

Zurich Classic Motor

Policy Wording



Policy Introduction

Zurich Classic Motor Insurance is a part of an innovative suite of motor insurance products offered through Zurich. Every effort has been made to make your life easier and reduce our dependence on paper based documentation.

How to use this document

When viewing this document within Adobe Reader there are several ways to quickly navigate to any particular section.

Quick Links – There are two buttons located on the bottom right-hand corner of every page, which will take you straight to either this page (contents) or the Index simply by clicking on them.

Both the contents and index pages have built in links which will take you to the relevant section of interest simply by clicking on the appropriate text.

Bookmarks – This document is fully 'bookmarked' with references to each section and their contents. By opening the bookmark tab in Adobe Reader you will be able to quickly find what you are looking for.

Definitions – All definitions within the policy are highlighted in coloured italic text.

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About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL incorporated in Australia), ABN 13 000 296 640, trading as Zurich New Zealand. In this policy wording, Zurich New Zealand may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 60,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

Our Contract

This policy is a contract of insurance between *you* and Zurich and contains all the details of the cover that we provide.

The policy is made up of:

- the policy wording. This is common to all customers who buy our Zurich Classic Motor Insurance product. It tells *you* what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information *you* provide to us when applying for insurance cover;
- the most current policy *schedule* issued by us. The *schedule* is a separate document unique to *you*, which shows the insurance details relevant to *you*. It includes any changes, exclusions, terms and conditions made to suit *your* individual circumstances and may amend the policy; and
- any other written changes otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

This policy wording is used for any offer of renewal we may make, unless we tell *you* otherwise. Please keep *your* policy in a safe place. We reserve the right to change the terms of this policy wording where permitted to do so by law.

Insuring Clause

At *your* request and based upon the information provided to Zurich, we will provide the insurance terms referred to in this policy in respect of events happening during the *period of insurance* stated in the *schedule*. *You* in turn have accepted these terms and in doing have accordingly agreed to pay the agreed premium to us.

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Definitions

Accident

accident means an unforeseen and unintended happening or event occurring anywhere within New Zealand (or elsewhere when specified in the *schedule*). Accidental refers to *accident* as defined above.

Act of terrorism

act of terrorism means 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 of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

Deductible

deductible means the portion of any claim payable under this policy for which we are not liable for.

Description of Use

description of use means while being *driven* by *you*, or anyone with *your* consent:

- (a) in the course of *your* business as disclosed to us; or
- (b) for private, social or domestic purposes.

Driven

driven means the driving of, or operation or use of any component in or on, *your vehicle*. Any reference to the driver will include the user or operator of any component of the *vehicle*, whether or not it is the driver.

Loss

loss means sudden physical loss, damage or destruction to *your vehicle* caused by an *accident*.

Market Value

market value means the price for which *you* can purchase the same *vehicle* or a comparable one of similar pre-loss age and condition.

Period of Insurance

period of insurance means the period of time stated in the most recent *schedule* to which cover under this policy applies.

Public Road

public road means any place the public has access to and uses as an access way or thoroughfare, including roads, bridges, culverts, beaches, riverbeds, reserve lands, ferries, wharfs, tracks or any other passage way.

Schedule

schedule means the most current policy schedule and endorsements issued to *you*, and includes any subsequent policy schedules and endorsements which may be issued if this insurance is renewed.

Vehicle

vehicle means any type of machine on wheels, tracks or rollers that is mechanically propelled by its own power and anything designed to be towed by such a machine.

Vehicle Accessories

vehicle accessories means such things as spare parts, on-board computers, telephone installations, load securing or protection equipment in or on *your vehicle*, but excluding any item of electrical or communication equipment not permanently affixed to the *vehicle* and wired into to the *vehicle's* electrical system. Accessories refers to *vehicle accessories* as defined above.

You, Your, Insured

you, your, insured means the Insured named on the *schedule*.

Where there is more than one party named in the *schedule* this policy insures those parties jointly.

Your Vehicle

your vehicle means all *vehicles* specified in the *schedule*, including their attachments and *accessories*.

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Scope of Cover

Your Vehicle – Section 1

This Section covers *loss* by indemnifying *you* (at our sole discretion) by either:

- (a) paying for the cost of repair; or
- (b) paying the amount equal to the reasonable cost of repair; or
- (c) paying any amount equal to its *market value* at the time of *loss*; or
- (d) replacing *your vehicle*.

Our liability shall not exceed the *market value* for *your vehicle*. However where *you* have not complied with General Policy Condition 8. 'Sums Insured', our liability shall be either the *market value* or the Sum Insured, as shown in the *schedule*, whichever is the lesser.

We shall not be liable for that portion of any repair or replacement, which improves the condition of *your vehicle* beyond its condition before the *loss*. Also if any part or component of *your vehicle* is no longer manufactured, we shall not be liable for more than the supplier's or manufacturer's last list price.

Your Legal Liability – Section 2

This Section covers *your* liability at law, to indemnify third parties for their loss or injury in the event of *accident*, caused by, or in connection with *your vehicle*, including any person in or on, or getting in or on, or getting out of or off, *your vehicle* and while it is being loaded or unloaded.

Our total liability shall not exceed the limit specified in the *schedule* in respect of any one claim or claims arising from any one *accident*.

In addition to the limit specified in the *schedule* we will pay all costs and legal expenses in defending any claim arising out of an *accident*, cover under this Section.

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Policy Exclusions

Exclusions – Section 1

Section 1 does not cover:

1. consequential loss, inconvenience, or any other resulting detriment of any kind.
2. depreciation or loss of value.
3. wear and tear, rust, corrosion, deterioration.
4. mechanical, electrical or electronic, breakdown, failure or breakages.
5. *loss* to any part or component of the engine, hydraulic or transmission systems resulting from Exclusions 3. and 4. above (e.g. incorrect gear change other than a genuine attempt to prevent collision or impact, servicing or error in lubricant). However resultant damage to any other part or component of *your vehicle* is not excluded by this Exclusion.
6. *loss* to tyres or tracks by application of brakes or by punctures, tears or rips, cuts, splits or bursts unless caused at the same time as other *loss* for which a claim is payable.
7. *loss* arising from ingestion or entry of any foreign object into any agricultural implement or machine (e.g. tractor or hay bailer).
8. *loss* arising from failure of, or defect or fault in the design or specification.
9. any *deductible* applicable to each and every claim. Where more than one of *your vehicle's* is involved in the same *accident*, only the higher *deductible* will apply.

Exclusions – Section 2

Section 2 does not cover liability:

1. in connection with the bringing of a load to *your vehicle* or the taking away of a load from it.
2. for any property (including any road or land) arising from vibration caused by *your vehicle* or from the weight of the load carried by *your vehicle*, or from the weight of *your vehicle* or from the combined weight of the load and *your vehicle*.
3. directly or indirectly caused while any component of *your vehicle* is being used or operated for the purpose for which it has been designed (e.g. digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming).
4. in respect of any property which belongs to *you*, or is in *your* care, custody or control, other than:
 - (a) personal baggage and wearing apparel of any passenger; or
 - (b) a building leased or rented by *you*; or
 - (c) a vehicle (not being *your* property or insured under Section 1 of the policy) which is being towed by *your vehicle*, however this does not apply to vehicles which are towed or recovered for reward where *your* business includes a vehicle recovery service.
5. in respect of property, or death or injury to any person, who at the time of the *accident*, was in charge of *your vehicle*.
6. arising as a result of a judgment or order of any court outside New Zealand, or for any debt based on such judgment or order.
7. for any *deductible* applicable to *your* claim.

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General Exclusions

This policy does not cover any *loss* or liability:

1. while *your vehicle* is:
 - (a) being driven outside of the *description of use*.
 - (b) being *driven* in connection with:
 - (i) racing, pacemaking, reliability trial, hill climbing or speed tests, or being driven in preparation for any one of these activities such as pacenoting; or participating in any directly associated activity such as safety vehicle duties where the *vehicle* is required to be on the track or trackside; or
 - (ii) advanced or high performance driver training events; or
 - (iii) any stunt, or film, video or audio recording including the preparation thereof; or
 - (iv) any experiment; or
 - (v) recreational offroading which is not on a *public road*.
 - (c) being *driven*:
 - (i) on railway or tramway lines, tracks or cable; or
 - (ii) in any underground mine, quarry, tunnel (excluding *public roads*), excavation or cavity.
 - (d) being *driven* in any condition:
 - (i) where *your vehicle* has been maintained contrary to the manufacturer's servicing recommendations for that *vehicle*; or
 - (ii) as a result of which the *vehicle* is not fit to deal with any peril likely to be encountered during the course of its normal operation.

Provided this Exclusion will only apply if *you* or the person in charge of *your vehicle*, was aware or with reasonable diligence ought to have been aware of the unsafe condition.

Exclusions 1(a) to 1(d) shall not apply in respect of *loss* which results from theft or conversion.

- (e) being driven by any person who is not the holder of a licence for the appropriate class and use applicable to the operation of *your vehicle* or its components, or who is breaching any condition of their licence.

Provided this Exclusion shall not apply if the driver had held, and is not disqualified from holding or obtaining, and actually obtains a licence, nor if *your vehicle* is being used for the purpose of teaching a learner to drive if all requirements of the law are being complied with.

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- (f) being *driven* by any person, who:
 - (i) is under the influence of any intoxicating substance or drug; or
 - (ii) has a proportion of alcohol in the blood which exceeds the legal limit (this Exclusion shall apply notwithstanding the driver may have died as a result of the *accident*); or
 - (iii) has a proportion of alcohol in the breath which exceeds the legal limit; or
 - (iv) fails to supply a blood or breath sample as required by law; or
 - (v) fails to stop, or remain at the scene, following an *accident* as required by law.

Provided:

1. A certificate of conviction of the driver may be used by us as sufficient evidence for these Exclusions to apply where the offence was committed at the time of or following the *accident*.
2. A certificate of analysis of the driver's blood or a reading from an evidential breath testing device of the driver's breath may be used by us as sufficient evidence of the driver's minimum blood or breath alcohol level at the time of the *accident*.
2. incurred by *you* by virtue of an agreement and which would not have attached in the absence of such agreement.
3. for *loss* or damage to *your vehicle* caused by lawful seizure, confiscation, repossession or acquisition.
4. for death or injury which is recoverable or would have been recoverable under any statute or policy of insurance in substitution thereof.
5. which is directly or indirectly caused by:
 - (a) war, invasion, act of foreign enemy, war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power; or
 - (b) confiscation, nationalisation or destruction or damage to property by order of government, public or local authority; or
 - (c) nuclear weapons material; or
 - (d) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel. Solely for the purpose of this Exclusion, combustion will include any self-sustaining process of nuclear fission.
6. deliberately brought about by *you*.
7. for any exemplary damages. (*Please refer to Policy Extension 5. 'Exemplary Damages'*).

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8. to any electronic device caused by the failure of that device. For the purposes of this Exclusion, electronic device shall mean any computer or other equipment or system for processing, storing or retrieving data and shall include, but not limited to any computer hardware, firmware, software, media, microchip, integrated circuit or similar device.
9. notwithstanding any provision to the contrary within this policy or any endorsement thereto it is agreed that this policy does not insure any *loss*, liability, death, injury, illness, or any other form of cover otherwise available under this policy of whatsoever nature directly or indirectly caused by, resulting from or in connection with any:
 - (a) *act of terrorism* regardless of any other cause or event contributing concurrently or in any other sequence to such *loss*, damage, liability, death, injury, illness, cost or expense; or
 - (b) action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

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Policy Extensions

Automatic Extensions

1. Breach of Condition

Cover provided by this policy will not be invalidated by any breach of Condition, where the breach occurs without *your* knowledge, provided that we are immediately notified of such breach.

2. Claim Preparation Costs

Section 1 is extended to cover reasonable costs incurred by *you* for preparing a claim for *loss* which is payable under Section 1 or proving that the *loss* is claimable under Section 1.

Our total liability shall not exceed the limit specified in the *schedule*, in respect of any one claim, nor begin unless such costs exceed \$500 in respect of any one claim.

3. Cleaning up Costs

Section 2 is extended to cover costs, involved in cleaning or restoring the site of an *accident* following *loss*, which is a claim payable under Section 1, to as practically the same condition which existed immediately prior to the *accident*, charged by any entity.

Our total liability shall not exceed the limit specified in the *schedule*, subject always to a *deductible* of \$500 each and every claim.

4. Defence Costs

If *you* or one of *your* employees is:

- (a) charged with manslaughter or reckless or dangerous or careless driving causing death; or
- (b) legally represented at any enquiry or coroner's inquest in connection with such death,

and such death arises from *loss*, which is a claim payable under Section 1, this Extension covers the reasonable costs of legal representation.

Our total liability shall not exceed the limit specified in the *schedule* in respect of any one *accident*, which is in addition to any amount payable under this policy.

5. Exemplary Damages

In the event of an *accident* giving rise to a claim payable under of this policy, Section 2 is extended to cover *your* legal liability for exemplary damages in respect of death or bodily injury awarded by a New Zealand court, provided:

- (a) our total liability shall not exceed the limit specified in the *schedule* in respect of any one claim and in the aggregate for all claims during any one *period of insurance*; and
- (b) each and every claim under this Extension is subject to a separate *deductible* of \$5,000.

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There is no indemnity under this Extension:

- (i) if the claimant was involved either directly or indirectly in driving, operating, directing or controlling *your vehicle* at the time of the *accident*; or
- (ii) for exemplary damages arising from any dishonest, fraudulent or malicious act or omission by *you* or anyone acting on *your* behalf or from any claim first notified to *you* but not notified to us within six (6) months of that date.

Notwithstanding Policy Condition 7. 'Other Insurance', if at the time of the *accident* there is any other valid and collectable insurance covering all or part of the same claim, this policy will apply only to the amount of the claim over that recoverable under the other insurance.

6. Fire Service Charges

The policy is extended to cover *you* for any charge the New Zealand Fire Service is authorised to make against *you*, under the Fire Services Act in connection with an *accident* involving *your vehicle*.

Our total liability shall not exceed \$50,000 in respect of any one *accident*.

7. First Aid Kits

In the event of an *accident* giving rise to a claim payable under this policy, we will pay up to a maximum of \$2,500 per claim to replace or restock any first aid kits or equipment in *your vehicle* damaged or used as a result of that *accident*.

8. Funeral Expenses

If *you* or one of *your* employees dies as a direct result of *loss* covered under Section 1, whether or not death occurs at the time of the *loss*, this policy covers all funeral expenses associated with the burial or cremation of the deceased person, in excess of any amount payable by the Accident Compensation Corporation or another Insurance Provider. Cover includes any travel costs within New Zealand of the deceased person or any member of his or her immediate family (e.g. father, mother, brother).

Our total liability will not exceed \$10,000 in respect of any one *accident*.

9. Goods and Services Tax

Policy sub limits and *deductibles* are GST inclusive, whereas *market value* is exclusive of GST (a claim for total loss will be settled up to the maximum amount insured by this policy plus GST).

10. Invalidation

We shall indemnify *you*, where *you* have not waived any right of recovery against the driver or any other person(s) who has caused the *loss* or damage, in respect of *loss* or damage to *your vehicle*, whilst *your vehicle* is being driven without *your* knowledge and consent, in a manner which would fall within a policy Exclusion, should a claim arise under Section 1 of this policy.

This Condition also extends to indemnify *you* for any Section 2 liability which may arise from such *loss* or damage.

For the purposes of this Extension only, *you* shall mean any person *you* employed with *your* delegated authority, to control the conduct of the driver or, if the driver is of such senior capacity that his / her knowledge and consent is effectively *your* knowledge and consent, the driver himself / herself.

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11. Joint Insured

Where there is more than one *insured* named in the *schedule*, Section 2 is to apply separately to each *insured*, in the same manner and to the same extent as if a separate policy had been issued to each party.

Our total aggregate liability, for all *insured's*, shall not exceed the limit of liability under Section 2.

12. Keys and Locks

In the event that *your vehicle's* keys are damaged, lost or stolen, this Extension will pay for the reasonable costs of their replacement and the recoding of electronic locks and ignitions where required.

Our total liability shall not exceed the limits specified in the *schedule* both in respect of any one *loss* and in the aggregate for all claims in any one policy period. A *deductible* of \$250 shall apply to each and every claim (including claims pertaining to theft).

13. Marine Liability

If *your vehicle* is transported by sea or air between places in New Zealand, Section 2 is extended to cover General Average and Salvage Charges, adjusted according to the contract of affreightment and or the governing law and practice, and covers *you* against such proportion of liability under the 'Both to Blame Collision' clause contained in any Contract of affreightment. For example, if the vessel carrying *your vehicle* is involved in a casualty or if cargo is jettisoned to save the voyage because the vessel is at peril, we shall cover contributory costs, regardless of whether or not *your vehicle* was damaged.

14. Movement of Other Vehicles

Notwithstanding Section 2 – Exclusion 4., this Extension covers liability arising out of the movement by *you* of any *vehicle*, which was parked in a position which prevented or impeded *you* from attending any emergency, or legitimate passage of *your vehicle* or during loading or unloading of *your vehicle*.

15. New Parts

If it is necessary to manufacture new parts or accessories the maximum we will pay in respect of such parts or accessories shall be limited to the last known list price of identical parts or accessories in New Zealand for the year of manufacture of the *vehicle* or the cost of making a new part, whichever is the lesser.

16. Other Interested Parties

If there is any person or party who has a financial interest in *your vehicle*, which has been notified to us, the proceeds of any claim under Section 1 of this policy will be payable to such person or party in the order of their legal priority and the receipt of proceeds shall be sufficient discharge.

Our total liability shall be limited to such amount as would have been payable to *you* in the absence of this Extension.

17. Portable Electronic Vehicle Accessories

Section 1 of this policy is extended to cover damage to and theft of Radar Detectors and GPS navigation systems (such as 'Navmans') whilst in or attached to *your vehicle* at the time of the *loss*.

Our total liability shall not exceed the limits specified in the *schedule* in respect of both any one *loss* and in aggregate for any one policy period. A *deductible* of \$250 shall apply to each and every claim (including claims pertaining to theft).

18. Progress Payments

In the event of *loss*, for which we accept liability under Section 1, we shall make progress payments, provided *you* have supplied an interim statement of such *loss* which is approved by our assessor.

19. Spare Parts and Accessories

We will cover up to the amount specified in the *schedule* in total for spare parts, accessories and associated equipment which belong to but are not in or attached to *your vehicle*.

PROVIDED: Cover only applies whilst such spare parts, accessories and associated equipment are securely stored at *your* residence or other secured storage facility and are parts, accessories and associated equipment which belong to *your vehicle* which is the subject of this policy.

20. Theft Costs

If *loss* results from theft of *your vehicle* in its entirety, which is payable under Section 1 of this policy, this Extension covers reasonable costs incurred by *you* for:

- (a) the protection and recovery or attempted recovery of *your vehicle*; or
- (b) any reward offered, with our prior approval, for the return of *your vehicle*; or
- (c) hiring another vehicle of similar make and model subject to a:
 - (i) maximum weekly limit as specified in the *schedule*; or
 - (ii) maximum limit any one claim as specified in the *schedule*; or
 - (iii) *deductible* of seven (7) days.

Our total liability for (c) above, shall not exceed the limits specified in the *schedule* in respect of any one claim.

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21. Travel Costs

If as a result of *loss* which is payable under Section 1 of this policy, *you* cannot complete *your* journey, Section 1 is extended to cover reasonable costs incurred in:

- (a) hiring another similar vehicle to either continue the journey, until *your vehicle* has been returned from the repairer, or returning to where the journey first commenced; and
- (b) returning *your vehicle* to *you*, in order to continue their journey, or to where *your vehicle* is normally based, following its repair.

Our total liability shall not exceed the limit specified in the *schedule* in respect of any one *accident* and in the aggregate for all *accidents* in any one *period of insurance*.

For the purposes of this Extension a journey is any travel where the destination is outside of the city or town limits from where travel commenced.

22. Uninsured Third Party Extension

Where there is *loss*, which is payable under Section 1 of this policy, and the Third Party or their driver has no valid and collectable insurance, Section 1 is extended to cover *your* No Claim Bonus, policy *deductible*, or uninsured *loss*, where:

- (a) the Third Party's driver was at fault in the *accident*; and
- (b) the identity of the Third Party and the driver are established; and
- (c) *you* are unable to make any recovery from the Third Party or the driver.

In respect of Third Party only and Third Party, Fire, Theft and Conversion covers, our total liability will not exceed the limit specified in the *schedule* for any one *accident*.

23. Vehicle Salvage and Safety

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

24. Windscreens and Windowglass

If *loss* occurs solely to any windscreen or window glass (or any scratching or damage to body work resulting solely and directly from such breakage), this Extension covers the cost of either repairing or replacing them. Any payment by us will not be subject to any *deductible*, provided the *deductibles* listed in the *schedule* list windscreens and window glass as a *deductible* proviso, nor prejudice *your* premium rating.

Claims Conditions

1. Section 1

If there is a claim under Section 1, *you*:

- (a) must take prompt steps to prevent and minimise *loss*; and
 - (i) where the *vehicle* can be driven safely and without causing further *loss*, take it to a repairer or otherwise have it towed to the nearest suitable repairer or tow-yard; and
 - (ii) as soon as possible, inform our nearest office and complete a claim form and deliver it to us.
- (b) Note: No repairs should be carried out until our surveyor / assessor has examined the *vehicle* and approved any repair work, unless this requirement is specifically waived by us prior to the commencement of the repair; and
- (c) is responsible for the payment of the *deductible* to the repairer.

2. Section 2

If there is a claim, or possible claim, under Section 2:

- (a) *you* must as soon as possible, notify our nearest office to obtain and complete a claim form, if not already completed for a claim under Section 1, and deliver it to us and must not, without our written consent:
 - (i) incur any expenses in making good any *loss* to the property of others or incur any legal expense; or
 - (ii) make any statement or take action which may be considered to be an admission of liability; or
 - (iii) negotiate, pay, settle, admit or repudiate any claim made by another person, but must refer that person to us, and we shall be entitled to handle the claim on *your* behalf.
- (b) we may pay to *you* or agree to pay, as and when incurred by *you*, the full amount of our liability for a claim under Section 2 and relinquish the conduct of any claim, defence or proceedings. We will not be liable for any costs or expenses whatsoever incurred by *you* or any other person after we have paid such amount and relinquished such conduct.

3. Additional Information

You or any other person, shall as often as may be reasonably required submit to an examination under oath by any person named by us, and must co-operate with us and supply any information or documentation or statute declaration we may reasonably require.

4. Notification to Authorities

You will notify the police immediately in respect of *loss* or liability as a result of theft, conversion, arson, malicious damage; or death or bodily injury to any person; including the names and identities of any suspect or offender. Where an offender is positively identified, *you* must lay a formal complaint with the police and request that charges be brought against the person or party responsible.

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5. Total Loss

If there is any payment by us in respect of the total loss (or constructive total loss) of *your vehicle*, the cover granted by this insurance on *your vehicle* ceases entirely from the date of such *loss* and no premium will be refundable for the unexpired *period of insurance* in respect of that *vehicle*. *Your vehicle* then becomes our property.

6. Subrogation

If we indemnify *you* for any *loss* or liability, we shall be entitled to instigate, take over or defend any legal proceeding in *your* name, including any claim or counterclaim, and shall have full discretion to conduct or settle such proceedings including any recovery action. *You* shall render to us all reasonable assistance.

General Policy Conditions

1. Cancellation

You may cancel this policy at any time by giving written notice to us. We shall refund to *you* any unexpired premium already paid on a pro rata basis, however we may retain the right to charge a short period cancellation fee. We may cancel this policy, by written notice to *you*, either delivered personally, posted, facsimiled or emailed to the address last known to us. Cancellation shall be effective from 4.00 pm on the 30th day after delivery.

2. Change of Exposure

This policy was arranged on the basis of the information supplied to us from *you* or on *your* behalf. If any circumstance(s), with regard to the nature of the risk being insured, change during the currency of the policy, *you* will notify us as soon as *you* become aware of such change, for example:

- (a) modifications made to *your vehicle* (excluding conversion to LPG or CNG);
- (b) change in the use of *your vehicle*;
- (c) change in the physical ability of any driver.

3. Diligence

You will take all reasonable steps to protect *your vehicle* from *loss* and shall comply with all legal requirements as to safety, maintenance and operation of *your vehicle*.

4. Fraud

If any fraudulent means or devices are used by *you*, or anyone acting on *your* behalf, when entering into this insurance or to obtain any benefit under this policy, all benefits under this policy are forfeited.

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5. Instalment Premiums

If *you* elect to pay the premium by instalments then:

- (a) the instalment payment plan must first be approved by us; and
- (b) if paying quarterly then, notwithstanding the *period of insurance* stated in the *schedule*, the *period of insurance* is for three (3) months only. However it will be continuously renewed thereafter for a further *period of insurance* of three (3) months by payment of the next installment due at the end of the previous *period of insurance*, until such time as this insurance is cancelled; and
- (c) if paying monthly, notwithstanding the *period of insurance* stated in the *schedule*, the *period of insurance* is for two (2) months only. However it will be continuously renewed thereafter for a further period of one (1) month by payment of next installment premium due at the end of the previous *period of insurance*, until such time as this insurance is cancelled; and
- (d) where there is total or constructive total loss which is covered by this policy, we shall be entitled to deduct from any payment made to *you* or on *your* behalf or anyone entitled to indemnity under this policy, an amount equivalent to the annual premium otherwise payable by *you* if the decision had not been made to pay the premium by instalments.

6. Observance

The due observance and fulfilment of the terms, provisions, conditions and endorsements of this policy in so far as they relate to anything to be done or complied with by *you*, and the correctness of the statements and answers in the proposal or supporting statements, or in any claim form, or in any statement in support of a claim, whether made by *you* or by others on *your* behalf, will be conditions precedent to our liability to make any payment under this policy.

7. Other Insurance

If at the time any claim arises under this policy, there is any other existing insurance covering the *loss* or liability, this policy will only apply in excess of the other insurance, even if there is a similar 'Other Insurance' condition in the other insurance policy.

8. Sums Insured

The values submitted to us for all *your vehicles* must represent, as nearly as possible, their current *market value*. Values such as book value, depreciated cost, written down value and residual value will not be sufficient to comply with this policy condition.

In the event of a claim we may require *you* to provide schedules of *your vehicles* showing their book value, depreciated cost, written down value or residual value in *your* business records.

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