

Update to your Vero Broadform Liability policy

As a result of a change brought by the Sentencing Amendment Act 2014, we would like to bring to your attention an update to our Broadform Liability section of our Businessplan policy wording.

Background

Before December 2014 (when the Sentencing Amendment Act 2014 came into force), a victim injured in an accident caused by someone else could only be compensated by what they were entitled under the Accident Compensation Act 2001. This would leave victims out of pocket due to the limited amounts given by ACC. The change brought by the amendment in the Sentencing Act means that a court may now order the wrongdoer to compensate victims of bodily injury for their financial losses over and above what ACC covers by way of reparation. This doesn't replace ACC but provides a 'top up' where ordered by a court. The court can order reparation for bodily injury only during the sentencing of someone who has been convicted of an offence.

Changes to your policy

Because of these changes, we have updated the **Broadform Liability** section of our Businessplan policy wording. The cover is called Reparation. It applies where as a result of an accident, you are convicted of a criminal offence and sentenced to pay compensation to the victim by way of a reparation order for:

- accidental bodily injury
- accidental property damage.

Defence costs are not covered for criminal proceedings. Also, the liability must be the result of an accidental or careless act, as there is no cover for liability resulting from reckless or intentional acts. You should also note that the cover for reparation does not apply to prosecutions under health and safety legislation.

Otherwise the Broadform Liability section of our Businessplan policy wording continues to provide you with the cover for your liability to pay compensation in a civil claim for accidental property damage to someone else's property or accidental bodily injury including emotional harm, and as before includes your defence costs.

There are some conditions to be met for this cover to apply so it's important you read the updated wording below and if you have any questions, please contact your broker, adviser or your nearest Vero branch.

If you make a claim in any way under this update, the whole claim will be treated as if the update is part of your insurance policy.

Please keep this document in a safe place with your policy document.

SECTION	CURRENT	UPDATE
<p>Automatic Extension</p>	<p>New</p>	<p>Reparation</p> <p>Notwithstanding exclusion 6 of this broadform liability section, we will cover you for your legal liability to pay an award of <i>reparation</i> in respect of <i>personal injury</i> or <i>damage to property</i> happening within the <i>geographical limits</i> during the <i>period of insurance</i> as a result of an <i>occurrence</i> in connection with the <i>business</i>.</p> <p>Provided that:</p> <p>(a) you <i>notify us</i> immediately if you or any other person entitled to cover under this broadform liability section for liability to pay reparation is charged with any offence in connection with the business which has resulted in <i>personal injury</i> to another person or <i>damage to property</i>;</p> <p>(b) you do not make any offer of <i>reparation</i> (including as part of any case management conference or sentencing hearing) without <i>our</i> written approval.</p> <p>Our liability for Sentencing Act Reparation claims will not exceed the limit of indemnity shown in the <i>schedule</i> or \$10,000,000, whichever is the lesser, irrespective of the number of parties entitled to indemnity under this policy.</p> <p>Cover for <i>defence</i> costs does not apply to a claim under this extension. We will not pay <i>defence</i> costs in relation to an offence or where your liability is to pay <i>reparation</i>.</p> <p>This extension does not cover <i>reparation</i> arising from prosecution of an offence under the Health and Safety in Employment Act 2015 (or any replacement Act) and any subsequent amendments.</p>
<p>Exclusions</p> <p>Continued...</p>	<p>5. Employees and IPRC Act</p> <p>To or of:</p> <p>(a) any <i>employee</i> other than (b) and (c) of the <i>employee</i> definition; or</p> <p>(b) any person where the <i>injury</i> falls within the scope of cover provided by the Injury Prevention, Rehabilitation and Compensation Act 2001 (or any replacement Act) and any subsequent amendments or any liability imposed by the provisions of any workers compensation legislation or any accident compensation legislation or any industrial award or agreement or determination.</p>	<p>5. Employees and Accident Compensation Act</p> <p>To or of:</p> <p>(a) any <i>employee</i> other than (b) and (c) of the <i>employee</i> definition; or</p> <p>(b) any person where the <i>personal injury</i> falls within the scope of cover provided by the Accident Compensation Act 2001 (or any replacement Act) and any subsequent amendments or any liability imposed by the provisions of any workers compensation legislation or any accident compensation legislation or any industrial award or agreement or determination, or would fall within the scope of cover but for:</p> <ol style="list-style-type: none"> 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

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		<p>would be entitled to under the Act for any other reason whatsoever; or</p> <p>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.</p>
Exclusions	<p>6. Fines and penalties</p> <p>In respect of any fines, penalties, reparation, exemplary, aggravated or liquidated <i>damages</i>.</p>	<p>6. Fines and penalties</p> <p>In respect of any fines, penalties, <i>reparation</i>, exemplary, aggravated or liquidated damages.</p>
Exclusions	<p>New</p>	<p>8. Intentional or Reckless Acts</p> <p>Arising directly or indirectly from any intentional or reckless act or omission.</p>
General Definition	<p>Damages</p> <p>amounts payable in accordance with judgement against <i>you</i> and/or settlements negotiated by <i>us</i>, 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 <i>schedule</i>.</p> <p>Damages do not include fines, penalties, or any other form of criminal sanction, non-pecuniary relief, taxes or any payment deemed to be unlawful to insure against.</p>	<p>Damages</p> <p>amounts payable in accordance with judgement against <i>you</i> and/or settlements negotiated by <i>us</i>, 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 <i>schedule</i>.</p> <p>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.</p>
General Definition	<p>New</p>	<p>Reparation</p> <p>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:</p> <ul style="list-style-type: none"> a) <i>damages</i>, 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) <i>your defence costs</i> in relation to an offence.