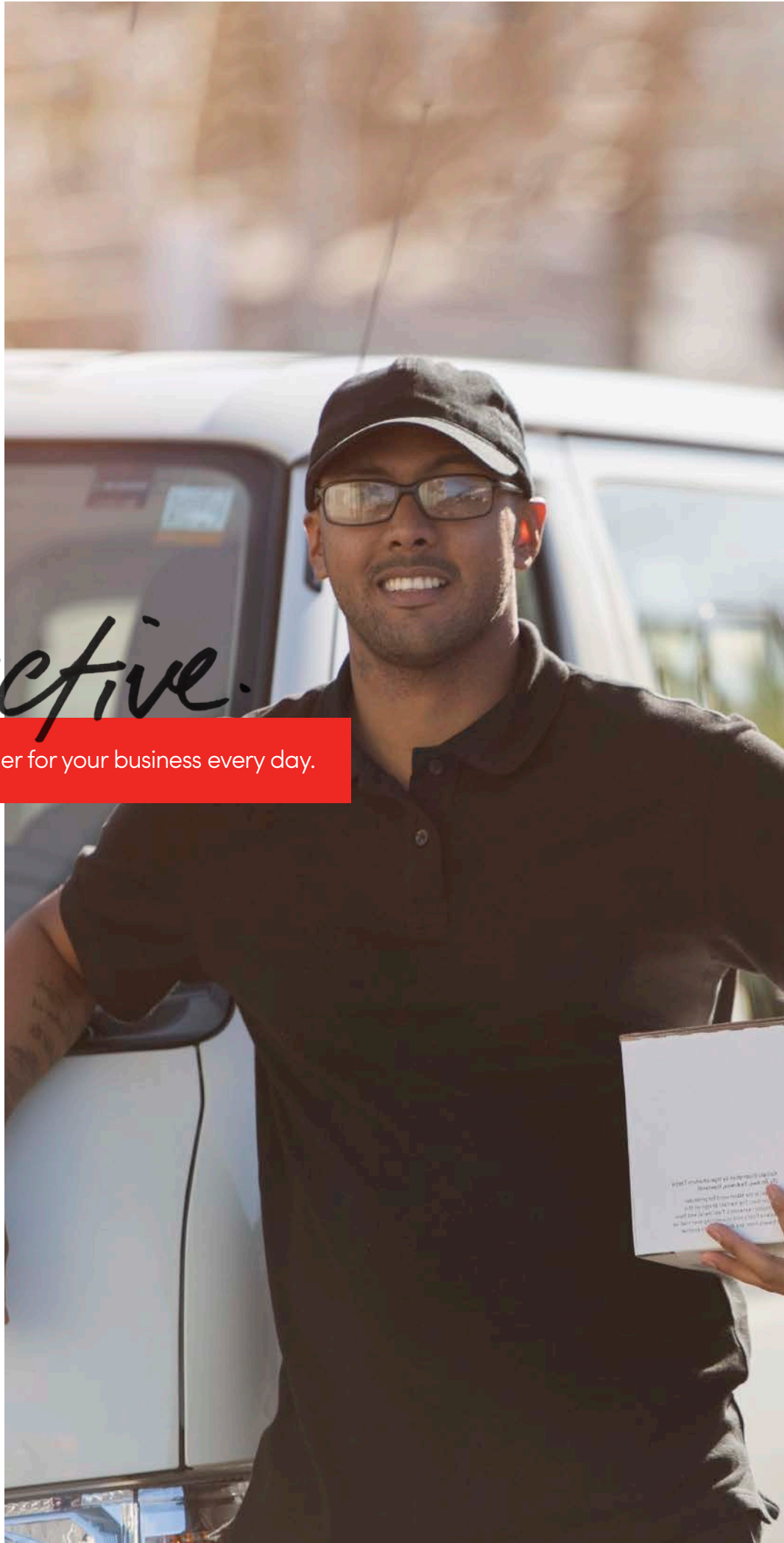


**BUSINESS**

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# Introduction

Vero is one of Suncorp New Zealand's intermediated brands and the company is part of Suncorp Group, a leading trans-Tasman financial services business.

## Thank you for choosing Vero Insurance New Zealand Limited to provide you with your insurance cover.

Arranging insurance means you are making a legal contract under which you promise to meet certain obligations and conditions, and in return we promise to provide specified insurance cover.

The obligations, memoranda, warranties, exclusions, extensions and conditions in this contract are subject to your rights under the Insurance Law Reform Acts 1977 and 1985.

Words shown in *italics* are words that have had their meaning defined. These meanings are found in the definitions section of this policy or on the *schedule* of this policy. Any word or expression to which a specific meaning has been given will have the same meaning wherever it appears.

Please examine this document, including the *schedule*, to ensure the insurance protection is in accordance with your requirements. If it does not meet your requirements, or you wish to make changes to the insurance cover, please contact your insurance broker, adviser or your nearest Vero office.

# Insurance contract

In consideration of you having paid or promised to pay the required premium we agree to indemnify you in the manner and to the extent set out in this policy.

The insurance contract consists of any statements on which this insurance is based, your proposal, the applicable parts of this policy, and the schedule.

## The indemnity

We will indemnify you for loss or liability as defined by Part 1 and Part 2 as applicable occurring during the period of insurance.

### Scope of cover

As shown on the schedule under "Type of cover":

**Comprehensive** – means all parts of this policy apply.

**Third party** – means only Part 2 and the uninsured third party protection extension under Part 1 of this policy apply.

**Third party fire and theft** – means Parts 1 and 2 of this policy apply, however in respect of Part 1 cover is restricted to loss directly caused by fire, lightning, explosion, theft or illegal conversion and loss covered by the uninsured third party protection extension.

## Description of use

Cover only applies while the *insured vehicle* is in New Zealand and is being driven by or is under *your* control or the control of any person using the vehicle with *your* consent, provided they meet all legal requirements to drive the vehicle:

- (a) in the course of *your* business or occupation stated in the proposal or submission; or
- (b) for private social or domestic purposes; or
- (c) in the course of a business or occupation comparable with *your own* stated in the proposal or submission and having been temporarily lent out without charge by *you*.

# Part 1:

## Loss to the insured vehicle

We will indemnify you for loss to the *insured vehicle* occurring during the *period of insurance*.

We will at *our* option repair, replace or make a cash payment in accordance with the basis of settlement where an *insured vehicle* suffers loss. We will also pay the reasonable costs of having the *insured vehicle* removed to the nearest repairer or place of safety following an *accident*.

### Basis of settlement

Unless otherwise specified in Part 1 or in any endorsement or extension the limit of *our* liability is as follows:

#### Market value / sum insured

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

#### Agreed value

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

#### Repairs and parts availability

If your *insured vehicle* needs to be repaired we will pay the lesser of the latest New Zealand price of identical parts or accessories for the vehicle or the cost of making a new part. Where no such list applies the most we will pay will be the lesser of the last known list price in New Zealand or the price of the part's closest New Zealand equivalent or the cost of making a new part.

If the repair makes a substantial improvement to the condition or value before the *loss* of the *insured vehicle* you may be required to make a contribution towards the cost of repairs.

#### Leased vehicles

If the *insured vehicle* is leased and we agree it is a total or constructive total loss and we choose not to replace the vehicle, we will pay the reasonable *market value* or the residual value, whichever is the greater amount, up to an amount no more than the *market value* of the *insured vehicle* plus 20%.

The residual value for the purposes of this clause only means the agreed estimated value of the *insured vehicle* or the final book value at the natural expiry date of the lease contract, as set out under the terms of that contract.

No settlement under this clause will include any:

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

#### Excess

You must contribute the excess shown on the *schedule* as the first amount of any claim. If the *insured vehicle* is being used or driven by anyone under 25 years of age the under-age excess shown on the *schedule* applies in addition to any other excess.

## Part 2: Liability to third parties

We will indemnify you against legal liability for *damages* and *defence costs* resulting from an *accident*, that occurs during the *period of insurance*, caused by or in connection with any *insured vehicle*, including while it is being loaded or unloaded, in respect of:

- (a) death of or *bodily injury* to any person;
- (b) *loss* of or damage to physical property;
- (c) *loss* of or damage to personal baggage and wearing apparel of any passenger.

The limit of *our* liability is the amount shown on the *schedule* for Liability to Third Parties (inclusive of *defence costs* and expenses) in respect of any *one claim* or claims arising directly or indirectly from any *one loss*.

If the indemnity provided under this part is insufficient to indemnify both you and any other person entitled to cover under this policy it will apply in priority to you.

# Automatic extensions

These automatic extensions form part of this policy and are subject to all its provisions (unless otherwise stated). If there is any conflict or inconsistency between the extension and other parts of the policy, only the extension will apply. If there is any conflict or inconsistency between the extensions, only the more particular extension will apply.

## Applicable to Part 1

### 1. Additions and deletions

All vehicles *you* acquire during the *period of insurance* will be covered by this policy from the date of acquisition and all vehicles disposed of during the *period of insurance* will be treated as deleted from the date of disposal provided that *we* are advised of all acquisitions at the end of the *period of insurance*, and an additional premium is paid.

The sum insured for acquired vehicles is the purchase price of that vehicle, subject to a maximum of the amount shown on the *schedule*, unless advised to *us* at the time of acquisition.

### 2. Claims preparation costs

We will cover *you* for any costs, up to the limit shown on the *schedule*, *you* reasonably incur for the purpose of preparing and proving any claim under this policy provided:

- (a) a claim is admissible under this policy; and
- (b) the total costs incurred are more than \$100.

### 3. Disability modifications

Where the regular driver has been permanently disabled as a direct result of injuries sustained in a *loss* for which there is a valid claim under this policy we will pay the necessary and reasonable costs of modifying the *insured vehicle* to allow for the regular driver's permanent disablement to the extent that these costs are not recoverable under the provisions of the Injury Prevention, Rehabilitation, and Compensation Act 2001 (or any replacement Act) and any subsequent amendments or from any other insurance or from any other source.

*Our* liability is limited for any one *loss* to the amount shown on the *schedule*.

### 4. Emergency accommodation and travel

We will cover *you* for necessary emergency travel or accommodation costs when there has been a *loss* covered by this policy, and the vehicle can not be made roadworthy, or *you* and any passengers are unable to drive or are unfit to drive, as a result of the *loss*. We will pay:

- (a) the reasonable costs of transporting *you* and other occupants of the *insured vehicle* to their home or place of work;
- (b) reasonable temporary overnight accommodation for *you* and for *your* passengers.

*Our* liability for all costs arising out of any one *loss* is limited to the amount shown on the *schedule*.

### 5. Employees' vehicle/accessories

We will cover:

1. employees' vehicles as if they were an *insured vehicle* while being used on *your* business when such use invalidates the employee's own vehicle insurance or where such vehicle is uninsured.

*Our* liability will not exceed for any one vehicle the amount shown on the *schedule*.

2. employees' personal effects, motor vehicle accessories and spare parts normally carried on or used in connection with any such vehicles.

*Our* liability will not exceed for any one vehicle the amount shown on the *schedule*.

Provided that:

- (a) this extension will not apply to any vehicle that is used for the purpose of carriage of passengers for hire, fare or reward;
- (b) any other indemnity or insurance available to *you* or to any of *your* employees or to the owner of any vehicle or to any other person will be exhausted before indemnity under this extension will apply.

The standard excess shown on the *schedule* applies to claims under this extension.

# Automatic extensions continued

## 6. Funeral costs

We will cover you and any driver authorised to drive by you for funeral costs in excess of any costs recoverable under the Injury Prevention, Rehabilitation, and Compensation Act 2001 (or any replacement Act) and any subsequent amendments, or from any other insurance, following the death of you or an authorised driver as a direct result of a loss to the *insured vehicle* for which a claim is payable under Part 1 or Part 2 of this policy.

The limit of our liability under this extension is limited for all costs in respect of all funerals in respect of any one loss to the amount shown on the *schedule*.

## 7. Goods in transit

We will cover you against damage to your property while being carried in or on any *insured vehicle* directly caused by fire, collision, overturning or impact of the vehicle.

Our liability is limited to the amount shown on the *schedule*.

The standard excess shown on the *schedule* applies to claims under this extension.

## 8. Hazardous substances emergency

We will cover you for any charge the New Zealand Fire Service is authorised to make against you in respect of any hazardous substance emergency as defined in the Fire Service Act 1975 (or any replacement Act) and any subsequent amendments where the *accidental* release of any hazardous substance has been caused by an *insured vehicle*.

Our liability is limited in respect of any one loss to the amount shown on the *schedule*.

This extension does not cover any fine, penalty or order for *reparation*.

## 9. Hire of a vehicle following the theft of your vehicle

We will cover you for the additional, necessary and reasonable costs, up to the amount shown on the *schedule*, of hiring or borrowing a replacement vehicle if your *insured vehicle* has been stolen and not recovered. Our payment will cover costs incurred after you have notified us of the theft until the day after your vehicle is recovered or the day after we offer settlement to you whichever day occurs first. If you hire or borrow a vehicle which is not similar to the *insured vehicle* stolen we may adjust settlement of the amount otherwise payable under this extension.

## 10. Hoists

We will cover you for mechanical breakdown or failure of hoists which is not due to wear and tear.

Our liability is limited in respect of any loss to the amount shown on the *schedule*.

The standard excess shown in the *schedule* applies to claims under this extension.



# Automatic extensions continued

## 11. Invalidation

We will cover you under Part 1 when the *insured vehicle* is being used in a manner to which an exclusion would exclude indemnity, providing:

- (a) the use was without *your* knowledge or consent;
- (b) you have not waived any right of recovery against the driver or person responsible for the *loss*; and
- (c) you co-operate fully in any subrogated recovery action.

The maximum amount payable under Part 1 of this policy is limited to the amount shown on the *schedule*.

This extension also covers *your* liability under Part 2, but not the liability of the driver or person responsible for the *loss*, and not *your* liability for punitive or exemplary damages.

For the purpose of this extension only, 'you' means the name shown on the *schedule*. If you are a legal entity other than a person then any person who has an interest in the legal ownership of the *insured* entity will be deemed to have been using the *insured vehicle* with *your* knowledge or consent.

## 12. Locks and keys

We will cover *you* for the necessary costs of replacing the key mechanism, locks and keys if the keys:

- (a) are believed on reasonable grounds to have been duplicated; or
- (b) have been subject to a *loss*.

The maximum amount payable under this extension is limited to the amount shown on the *schedule*.

## 13. New replacement vehicle

If as a result of a *loss* for which there is a valid claim under this policy an *insured vehicle* becomes a total loss within 12 months of the original (first) registration or purchase date when new we will (subject to local availability) replace the *insured vehicle* with a new vehicle of similar kind, make and model together with similar accessories, tools and spare parts.

This extension applies only to cars, station wagons, vans and utility vehicles.

## 14. Rental vehicles

If *you* do not accept the vehicle owner's offer of insurance we will cover a hired vehicle as if it is an *insured vehicle* for *your* liability:

1. to the owner of the vehicle against:

- (a) *loss* under Part 1 of this policy, subject to a limit of *our* liability for any one vehicle to the amount shown on the *schedule*;

- (b) consequential losses caused by *loss* for which a claim is payable under 1. (a) above, subject to a limit of *our* liability for any *one claim* of the amount shown on the *schedule*.

## 15. Road clearing / load recovery costs

We will cover *you* for the reasonable costs incurred in:

- (a) cleaning up and clearing away any debris and spillage resulting from the *loss*;
- (b) recovering and reloading any load lost or fallen from an *insured vehicle* as a result of the *loss*; and
- (c) transferring the load carried on, lost or fallen from an *insured vehicle* to another vehicle and removing it to the nearest place of safety if this is necessary as a result of the *loss*.

*Our* liability is limited in respect of any one *loss* to the amount shown on the *schedule*.

This extension does not cover any fine, penalty or order for *reparation*.

## 16. Salvage costs

We will cover *you* for reasonable costs incurred as a result of a *loss* in salvaging or recovering the *insured vehicle*, including the costs of ensuring its safety and delivery to a place of repair or inspection. We will also cover the reasonable costs of storage of the *insured vehicle* after a claim for *loss* has been lodged and which has been accepted by *us*.

# Automatic extensions continued

## 17. Signwriting

We will cover you in respect of a *loss* for the reasonable costs of replacing signwriting or artwork on your *insured vehicle* up to the amount shown on the *schedule*.

## 18. Stolen or damaged trailers

If you own, hire or borrow a trailer for your own use and it is stolen or *accidentally* lost or damaged and it is not otherwise insured we will at our option either pay:

- (a) you the depreciated value of the trailer; or
- (b) to repair the trailer.

We will not pay for any proportion of repairs that will put the trailer in a better condition than it was before the *loss*.

Our liability for any one *loss* is limited to the amount shown on the *schedule*.

## 19. Subrogation waiver for group companies

Where you are a parent company controlling more than fifty percent of the share capital of a subsidiary company or a subsidiary company in a group of companies related to each other by ownership this policy will not be invalidated by you waiving or having waived any rights of recovery we may otherwise have against any other company in the same group of companies in respect of a *loss* covered by this policy.

## 20. Substitute vehicle

We will cover a substitute vehicle being used following *loss* to your *insured vehicle* where you have a liability to insure the substitute vehicle. The cover under this extension ceases when your *insured vehicle* is repaired or when we make a final offer of settlement to you.

## 21. Tarpaulins, sheets, ropes, twitches or chains

We will cover *loss* of tarpaulins, sheets, ropes, twitches or chains while in or on the *insured vehicle*.

Our liability in respect of any one *loss* will not exceed the amount shown on the *schedule*.

## 22. Temporary repairs

If you need to have temporary repairs done to your *insured vehicle* following a *loss* covered by this policy, so that you can get your *insured vehicle* to your destination or a repairer, we will pay the reasonable cost of essential repairs to make your vehicle roadworthy again.

## 23. Tyres and Tracks

We will cover you in respect of any *loss* to any tractor or implement tyres or tracks (excluding inner tubes) fitted to the *insured vehicle* while the vehicle is in actual use and arising out of such use provided that:

- (a) we will not pay for normal wear and tear;
- (b) the vehicle is not primarily used or operated on public roads;

- (c) there is no cover for the amount of any *excess* shown on the *schedule*.

Our liability is limited per tyre or track to the amount shown on the *schedule*.

## 24. Uninsured third party protection

The no claim bonus will not be affected nor any *excess* applied in respect of a *loss* caused by an at fault third party provided that:

- (a) the identity of the third party who caused the damage is established;
- (b) no valid third party motor insurance policy was in force in respect of the third party vehicle at the time of the *loss*;
- (c) you were not in any way at fault in the *loss*; and
- (d) you are unable to make a recovery from the third party.

## 25. Vehicle accessories and parts

We will cover vehicle accessories or spare parts that are not fitted to the vehicle and are stored where you live up to the amount shown on the *schedule* for any one *loss*. The *excess* applying to the *insured vehicle* applies to claims under this extension.

## 26. Windscreen

We will cover the cost of replacing broken windscreens, sunroofs or windows (or any scratching or damage to body work resulting solely and directly from such breakage). The *excess* will not apply and the no claim bonus in respect of the *insured vehicle* will not be affected.

# Automatic extensions continued

These automatic extensions form part of this policy and are subject to all its provisions (unless otherwise stated). If there is any conflict or inconsistency between the extension and other parts of the policy, only the extension will apply. If there is any conflict or inconsistency between the extensions, only the more particular extension will apply.

## Applicable to Part 2

### 27. Accidents when using another vehicle

We will cover *you* under the terms of Part 2 for *your* legal liability if *you* were not otherwise insured arising from *accidents* while *you* were using another person's vehicle.

This extension does not cover *your* liability for *accidental loss* or damage to the vehicle being used by *you*.

### 28. Defence costs

We will cover the reasonable costs of *your* legal representation if:

- (a) *you* are charged with careless driving causing death;
- (b) *you* are legally represented at any inquiry or coroner's inquest in connection with such death; and
- (c) such death arises from *loss* for which a claim is otherwise payable under this policy.

*Our* liability is limited in respect of any one *loss* to the amount shown on the *schedule*.

### 29. Exemplary damages

We will cover *you* against legal liability for punitive or exemplary damages awarded by any New Zealand court in respect of *bodily injury* provided:

- (a) this extension will not provide cover if the claim is otherwise accepted by application of the invalidation extension;
- (b) the limit of liability inclusive of all costs and expenses in respect of any *one claim* or claims arising from any one *loss* and in the aggregate any one *period of insurance* is limited to the amount shown on the *schedule*; and
- (c) cover will not apply for claims arising directly or indirectly from wilful or malicious conduct.

Exclusion 10. does not apply to this extension.

### 30. Marine liability

We will cover *you* for General Average and Salvage charges adjusted according to the contract of affreightment and governing law and practice for which *you* have a legal liability when *your insured vehicle* is transported by sea or air between places in New Zealand.

### 31. Movement of other vehicles

We will cover *your* liability for *loss* arising out of the movement by *you* of any vehicle that:

- (a) is parked in a position that prevents or impedes the loading or unloading of the *insured vehicle*;

or

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

For the purpose of this extension, exclusion 13 of Part 2 relating to *loss* to property in the custody or control of any person claiming indemnity will not apply to the vehicle being moved. The exclusions in this policy will apply to the vehicle being moved as if it was an *insured vehicle*.

### 32. Principals indemnity

We will cover the principal of any construction or works project but only in respect of their legal liability for *damages* and *defence costs* resulting from an *accident* caused by or in connection with *your insured vehicle* being used or operated in connection with the construction or works.

### 33. Rental vehicles

If *you* do not accept the vehicle owner's offer of insurance we will cover a hired vehicle as if it is an *insured vehicle* for *your* liability to third parties as provided for under Part 2 of this policy.

# Automatic extensions continued

## 34. Reparation

Notwithstanding exclusion 11, we will cover *you* against legal liability to pay an award of *reparation* in respect of death, *bodily injury*, or *loss* or damage to physical property happening during the *period of insurance* as a result of an *accident* caused by or in connection with any *insured vehicle*, including while it is being loaded or unloaded.

Amounts payable under this extension are included in, and not additional to, the limits of *our* liability shown on the *schedule* for liability to third parties for death or *bodily injury*, or *loss* or damage to physical property, in respect of any *one claim* or claims arising directly or indirectly from any one *loss*.

*Our* liability for Sentencing Act Reparation claims is limited to the limit of indemnity shown on the *schedule* or \$10,000,000, whichever is the lesser.

Cover for *defence costs* does not apply to a claim under this extension. We will not pay *defence costs* in relation to an offence or where *your* liability is to pay *reparation*.

This extension does not cover *reparation* arising from prosecution of an offence under the Health and Safety in Employment Act 1992 and/ or the Health and Safety at Work Act

2015 (or any replacement Act) and any subsequent amendments.

## 35. Towing disabled vehicles

We will cover liability while the *insured vehicle* tows a disabled vehicle provided that such disabled vehicle is not towed for reward or financial gain.

## 36. Vicarious liability

We will cover you:

- (a) while any vehicle not belonging to *you* and not provided by *you* is being used in connection with *your* business by any person in *your* employment; or
- (b) while any vehicle hired-in by *you* is being used in connection with *your* business by any hired-in driver.

We will not be liable:

- (a) for *loss* to that vehicle or to property being conveyed by it; or
- (b) if there is any other existing insurance covering the same liability.

## 37. Weight damage

We will cover liability for damage caused by the weight of the *insured vehicle* including the weight of the load carried by the *insured vehicle*.

For the purpose of this extension, exclusion 14 of Part 2 relating to weight will not apply.

*Our* liability is limited for any one *loss* to the amount shown on the *schedule*. An *excess* of the amount shown on the *schedule* applies to claims under this extension.

# Optional extensions

Each of the following extensions will have no effect unless there is a statement on the *schedule* that the particular extension will apply. They are subject to all the provisions of this policy (unless otherwise stated). If there is any conflict or inconsistency between the optional extension and other parts of this policy only the optional extension will apply. If there is any conflict or inconsistency between extensions, only the more particular extension will apply.

## Entanglement extension

Exclusion 5 of this policy is deleted.

## Loss of use

If a *loss* prevents *you* from using the *insured vehicle* we will cover the reasonable cost of hiring a substitute vehicle provided:

- (a) *you* have suffered a *loss* for which the claim is payable under Part 1;
- (b) compensation for the substitute vehicle will begin when the *insured vehicle* is delivered to the repairer to start the repair or from the date of the *loss* if the *insured vehicle* is totally disabled or lost at that date;
- (c) the substitute vehicle is of similar specification to the *insured vehicle*; and
- (d) no compensation will be paid if *you* have a free replacement or surplus vehicle available.

*Our* liability is subject to the special limits shown on the *schedule* for:

- (a) the *excess*, being the number

of days after cover under this extension begins that *you* are not covered for;

- (b) the specified daily limit;
- (c) the maximum number of days that the compensation will be paid for; and
- (d) the limit for any *one claim*.

## Motor dealers basis of settlement

The *insured vehicle* definition also includes:

Stock of motor vehicles sold or supplied by *you* in the ordinary course of *your* business that *you* own or hold on trust or on commission and for which *you* are legally liable and which are not otherwise insured. The basis of settlement clause for *market value/sum* insured is deleted for these vehicles and replaced by:

We will pay the lesser of the *market value* of the *insured vehicle*, or the sum insured shown on the *schedule*, or the actual purchase price of the *insured vehicle* and any subsequent reconditioning or upgrade costs expended.

## Third party cover

When shown on the *schedule* in respect of a particular motor vehicle that third party only wording applies:

1. Part 1 is limited to *loss* to the *insured vehicle* as a result of an *accident* caused by an uninsured third party. Cover will only apply if we are satisfied that:
  - (a) the driver of the *insured vehicle* was completely free of blame;
  - (b) the identity of the third party who caused the damage is established; and
  - (c) the third party had no valid insurance.

*Our* liability is limited to the *market value* of the *insured vehicle* or \$5,000 whichever is the less.

2. Part 2 applies and the *excesses*, including under age, shown on the *schedule* apply to Part 2.

# Optional extensions

## continued

### Third party fire and theft cover

When shown on the *schedule* in respect of a particular motor vehicle that third party fire and theft wording applies:

1. Part 1 is limited to *loss* to the *insured vehicle*:
  - (a) by fire, lightning, explosion, theft or illegal conversion; or
  - (b) as a result of an *accident* caused by an uninsured third party.

Cover for 1. (b) will only apply if we are satisfied that:

- (i) the driver of the *insured vehicle* was completely free of blame;
- (ii) the identity of the third party who caused the damage is established; and
- (iii) the third party had no valid insurance.

Our liability is limited:

1. (a) to the lesser of the *market value* of the *insured vehicle* or the sum insured;
  - (b) to the lesser of the *market value* of the *insured vehicle* or \$5,000.
2. Part 2 applies and the *excesses*, including under age, shown on the *schedule* apply to Part 2.

### Burning cost premium adjustment

The premium payable will be adjusted at the end of each *period of insurance* on the basis of losses incurred during the *period of insurance*, being the

total amount of claims paid net of actual and estimated recoveries plus reasonable estimates of outstanding claim amounts yet to be paid including all fees.

#### (a) Deposit premium

At the beginning of each *period of insurance* you will provide us with a list of all vehicles to be insured and their current values. A deposit premium will be calculated on these values. This deposit may be increased or reduced during the *period of insurance* by operation of the additions and deletions extension.

#### (b) Adjustment premium

At the end of each *period of insurance* the deposit premium will be adjusted by dividing the losses incurred by xx%. If the adjusted premium is more than the deposit premium including any additions and deletions you will pay us the difference up to a maximum amount of yy% of the deposit premium. If the adjusted premium is less than the deposit premium we will refund the difference to you up to a maximum refund of zz% of the deposit premium.

xx = Deposit % (as shown on the *schedule*)

yy = Max % (as shown on the *schedule*)

zz = Min % (as shown on the *schedule*)

### Profit commission

Subject to the policy being renewed for a further 12-month period with us a profit commission will be deducted from the following renewal premium on the basis of:

1. at the end of a 12-month *period of insurance* the premium will be totalled together with claims settled and appraised outstanding claims and the loss ratio calculated by comparing the net premiums (i.e. gross premiums charged less return premiums, and less commissions if applicable) to the total claims paid and outstanding;
2. profit commission will be calculated on the difference between claims paid and outstanding and net premiums received on the following basis:
  - (a) if the loss ratio is 40% or less = 20% profit commission
  - (b) if the loss ratio is between 41% and 50% = 15% profit commission
  - (c) if the loss ratio is between 51% and 60% = 10% profit commission
  - (d) if the loss ratio is over 60% = nil

# Exclusions

## Applicable to Part 1

Refer also to the general exclusions of this policy.

There is no cover under Part 1 for:

### 1. Breakdown

any inability to operate, breakage, breakdown or failure of the engine, transmission, mechanical, electrical, alarm or electronic systems or any loss that their failure may cause to the rest of these systems unless the loss is caused by collision or impact damage, earthquake, fire, flood, lightning, a malicious act, overturning of your vehicle, theft or illegal conversion, or volcanic eruption.

### 2. Damage to tyres

damage to tyres by application of brakes or by punctures, cuts or bursts.

### 3. Defect in design

loss arising from failure of, or defect or fault in, the design, specifications or materials incorporated into the insured vehicle.

### 4. Deliberate damage by you

if the insured vehicle is deliberately damaged by any person with a financial or ownership interest in the insured vehicle or in your business.

### 5. Entanglement

loss to any insured vehicle that is an agricultural implement or machine arising from ingestion or entry of any foreign body or object into that insured vehicle.

### 6. Other costs and damage

- (a) loss of use,
- (b) depreciation,
- (c) wear and tear, corrosion, gradual deterioration, rust, rot, mould,
- (d) existing defects or damage,
- (e) damage caused by action of light.

### 7. Theft by purchaser

loss arising from theft or illegal conversion by a purported or prospective purchaser or non-return by a hirer or borrower.

## Applicable to Part 2

There is no cover under Part 2 for liability:

### 8. Bringing of a load

in connection with the bringing of a load to the insured vehicle or taking away the load from it.

### 9. Death of a driver

in respect of the death or injury to any person who, at the time of the loss, was in charge of the insured vehicle.

### 10. Exemplary damages

in respect of any punitive or exemplary damages.

### 11. Fine and penalties

in respect of any fine, penalty or order for reparation.

### 12. Not being used as a vehicle

directly or indirectly caused while any insured vehicle or any component on the insured vehicle is being used or

operated as a tool of trade or item of mechanically propelled plant or item of machinery and not being used or operated solely as a vehicle.

### 13. Property in care, custody or control

in connection with property that belongs to you or is in your care, custody or control.

### 14. Weight

in respect of any property (including any road) arising from vibration caused by the insured vehicle, or the weight of the insured vehicle including the weight of the load carried by the insured vehicle.

## Applicable to Part 1 and Part 2

There is no cover under either Part 1 or Part 2 (except that exclusions 16, 17, 18, 20, 22 and 23 below will not apply when the insured vehicle has been stolen or illegally converted):

### 15. Accident insurance Act

for any costs that are recoverable (including by the victim of an offence) under the provisions of the Accident Compensation Act 2001 (or any replacement Act) and any subsequent amendments, or would be recoverable but for:



# Exclusions

## continued

1. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or to claim any amount he or she would be entitled to under the Act for any other reason whatsoever; or
2. the decision of any authority including the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part for any reason whatsoever.

### 16. Breath test refusal

if the *insured vehicle* is being used or driven by any person who following the *loss* fails to stop or leaves the scene of the *loss* when it is an offence to do so, or refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so.

### 17. Driving hours

if the *insured vehicle* is being driven in breach of the legal requirements relating to driving hours.

### 18. Excluded persons

if the *insured vehicle* is being used or driven by any person who:

- (a) does not have a licence that is in full force and effect to drive the *insured vehicle* at the time and place of the *loss*; or

(b) Is not complying with the conditions of their licence; or

(c) Is excluded from this policy cover.

### 19. Intentional or reckless acts

for *loss* or liability arising from any intentional or reckless act or omission.

### 20. Intoxicating liquor or drug

if the *insured vehicle* is being used or driven by any person who at the time of the *loss* giving rise to a claim under this policy is under the influence of intoxicating liquor or a drug or who has a proportion of alcohol in their blood or breath higher than that allowed under New Zealand road traffic law.

It will be assumed that the proportion of alcohol in the blood or breath at the time of the *loss* was no less than the proportion of alcohol in any subsequent blood sample or breath test carried out following the *loss*.

### 21. Liability by agreement

for any liability that attaches by virtue of an agreement unless such liability would have attached in the absence of such agreement.

### 22. Non-allowable use

if the *insured vehicle* is being used or driven:

- (a) other than in accordance with the description of use; or

(b) for hire or carrying of fare-paying passengers; or

(c) for motor sport events, demonstrations, hill climbs, pace-making, racing, tests, trials, or any similar or like activities whether organised or not; or

(d) being tested in preparation for any of the purposes in (c) above; or

(e) outside New Zealand.

### 23. Overloaded vehicle

if the *insured vehicle* is loaded or has been loaded in excess of the manufacturer's recommended specifications or loaded or operated contrary to *regulations* or statute.

### 24. Unsafe vehicle

if the *insured vehicle* is in an unsafe or damaged condition unless you:

- (a) can prove that such condition did not cause or contribute to the *loss*; or
- (b) can prove that you and the driver were unaware of such condition; and
- (c) had taken all reasonable steps to maintain the *insured vehicle* in a safe condition.



# General conditions

These general conditions apply to this policy.

## 1. Breach of condition

If *you* or any *insured* under this policy breaches any condition in this policy all benefits under this policy will be forfeited. Nothing in this policy affects *our* common law rights, including *our* right to avoid the policy for nondisclosure.

## 2. Cancellation by us

We may cancel this policy at any time by sending a letter, facsimile or e-mail to *you* at *your* last postal address, facsimile number or e-mail address on *our* records. The cancellation will take effect at 4pm on the 14th day after the letter facsimile or e-mail has been sent. In the event of such cancellation we will refund to *you* a pro rata proportion of the premium (subject to any adjustment required by the terms of this policy).

## 3. Cancellation by you

*You* may cancel this policy at any time, and with immediate effect, by written notice delivered to *us* or by facsimile transmission or e-mail. In the event of such cancellation, we will be entitled to a pro rata proportion of the premium (subject to any adjustment required by the terms of this policy) for the time during which the policy has been in force.

## 4. Care of motor vehicle

*You* must take all reasonable steps to prevent *loss* and maintain the *insured vehicle* in good repair. We will always have the right to examine the *insured vehicle*.

## 5. Correctness of statements and fraud

All statements made by *you* or on *your* behalf either in the application or otherwise in support of this policy or any claim must be correct in all respects. If any claim under this policy is supported by any incorrect information or statement or is in any respect fraudulent, then *your* claim is not payable and this entire policy automatically terminates from the date that the incorrect statement or fraudulent claim was made to *us*.

## 6. Goods and services tax

Provided that goods and services tax (GST) is recoverable by *us*, the sum or sums insured by this policy are exclusive of GST to the extent that, in the event of a claim, we will pay a maximum of the sum insured plus additional GST to a maximum of the current rate of GST applied to that sum insured.

## 7. Governing law

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

## 8. Headings

Where headings or margin references are used in this policy they are purely descriptive in nature and are not to be used for interpretative purposes.

## 9. Instalment premiums

Where we have agreed to accept payment of premium by instalments:

- (a) in the event of a claim being made against the policy we reserve the right to require immediate payment of the balance of any annual premium; and
- (b) all benefits under this policy will be forfeited from the date the first unpaid instalment was due and *your* policy automatically cancelled if any premium instalment remains unpaid for 28 days.

Where any instalment is overdue but the policy has not been cancelled, all benefits under this policy will be suspended from the date the first unpaid instalment was due until the date we receive all the overdue premiums.

## 10. Joint insurance

If there is more than one *insured* named on the *schedule* this policy insures the *insureds* jointly. This means that if one of *you* does or fails to do anything so that there is no cover there will be no cover for any of *you*, not just the person or entity responsible.

# General conditions

## continued

### 11. Modifications

You must tell us of any modifications that have been made to the manufacturer's standard specifications for the *insured vehicle*.

### 12. Observance of terms and conditions

The due observance and fulfilment of the terms and conditions of this policy by you in so far as they relate to anything to be done or complied with by you, and the correctness of any statements made to us (whether made by you or not), are conditions precedent to any liability we may have to provide any indemnity under this policy.

### 13. Other insurance

If, at the time of any claim arising under this policy, there is any other valid and collectable insurance covering all or part of the same *loss* or liability this policy will apply only to the amount of any *loss* or liability in excess of that recoverable under the other insurance.

### 14. Other interested parties

If the *insured vehicle* is financially encumbered and the interested party is named on the *schedule* the proceeds of any valid claim will be payable to each such interested party in the order of their legal priorities and their receipt will be sufficient discharge, provided *our* total liability will be limited to such amount as would have been payable to you in the absence of this condition. Any interested party is not an *insured* under the policy and has no right to claim under the policy.

### 15. Sanctions

This policy will not provide cover, nor will we be liable to pay any claim or provide any benefit hereunder, to the extent that the provision of such cover, payment of such claim or provision of such benefit is prohibited by any sanction, prohibition or restriction under the laws or regulations of any jurisdiction applicable to us or our parent company or its ultimate controlling entity.

### 16. Sums insured

It is a condition of this policy that you will declare as the sum insured shown on the *schedule* the current *market value* of each *insured vehicle*. Values such as book value, depreciated cost, written down value and residual value will not be sufficient to comply with this condition.

### 17. Terms, exclusions and conditions

"The Indemnity" in this policy is subject to all the terms, exclusions and conditions of that part and all the general obligations, general conditions and general exclusions of this policy.

# General exclusions

These are the general exclusions that apply to all parts of this policy. In addition, there are also specific exclusions set out elsewhere.

There is no cover under this policy for any claim, *loss*, damage, liability, death, disablement, injury, *illness*, or any other form of cover otherwise available under this policy resulting from or directly or indirectly caused by or arising in connection with:

## 1. Confiscation

confiscation, requisition, destruction of, or damage to property by order of any Government or Local Authority unless it is to prevent or control *loss* or damage that would otherwise have been covered by this policy.

## 2. Electronic data

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *electronic data*;
- (b) error in creating, amending, entering, deleting or using *electronic data*;
- (c) total or partial inability or failure to receive, send, access or use *electronic data* for any time or at all;
- (d) communication, display, distribution or publication of *electronic data* but not where this causes *bodily injury* if otherwise covered by this policy but for this exclusion;

regardless of any other contributing cause or event whenever it may occur.

## 3. Radioactivity

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

## 4. Terrorism

any *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*, disablement, cost or expense or action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

## 5. Unlawful to insure

any act, event or occurrence deemed to be unlawful to insure against.

## 6. War

war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, military rising, mutiny, rebellion, revolution, insurrection, military or usurped power.

# General obligations

These are the general obligations that apply to this policy.

There are also specific obligations and conditions set out elsewhere.

You must comply with all the obligations and conditions of this policy. If you do not, in some instances your claim will not be paid.

Some parts of this policy may cover other people or companies or entities as well as you. To gain the benefit of any cover under this policy they must meet all the same conditions and obligations you are required to meet.

## To disclose material information

You must advise us of all *material information* before inception of the policy and before each renewal or variation of the policy. Failure to do so entitles us to avoid the policy.

## If circumstances change

1. You must *notify us* immediately of any change in circumstances that has happened after the start of this policy or that you know is going to happen and which may increase:

- (a) the amount of the risk; or
- (b) the risk of *loss*, damage, liability; or
- (c) the risk of insuring you.

2. If you do *notify us* of a change we may alter the premium and/or the terms of this contract.

3. If you do not comply with this obligation any *loss*, damage or liability that happens after the date of the change in circumstance may not then be *insured* and we may not continue to insure you.

## To provide accurate information

You must make sure all statements made to us are in every respect correct and complete.

## To avoid loss, damage or liability

If you are insured with us then you must take all reasonable care at all times to:

- (a) make sure all property covered by this insurance is kept safe and protected from possible *loss* or damage;
- (b) avoid any *loss*, damage or injury for which you could be held legally liable.

You must not intentionally or recklessly cause *loss* or damage to any property covered by this policy or for which you could be held legally liable.

You must not allow anyone else to cause *loss*, or damage, or do anything for which you could be held legally liable.

You must comply with all legal requirements imposed by any government or public authority for the safety of people or property.

You must comply at your expense with all reasonable recommendations we give you to prevent *loss* or damage to your property you have *insured* or to prevent *loss* or damage for which you could be held legally liable.

# What you need to know about making a claim

You must:

- (a) obtain *our* approval before proceeding with repairs;
- (b) make the *insured vehicle* available for inspection by us;
- (c) be responsible for the payment of the *excess* to us or to the repairer unless we are deducting it from any claim settlement to you;
- (d) not incur any expense or negotiate, pay, settle, repudiate or admit responsibility for any *loss*, damage or liability without *our* written consent.
- (e) *notify us* immediately if you or any other person entitled to cover under this policy for *reparation* is charged with any offence in connection with the use of the *insured vehicle* or any other vehicle which has resulted in *loss* or damage to physical property or death or *bodily injury* to another person; and
- (f) not make any offer of *reparation* (including as part of any case management conference or sentencing hearing), without *our* written approval.

We will be entitled at *our* expense and in *your* name to take any proceedings necessary to obtain relief from any other party, and to take over and conduct the defence and settlement of any claim against you or anyone else we insure under this policy

for *damages*. You must provide all reasonable assistance and co-operation.

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

If the *insured vehicle* is mortgaged or secured by any other financial agreement we may make payment for any *loss* direct to the interested party. This will meet *our* obligations under this policy.

If we make any payment in respect of the total loss (or constructive total loss) of any *insured vehicle*, the cover granted by this policy on such *insured 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 *insured vehicle*. The *insured vehicle* then becomes *our* property.

If a claim is made for total loss following theft of the *insured vehicle* we may consider allowing time for the stolen vehicle to be recovered and elect not to consider settling your claim until the expiry of a period of 30 days from the date of reporting the *loss* to us.

## If you wish to make a claim on this policy

You must:

- (a) give us free access to examine and assess any *loss*, damage or liability;
- (b) provide any other information or assistance we reasonably request in relation to your claim;
- (c) forward any letter of demand or court documents to us immediately;
- (d) if we request it provide a statutory declaration to verify the *loss*, damage or liability;
- (e) if we request it attend interviews with any person we nominate; and
- (f) if we request fully complete *our* claim form as soon as practical.

## After you have made a claim

After you have made a claim on this policy we have the sole right to act in your name and on your behalf to negotiate, defend or settle any action against you. If we do this it will be at *our* expense, except in relation to any *excess* that applies.

# What you need to know about making a claim

## continued

### After your claim is accepted

After we have paid a claim or accepted liability for a claim on this policy either in whole or in part we have the right to take over in full any legal right of recovery or indemnity that you have. If we do this we may exercise these rights for our own benefit at our own expense and you must co-operate with us in all respects to allow us to do anything reasonably necessary to enforce that right. If you do not co-operate with us you must repay any amounts we have paid to you or any other party in respect of your claim.

You must not voluntarily and knowingly release any third party from liability arising from loss or damage insured by this policy unless first declared to and accepted by us.

If any lost or stolen property for which we have paid a claim is later found or recovered you must:

- (a) tell us immediately; and
- (b) if we request, hand the property over to us.

We have the right to keep any property, including any proceeds from its sale, for which we have paid a claim under this policy subject to adjustment if you have not been fully indemnified for your loss.

If any person is ordered to make or otherwise makes *reparation* to you for loss or damage to any property for which we have paid a claim under this policy you must reimburse us for that payment as soon as any *reparation* is made, subject to adjustment if you have not been fully indemnified.

### If you don't agree with our claim decision

If you do not agree with our decision on your claim then you should ring your adviser, your agent, your broker or our branch office. If you are still not satisfied and believe our decision is incorrect you can ring our Head Office on 0800 808 508 or write to us at Private Bag 92 120, Auckland.

# Privacy Act and the Insurance Claims Register

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The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to *you* conditional upon *you* authorising *us* to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect.

*You* also authorise *us* to obtain from ICR Ltd personal information about *you* that is (in *our* view) relevant to this policy or any claim made against it. *You* have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

# Definitions

Whenever the following words are used in *italics* in this policy this is what they mean:

## Accident

an unforeseen and unintended happening or event occurring anywhere within New Zealand. Accidental refers to accident as defined.

## Agreed value

the value of the *insured vehicle you* and *we* have agreed at the time of insuring or at any renewal. This agreed value will be inclusive of GST.

## Act of terrorism

an act including but not limited to the use of force or violence and/or the threat of that, including the intention to influence any government or to put in fear the public or any section of the public which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons 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).

## Bodily injury

bodily injury, disability, disease, *illness*, shock, fright, mental anguish and mental injury.

## Damages

amounts payable in accordance with judgement against *you* and/or settlements negotiated by *us*, including the other party's costs where applicable, and includes interest on any judgement that accrues after entry of the judgement and before we have paid, tendered or deposited in court that part of the judgement that does not exceed the appropriate limit of liability, limit of indemnity or sum insured shown in the *schedule*.

Damages do not include fines, penalties, *reparation*, or any other form of criminal sanction, non-pecuniary relief, taxes or any payment deemed to be unlawful to insure against.

## Defence costs

all reasonable legal costs and expenses for expert assistance (other than *your* wages, salaries, lost earnings or fees) incurred by *you* or on *your* behalf with *our* consent which will not be unreasonably withheld in defending, investigating, monitoring, settling, or appealing any claim made against *you*.

## Electronic data

facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

## Excess

the first amount of any claim that *you* must pay.

Where a single event causes liability, *loss* or damage to property or items under more than one policy or extension of this policy only one excess will apply.

The amount of the excess will be the highest excess of any excess applied by any policy or extensions.

## Illness

illness, sickness, disease or debilitating or degenerative condition that is not an injury.



# Definitions

## continued

### Insured

the insured named on the *schedule*, the entity named on the *schedule*, or any subsidiary company of either domiciled in New Zealand.

The insured also includes any driver authorised by the insured named on the *schedule* to drive the *insured vehicle* at the time and place of an *accident* and any other person claiming a benefit under this policy.

### Insured vehicle

any vehicle shown on the *schedule* or acquired and advised in accordance with the additions and deletions extension including all accessories, spare parts and load securing equipment while thereon. Mobile telephones are not regarded as accessories unless permanently fitted to the *insured vehicle*.

### Loss

sudden physical loss, damage or destruction as a result of an *accident*.

### Market value

the reasonable retail value, or value at which the same item can be purchased, of the *insured vehicle* or any other insured property immediately prior to the *loss*.

### Material information

any information which might influence the decision we make as to whether or not to provide insurance or to continue to provide insurance and if so on what terms and at what premium.

### Notify/notified to us

notify/notified in writing to us.

### One claim

all claims or series of claims as a result of or attributable to one source or original cause.

### Our

Vero Insurance New Zealand Limited.

### Period of insurance

the period shown on the *schedule* commencing on the 'From' date and expiring at 4.00pm on the 'To' date.

### Regulations

any Act of Parliament or regulations made under or framed in accordance with any Act of parliament or regulation or by-law of any local authority.

### Reparation

An amount ordered by a New Zealand court under section 32 of the Sentencing Act 2002 or any subsequent amendment to be paid to the victim of an offence. Reparation does not include:

- a. *damages*, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against; or
- b. *your defence costs* in relation to an offence.

### Schedule

the most recently dated schedule issued by us. This includes any schedule that is issued at inception or any Expiry Notice or Endorsement Notice issued to renew or endorse this policy.

### Us, we

Vero Insurance New Zealand Limited.

### You, your

the *insured* named on the *schedule*.

If you need to make a claim, or have a claim enquiry, contact your Broker or Adviser, or call us.

The Vero Claims Centre is available seven days a week, 24 hours a day on 0800 800 134.

For general enquiries call us on 0800 808 508 or email us at [contact@vero.co.nz](mailto:contact@vero.co.nz)

**Vero Insurance NZ Ltd**

Private Bag 92120  
Auckland 1142  
New Zealand  
[vero.co.nz](http://vero.co.nz)