transferred to the Insurance Claims Register Limited.**You** must:
  - (a) give **us** free access to examine and assess the claim, and
  - (b) send any relevant correspondence or documents to **us**, and
  - (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and
  - (d) provide any other information, proof of ownership or assistance that **we** may require at any time.
5. Be Truthful  
If **your** claim is dishonest or fraudulent in any way, **we** may:
  - 5.1 decline **your** claim either in whole or in part, or
  - 5.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.This is at **our** sole discretion.
6. Do Not Admit Liability  
**You** must not:
  - 6.1 admit **you** are liable, or
  - 6.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name, or
  - 6.3 negotiate, offer to pay or pay any **reparation**, including but not limited to, offers made as part of any case management conference or sentencing hearing.
7. Do Not Dispose of Property  
**You** must not dispose of any property involved in **your** claim until **we** have given **you** permission to do this.
8. Incurring Costs  
All costs claimed for under this policy must be necessarily and reasonably incurred.  
**You** are not authorised to start any repairs without **our** permission unless the repairs are necessary to prevent further **loss** or liability.

### B. MANAGING YOUR CLAIM

1. Subrogation  
Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.  
If **we** initiate a recovery, **we** will include **your** excess and any other uninsured losses suffered by **you**. Where **we** do this, **you** agree to pay **your** proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that **we** will reimburse **your** excess first.

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

2. Recoveries

If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to **us** if **we** request it.

**We** have the right to keep any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.

3. Reparation

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

4. Defence of Liability Claims

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

4.1 act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense), and

4.2 publish a retraction or apology (in the case of defamation proceedings).

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

5. Discharge of Liability Claims

**We** may elect at any time to pay **you**:

5.1 the maximum amount payable under the policy, or

5.2 any lesser sum that the claim against **you** can be settled for.

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

**C. WAIVER OF SUBROGATION  
(GROUP COMPANIES)**

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

## GENERAL CONDITIONS

**A. HOW WE ADMINISTER  
THIS POLICY**

1. Cancellation and Modification

1.1 By You

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

1.2 By Us

**We** may cancel or modify this policy by advising **you** (or **your** Broker or Agent) by letter, fax or email. Cancellation or modification will take effect at 4:00pm, on the 30th day after the date of **our** advice.

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

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

2. Other Insurance

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

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

3. Interests of Other Parties

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

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

4. Separate Insurance

If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the maximum amount **we** will pay to all parties is the amount stated in each part of this policy.

## 5. GST

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

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

## 6. Instalment Premiums

If **you** choose to pay the premium by instalments less than annually, then:

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

The policy will be renewed for further periods of insurance (e.g. monthly/quarterly – as indicated in the **schedule**) by payment of each instalment premium due under the Deduction Authority.

## B. LAWS AND ACTS THAT GOVERN THIS POLICY

### 1. Acts of Parliament

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

### 2. Governing Law and Jurisdiction

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

### 3. Insurance Law Reform Acts

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

## C. YOUR OBLIGATIONS

### 1. Comply with the Policy

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

### 2. Provide Accurate Information

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

### 3. Reasonable Care

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

### 4. Change in Circumstances

**You** must tell **us** immediately if there is a material:

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

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

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

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

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

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

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

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

- D. PREMIUM ADJUSTMENTS** If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**. Within three months of the expiry of the **annual period**, **you** must tell **us** what the actual figures were. **We** will recalculate **your** premium based on the actual figures. The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment.
- E. SUM INSURED** The sum insured stated in the **schedule** must fully represent the current **market value** of each **vehicle**. Alternative values such as book value, depreciated cost, written down residual value, will not be sufficient to comply with this condition.
- F. TOTAL LOSS** If **we** settle a claim for the **vehicle** as an **agreed total loss**, the insurance on that **vehicle** ceases entirely from the date of the **loss**. The **vehicle** then becomes **our** property.

## DEFINITIONS

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

- accessory** Any accessories and spare parts of the **vehicle** or **unspecified vehicle** (including when temporarily removed from the **vehicle** or **unspecified vehicle**), such as, but not limited to:
1. on board computers, or
  2. telephone installations, or
  3. load securing or protection equipment,
- but excluding any item of electrical or communication equipment not permanently connected to the **vehicle's** or **unspecified vehicle's** electrical system.
- accident** Unexpected and unintended by **you** and anyone using the **vehicle**.
- 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.
- agreed total loss** Where repair costs, as determined by **us**, equal or exceed 75% of the **vehicle's market value**.
- annual period** The **period of insurance**, but no more than 12 months. However, if:
1. **you** pay the premium by instalments less than annually, or
  2. the **period of insurance** is for more than 12 months,
- the annual period is any one 12-month period calculated from the date this policy first started, and consecutively thereafter.
- authorised person** Any:
1. of **your** employees listed in the **schedule**, with authority to control the conduct of the **driver** of the **vehicle** concerned, and
  2. other person who is of such senior capacity within **your** business that his or her knowledge is deemed at law to be the knowledge of **you**.
- bodily injury** The **accidental** death of or the **accidental** bodily injury to any person during the **period of insurance**, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

# Rural / COMMERCIAL MOTOR VEHICLE INSURANCE POLICY

<b>business</b>	<b>Your</b> normal agricultural and/or horticultural activities, including <b>occasional contracting</b> .
<b>driver</b>	The person driving the <b>vehicle</b> , including the person operating any component of the <b>vehicle</b> (for example – a crane).
<b>event</b>	Any one event or series of events arising from one source or original cause.
<b>general average</b>	General average and salvage charges incurred to avoid a loss covered under this policy, that are determined by the contract of carriage, and/or the governing law and practice of the carriage.
<b>group of related companies</b>	A group of companies related to one another by virtue of such ownership.
<b>injury</b>	A bodily injury caused solely and directly by violent, accidental, external and visible means.
<b>loss</b>	Physical loss or physical damage occurring during the <b>period of insurance</b> .
<b>market value</b>	The reasonable sale price of the same, or a comparable vehicle, of similar pre-loss age, usage and condition, including the value of any <b>accessories</b> .
<b>mechanical plant</b>	A <b>vehicle</b> , that has either plant or machinery attached to it, or is primarily designed as mobile plant or machinery.
<b>occasional contracting</b>	Paid agricultural and horticultural contracting work anywhere in New Zealand, provided that this work: (a) represents less than 20% of <b>your</b> annual turnover, and (b) does not involve the use of explosives, and (c) does not involve spraying, application or release of pesticides, herbicides, insecticides, hormone sprays or any other chemical product.
<b>period of insurance</b>	The period shown in the <b>schedule</b> , that specifies the start and end dates of this insurance contract.
<b>reparation</b>	An amount ordered by a New Zealand Court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.
<b>schedule</b>	The latest version of the Schedule <b>we</b> issued to <b>you</b> for this policy.
<b>subsidiary</b>	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.
<b>unspecified vehicle</b>	Any: 1. motor vehicle, and 2. machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, and 3. anything designed to be towed by either 1. or 2. (above), not individually specified in the <b>schedule</b> , provided that: (a) the <b>schedule</b> shows Unspecified Vehicles as an insured item, and (b) the unspecified vehicle is used for <b>your business</b> . This also includes its <b>accessories</b> .
<b>vehicle</b>	Any: 1. motor vehicle, and 2. machine on wheels, tracks or rollers (but not rails) that is propelled by its own power, and 3. amphibious vehicle, but only while located on land, and 4. anything designed to be towed by either 1. or 2., as specified in the <b>schedule</b> . This also includes its <b>accessories</b> .

# *Rural* / COMMERCIAL MOTOR VEHICLE INSURANCE POLICY

**we**

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

**you**

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

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

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



*NZI is a business division of IAG New Zealand Limited, a wholly owned subsidiary of Insurance Australia Group, Australasia's largest general insurer. Established in 1859, it is today one of the country's largest and longest-serving fire and general insurance brands, protecting tens of thousands of New Zealanders every year.*

*Through our broad range of commercial, personal, marine, professional risks and rural insurance products, we pride ourselves on helping people to achieve the best protection for their assets.*

*We partner with a network of skilled and experienced brokers and other insurance intermediaries who distribute our products. We pay remuneration to our brokers and intermediaries when they issue our policies, and when these policies are renewed or varied.*

*To find out more about the advantages of choosing NZI, talk to your broker or visit [nzi.co.nz](http://nzi.co.nz).*

*Printed using vegetable based mineral oil free inks on paper from an environmentally certified and responsibly managed forest and mill.*

**[nzi.co.nz](http://nzi.co.nz)**

Form no: NZ2070/4 12/15  
Wording no: VCYNZR2  
VFONZR2  
VFTNZR2  
VOHNZR2  
VTVNZR2  
Issued: December 2015