



Zurich Motor Insurance

Policy Wording



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About our Motor Insurance

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 insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, mid-sized and large companies, including multinational corporations.

Duty of Disclosure

Before *you* enter into a contract of general insurance with us, *you* have a duty at common law to disclose to us every matter *you* know, or could reasonably be expected to know, that a prudent insurer would want to take into account in deciding whether to insure *you* and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before they renew, extend, vary or reinstate a contract of general insurance. This duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- we know or in the ordinary course of our business we ought to know;
- we indicate to *you* that we do not want to know.

Non-disclosure or Misrepresentation

If *you* make material misrepresentation to us, or if *you* do not comply with the duty of disclosure we may treat *your* policy as if it never existed.

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 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.

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.

Cost price

cost price means all costs incurred by *you* in obtaining *your* vehicle and preparing *your* vehicle for sale.

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; or
- (c) in the course of *your* business comparable, as declared to us, and having been temporarily lent out by *you*.

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 Relations Expenses

public relations expenses mean the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which in the reasonable exercise of *your* discretion, *you* may engage with our written consent to prevent or limit adverse effects or negative publicity in respect of a claim.

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.

Total loss

total loss means where the vehicle is so damaged that the cost of repairs, plus the salvage value, exceeds the market value or the sum insured value of the vehicle (as specified in the schedule), taking into account relevant legislative requirements to this determination. Total loss includes a constructive total loss.

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 mean 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 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* including any:

- (a) committee or boards established by *you*;
- (b) subsidiary company or subsidiary thereof;
- (c) associated managed company;
- (d) social and/or sporting club;
- (e) employee and/or elected member and/or official;
- (f) new entity formed or acquired by *you* through consolidation, merger, purchase or assumption of control or management during the *period of insurance*.

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

Your Vehicle

your vehicle means all *vehicles* and, where specified in the schedule, also includes vehicular equipment of every description, including mobile plant and mobile equipment, owned or used which includes being leased, lent, borrowed, hired or under *your* care, custody and control for which *you* are responsible for, including their *accessories*.

Scope of Cover

Your Vehicle – Section 1

This Section covers *loss* by indemnifying *you* for the lesser of:

- (a) paying for the cost of repair;
- (b) paying the amount equal to the reasonable cost of repair;
- (c) paying any amount equal to its *market value* at the time of *loss*;
- (d) replacing *your vehicle*; or
- (e) where *your* business is specified in the schedule as a motor vehicle dealer, cost price at the time of loss in respect of stock vehicles

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.

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;
 - (b) a building leased or rented by *you*;
 - (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.

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 pacemaking; 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.

- (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 11. 'Exemplary Damages').
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*.

Policy Extensions

Automatic Extensions

1. Additions and Deletions

All of *your vehicles* disposed of during the *period of insurance* of this policy shall be treated as deleted from the date of their disposal and any *vehicle* acquired by *you* shall be covered by this policy from the date of its acquisition. For declaration purposes, *you* shall declare the *vehicle's market value* and for each deletion the value shown on the latest *schedule of vehicles* as supplied by *you*. The premium for all additions and deletions shall be adjusted at the end of each year based on 50% of the difference in value of all new additions, less deletions on the premium rate agreed at the beginning of that *period of insurance*, provided our liability shall not exceed the limit specified in the *schedule* in respect of each new addition not already advised to us.

2. 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.

3. Car Pooling and Sharing

Payment made by passengers as part of a car sharing / pooling agreement does not constitute the conveyance of passengers for hire or reward.

4. 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.

5. 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.

6. Crisis Coverage

The policy is extended to cover *you*, up to a limit of \$50,000 to pay *public relations expenses*, with our written consent, in respect of any *loss* made during the *period of insurance*.

When *your vehicle* is stolen and not recovered, this Extension will have no application.

7. 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.

8. Difference in Excess / Hired-in or Rental Vehicles

Where *you* hire in or rent a *vehicle* in connection with *your* business and the hire agreement deems the owner of the *vehicle* responsible for insurance, *your* policy extends to cover any difference in the basic *deductible* level between *your* policy and the *deductible* level under the insurance coverage provided by the owner of the *vehicle*.

9. Disability Modifications

If *you* or one of *your* employees is injured as a direct result of *loss* covered under Section 1 resulting in permanent disability which necessitates vehicle modifications (such as hand controls), either to *your vehicle* or to *your* employees private vehicle, Section 1 is extended to cover the reasonable cost of these modifications.

We are only liable in excess of any amount payable by the Accident Compensation Corporation, and our total liability will not exceed \$10,000 for any one *accident*.

10. Employees Vehicles

This policy is extended to cover *your* employee's vehicles or any other vehicle used by an employee, not being the property of their family residing with them, provided:

- (a) any claim for *loss*, damage or liability arises solely while the vehicle is being used on *your* business; or
- (b) the business use of the *vehicle* results in the employee's personal motor vehicle insurance no longer applying.

Our total liability shall not exceed the limit specified in the *schedule* in respect of any one *accident*.

11. 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.

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.

12. 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*.

13. 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*.

14. 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. spouse, de-facto partner, parent, sibling or child).

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

15. 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).

16. Goods in Transit

If there is a fire, or collision or impact to *your vehicle* with any object, or an overturning of *your vehicle*, or *your vehicle* is stolen, for which a claim is payable under Section 1 of this policy, this Extension covers *loss* or damage to *your* property which was being carried by the *vehicle*.

Our total liability shall not exceed the limit specified in the *schedule*, in respect of any one *accident*, subject always to a *deductible* of \$50.

17. Hoists

This Extension covers mechanical breakdown or failure of hoists, permanently attached to the *your vehicle*, which is not due to wear and tear.

Our total liability shall not exceed the limit specified in the *schedule* in respect of any one *accident*, subject always to a *deductible* of \$500, or the *deductible* whichever is the greater, in any case not exceeding the limit specified in the *schedule*.

18. Ingestion of Foreign Object

Notwithstanding Section 1 – Exclusion 7, this Extension covers *loss* or damage resulting from ingestion or entry of any foreign object into any agricultural implement or machine, provided this occurs whilst *your vehicle* is operated for the purpose for which it has been designed.

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

19. 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.

20. 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.

21. 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).

22. Lease Value

If *your vehicle* suffers a total or constructive total loss, settlement under Section 1 in respect of cars, station wagons, vans and utilities only, shall be on the basis of *market value* or Lease Value whichever is the greater at the time of *loss*. Lease Value shall mean the residual value of *your vehicle* which the lease company expects to realise at the termination of the contract. However no settlement under this Extension shall include any:

- (a) penalties for early termination; or
- (b) penalties for any additional distances travelled; or
- (c) unpaid outstandings; or
- (d) penalties resulting from lack of or poor servicing or maintenance; or
- (e) balloon payments; or
- (f) payment on a lease where there is a guarantee buy back where the residual value exceeds more than 20% of *your vehicle* resale value.

Our total liability shall not exceed 20% of the *market value* of *your vehicle* in respect of any one *loss*.

23. Load Recovery

Provided that *your vehicle* is designed to do so, Section 1 is extended to cover the reasonable costs incurred in salvaging any load carried by *your vehicle* which following *loss*, for which a claim is payable under Section 1 of this policy, has spilled onto a road, carriageway or parking area, including the costs of reloading or trans-shipping the load to the nearest place of safe storage.

Our total liability shall not exceed the limit specified in the *schedule* in respect of any one *accident*.

24. 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.

25. 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*.

26. New Replacement Vehicle

In respect of any car, station wagon, utility, van or four wheel drive passenger vehicle, if there is a total or constructive total loss, for which a claim is payable under Section 1, occurring within twelve (12) months of *your vehicle* being first registered as a new *vehicle*, we shall at our option either provide *you* with or reimburse *you* the actual price paid for a new replacement *vehicle* of similar make and model, whichever is the lesser.

27. No Fault Deductible Waiver

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 the Third Party's driver is deemed to be 100% at fault in the *accident*; and:

- (a) the identity of the Third Party and the driver are established; and
- (b) *you* are unable to make any recovery from the Third Party or the driver.

Our total liability in respect of Third Party only and Third Party, Fire and Conversion covers shall not exceed \$10,000, or the limit specified in the *schedule*, in respect of any one *accident*.

28. Non-owned Trailers Liability

Section 2 is extended to cover *your* liability where *you* may be held legally liable to pay, for actual physical damage to any trailer being towed by *your vehicle*, caused by or arising out of the use of *your vehicle*. However:

- (a) this Extension only applies if the trailer is not owned, rented, hired or leased by *you*, and at the time of the *accident*, the trailer is being towed in the course of *your* business; and
- (b) the cover provided does not extend to the contents of any non-owned trailer, nor clean-up costs associated with the contents of any non-owned trailer.

When cover is provided by this Extension, Section 2 – Exclusion 4. does not apply.

Our total liability shall not exceed:

- (i) the *market value* of the trailer just before the actual physical damage, based on its age and condition at that time; or
- (ii) \$100,000,

whichever is the lesser.

Any cover provided by this Extension is subject to an additional *deductible* of \$2,500 per non-owned trailer.

29. 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.

30. 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).

31. Principals Indemnity

In respect of any construction or works project, Section 2 of this policy is extended to indemnify the Principal of such project, but only in respect of their legal liability in terms of cover afforded by Section 2 of this policy arising from accidents in connection with *your vehicle*, used or operated in connection with such projects.

32. 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.

33. Rental Vehicles

If *you* do not accept the vehicle owner's statutory offer of insurance, this Extension covers hired vehicles, as if they were *your vehicle*, for *your* liability;

- (a) to the owner of the vehicle, against:
 - (i) *loss* under Section 1 of this policy, subject to the limit specified in the *schedule* in respect of any one *vehicle*; or
 - (ii) consequential losses caused by a *loss* for which a claim is payable under (i) above, subject the limit specified in the *schedule* in respect of any one claim,
- (b) under Section 2 of this policy.

34. Retrieval Costs

In the event of *your vehicle* becoming unintentionally immobilised in any situation, other than as a result of mechanical, electrical, electronic failure, impact or accident related damage, we will pay *you* for the necessarily incurred costs of recovery and/or retrieval of *your vehicle*.

However:

- (a) our liability in respect of such cost will not exceed \$50,000 during the *period of insurance*; or
- (b) where *you* provide *your* own equipment, for the purpose of recovery, settlement shall be at cost, without allowance for profit.

Nil *deductible* will apply if no other *loss* has occurred to *your vehicle*.

35. Sign Writing

Section 1 of this policy is extended to pay reasonable replacement cost to any sign writing or artwork (including advertising signs) affixed to *your vehicle* at the time of the *accident*.

36. Subrogation Waiver (Group Companies)

Where *you* have a parent or subsidiary in a group of related companies, this policy will not be invalidated by *you* waiving or having waived any right of recovery we may have against any other company in the same group, which is covered by this policy.

For the purposes of this Extension, a subsidiary company means a company, where more than half the nominal value of whose equity share capital is owned by a parent company either directly or through other subsidiaries; and a group of related companies means a group of companies related to one another by virtue of such ownership.

37. 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.

38. 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.

39. Treads and Tracks Damage

The policy is extended to cover damage to tyres (including its inner tube) or metal tracks fitted to *your vehicle*, other than a *vehicle* principally used for road transport (e.g. van or truck).

Our total liability shall not exceed the current replacement cost of the damaged tyre or track at the time of *loss*, less a reasonable deduction for its use, subject to the limit specified in the *schedule* in respect of any one tyre of and a *deductible* of \$50 for each and every claim.

40. 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.

41. Weight Damage

Notwithstanding Section 2 – Exclusion 2, Section 2 is extended to cover liability caused by either the:

- (a) weight of the load carried by *your vehicle*; or
- (b) weight of *your vehicle*; or
- (c) combined weight of the load and *your vehicle*.

Our total liability shall not exceed the limit specified in the *schedule* for any one *accident* and is subject to a *deductible* of \$2,000 for each and every claim.

42. 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.

43. Preferred repairer

Where the *vehicle* requires repairs, *you* may select *your* preferred repairer to undertake repairs on the *vehicle* up to a maximum of \$2,000, provided that we (or our assessor) have had the opportunity to examine the repairs.

44. Expediting expenses

Following an *accident* to *your vehicle*, we will pay *you* for the reasonable additional costs necessary to effect immediate temporary repairs or to expedite permanent repairs for the *loss* to *your vehicle*.

Provided such cost per *accident* does not exceed 50% of the repair costs, based on our assessment of those costs, or \$5,000, whichever is the lesser.

Optional Extensions

The following optional Extensions only apply when stated in the *schedule*.

1. Burning Cost

At the inception of the *period of insurance*, *you* will pay a deposit premium as shown in the *schedule* to us.

At the expiry of the *period of insurance*, we will adjust the premium in accordance with the 'Sum Insured' clause contained in the General Policy Conditions. Any additional premium owing to us, or rebate we owe *you*, will be added to, or subtracted from the deposit premium. The minimum and maximum premiums noted in the *schedule*, will at the same time be adjusted by applying the percentage factor by which the deposit premium has been so adjusted.

Your 'Burning cost' premium will then be calculated by us as follows:

Total *incurred claims* for the *period of insurance*, multiplied by the agreed adjustment factor as shown in the *schedule*.

Subject to the adjusted minimum and maximum premiums, *you* must pay us, or we will rebate to *you*, the difference between the amount calculated by the adjusted premium and the deposit premium *you* have already paid.

'*incurred claims*' means total claims paid by us, less any recoveries received by us, during the *period of insurance* plus an amount for outstanding claims, including an allowance for claims incurred but not yet reported to us.

We shall also retain the right to:

- (a) carry out a premium adjustment once *incurred claims* exceed 80% of the deposit premium and call up any additional premium which is in excess of the deposit premium; and
- (b) carry out a further adjustment at expiry of the current *period of insurance*; and/or
- (c) carry out a final premium adjustment dependent upon any subsequent claim movements relating to the *period of insurance* in respect of which the previous adjustment(s) occurred. Such adjustment is to occur within 12 months of the prior adjustment.

2. Profit Share

At the end of each *period of insurance*, the Deposit Premium shall be adjusted on the Loss Ratio actually achieved. If the Loss Ratio is more than 60% then no refund of premium is due. However if the Loss Ratio is equal to or less than 60%, *you* shall be entitled to a refund by applying one of the following Profit Share Percentages against the Deposit Premium, less Losses:

Loss Ratio Profit Share Percentage

Less than 40%: 20%

Between 41% and 50%: 15%

Between 51% and 60%: 10%

Over 60%: NIL

Upon renewal of this policy for a further year, it is conditional that any Profit Share refund shall only be credited against the following year's renewal premium.

For the purposes of this Extension only:

- (a) Deposit Premium shall mean the amount of all gross premiums charged to *you* less any returns made during the year, but not including any previously earned Profit Share credit.
- (b) Loss Ratio shall mean the percentage derived by dividing Losses by the Deposit Premium.
- (c) Losses shall mean the total amount of claims paid and reasonable estimates of claims yet to be paid, including fees and net of actual and estimated recoveries as a result of *accidents* during the *period of insurance*.

3. Loss of Use (Replacement Vehicle Costs)

If *loss* prevents *you* from using *your vehicle*, this Extension covers the reasonable cost of hiring a substitute vehicle, provided:

- (a) this Extension will apply to *your vehicles* specified in the *schedule* which are designated as subject to this Extension;
- (b) if *you* have suffered a *loss* for which a claim is payable under Section 1 in excess of the policy *deductible*;
- (c) the cover under this Extension is in addition to the cover for *loss* and is subject to the *deductible* for this Extension specified in the *schedule*;
- (d) compensation will begin when *your vehicle* is delivered to the repairer to start the repair or from the date of *accident* if *your vehicle* was totally disabled or lost at that date subject to the excess period specified in the *schedule*;
- (e) compensation will cease when the repairs are completed and *you* have taken delivery of the *your vehicle* or has returned the substitute hire vehicle (whichever occurs first). In the case of total loss, compensation will cease from the date when *you* receive payment for the total loss;

- (f) the substitute vehicle is of similar specification to *your vehicle*;
- (g) no compensation will be paid if *you* have available a free replacement vehicle or purchased an additional or replacement vehicle;
- (h) the repair or replacement of *your vehicle* is carried out with reasonable dispatch. Any delay beyond the reasonable control of *you* will not be considered as a breach of this provision.

Our total liability under this Extension will not exceed the limits specified on the *policy schedule*.

For the purposes of this Extension only *your vehicle* means only those vehicle(s) specified on the *schedule* as having elected this Extension.

Policy Conditions

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, complete and provide back to us, a claim form 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;
 - (ii) make any statement or take action which may be considered to be an admission of liability;
 - (iii) negotiate, pay, settle, admit or repudiate any claim made by another person, but must refer that person to us to handle the claim on *your* behalf.
- (b) we may pay to *you*, once incurred, 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

We may require *you* or any other person, co-operate with us and supply any information or documentation or declaration we may reasonably require.

4. Notification to Authorities

You will notify the police as soon as reasonably practicable 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 and it is reasonable to do so, we may require *you* to lay a formal complaint with the police and request that charges be brought against the person or party responsible.

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 notice to us. We shall refund to *you* any unexpired premium already paid on a pro rata basis, however we may 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 circumstances, 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. Reasonable Care and Due Diligence

You must exercise all reasonable care, precautions and use all due diligence to prevent loss to insured vehicles and prevent any liability and comply with all statutory obligations and by-laws or regulations imposed by any public authority for the safety of *vehicles* and for the carriage of passengers, goods or merchandise.

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.

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 months only. However it will be continuously renewed thereafter for a further *period of insurance* of three months by payment of the next instalment 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 months only. However it will be continuously renewed thereafter for a further period of one month by payment of next instalment 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.

9. Sanctions regulation

Notwithstanding any other terms or conditions under this policy, we shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to *you* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity would violate any applicable trade or economic sanctions, law or regulation.

10. Proper law and jurisdiction

The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with New Zealand law. In the event of any dispute arising under this policy including, but not limited to, its construction, validity, performance or interpretation, *you* will submit to the exclusive jurisdiction of any competent Court in New Zealand. A reference to any statute, regulation or subordinate legislation includes any amendment, replacement, successor or equivalent to or of that statute, regulation or subordinate legislation.

Zurich Australian Insurance Limited

(incorporated in Australia)

Trading as Zurich New Zealand

ABN 13 000 296 640, AFS Licence No: 232507

Level 9, 29 Customs Street West, Auckland Central 1010

Client Enquiries

Telephone: 0508 987 424

www.zurich.co.nz



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