

Update to your Vero Commercial Motor Vehicle Fleet 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 Commercial Motor Vehicle Fleet 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. Due to limits on how much compensation ACC can pay, this would leave some victims out of pocket. The change brought about by the amendment in the Sentencing Act means that a court may now order the wrongdoer to compensate victims of bodily injury for loss of income or treatment costs over and above what ACC covers. 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 our **Commercial Motor Vehicle Fleet** policy wording. The cover is called Reparation. It applies where as a result of an accident in a vehicle, 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 claim must be the result of an accidental or careless act, as there is no cover for liability resulting from reckless or intentional acts such as dangerous driving. You should also note that the cover for reparation does not apply to prosecutions under health and safety legislation.

Otherwise the Commercial Fleet Vehicle 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 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
Automatic Extension in Part 2 – Reparation	New	<p>34.Reparation</p> <p>Notwithstanding exclusion 11, we will cover <i>you</i> against legal liability to pay an award of <i>reparation</i> in respect of death, <i>bodily injury</i>, or <i>loss</i> or <i>damage</i> to physical property happening during the <i>period of insurance</i> as a result of an <i>accident</i> caused by or in connection with any <i>insured vehicle</i>, including while it is being loaded or unloaded.</p> <p>Amounts payable under this extension are included in, and not additional to, the limits of <i>our</i> liability shown on the <i>schedule</i> for liability to third parties for death or <i>bodily injury</i>, or <i>loss</i> or <i>damage</i> to physical property, in respect of any <i>one claim</i> or claims arising directly or indirectly from any one <i>loss</i>.</p> <p><i>Our</i> liability for Sentencing Act Reparation claims is limited to the limit of indemnity shown on the <i>schedule</i> or \$10,000,000, whichever is the lesser.</p> <p>Cover for <i>defence costs</i> does not apply to a claim under this extension. <i>We</i> will not pay <i>defence costs</i> in relation to an offence or where <i>your</i> 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>
Exclusions applicable to part 1 and part 2	<p>14. Accident Insurance Act</p> <p>in respect of any costs that are recoverable under the provisions of the Injury Prevention, Rehabilitation, and Compensation Act 2001 (or any replacement Act) and any subsequent amendments.</p>	<p>14. Accident Insurance Act</p> <p>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:</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 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.
Exclusions applicable to part 1 and part 2	<p>16. Deliberate damage by you</p> <p>if the <i>insured vehicle</i> is deliberately damaged by any person with a financial or ownership interest in the <i>insured vehicle</i> or in <i>your</i> business.</p>	<p>This exclusion has now been moved to Section 1 of the policy only.</p>

SECTION	CURRENT	UPDATE
<p>Exclusions applicable to part 1 and part 2</p>	<p>New exclusion</p>	<p>19. Intentional or reckless acts for <i>loss</i> or liability arising from any intentional or reckless act or omission.</p>
<p>What you need to know about making a claim</p>	<p>What you need to know about making a claim</p> <p>You must:</p> <ul style="list-style-type: none"> (a) obtain <i>our</i> approval before proceeding with repairs; (b) make the <i>insured vehicle</i> available for inspection by <i>us</i>; (c) be responsible for the payment of the excess to <i>us</i> or the repairer unless we are deducting it from any claim settlement to <i>you</i>; (d) not incur any expense or negotiate, pay, settle, admit or repudiate any claim without <i>our</i> written consent. <p>We will be entitled at <i>our</i> expense and in <i>your</i> 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. <i>You</i> must provide all reasonable assistance and co-operation.</p> <p>If the <i>insured vehicle</i> is mortgaged or secured by any other financial agreement we may make payment for any <i>loss</i> direct to the interested party. This will meet our obligations under this policy.</p> <p>If we make any payment in respect of the total loss (or constructive total loss) of any <i>insured vehicle</i>, the cover granted by this policy on such insured vehicle ceases entirely from the date of such <i>loss</i> and no premium will be refundable for the unexpired <i>period of insurance</i> in respect of that <i>insured vehicle</i>. The <i>insured vehicle</i> then becomes <i>our</i> property.</p> <p>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 <i>loss</i> to <i>us</i>.</p>	<p>What you need to know about making a claim</p> <p>For motor claims you must also:</p> <ul style="list-style-type: none"> (a) obtain <i>our</i> approval before proceeding with repairs; (b) make the <i>insured vehicle</i> available for inspection by <i>us</i>; (c) be responsible for the payment of the excess to the repairer; (d) not incur any expense or negotiate, pay, settle, repudiate or admit responsibility for any <i>loss</i>, <i>damage</i> or liability without <i>our</i> written consent. (e) <i>notify us</i> immediately if <i>you</i> or any other person entitled to cover under this policy for <i>reparation</i> is charged with any offence in connection with the use of the insured vehicle or any other vehicle which has resulted in <i>loss</i> or <i>damage</i> to physical property or death or <i>bodily injury</i> to another person; and (f) 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>We will be entitled at <i>our</i> expense and in <i>your</i> 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 <i>you</i> or anyone else we insure under this policy for <i>damages</i>. <i>You</i> must provide all reasonable assistance and co-operation.</p> <p>If any person is ordered to make <i>reparation</i> to <i>you</i> or anyone else we insure under this policy for <i>loss</i> or <i>damage</i> to any property for which we have paid a claim under this policy, then <i>you</i> must tell us. Any payments received must first reimburse <i>our</i> claims payment up to the amount of any <i>reparation</i> received.</p> <p>If the <i>insured vehicle</i> is mortgaged or secured by any other financial agreement we may make payment for any <i>loss</i> direct to the interested party. This will meet <i>our</i> obligations under this commercial motor vehicle fleet policy.</p> <p>If we make any payment in respect of the total loss (or constructive total loss) of any <i>insured vehicle</i>, the cover granted by this commercial motor section on such <i>insured vehicle</i> ceases entirely from the date of such <i>loss</i> and no premium will be refundable for the unexpired <i>period of insurance</i> in respect of that <i>insured vehicle</i>. The <i>insured vehicle</i> then becomes <i>our</i> property.</p>

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SECTION	CURRENT	UPDATE
		<p>If a claim is made for total loss following theft of the <i>insured vehicle</i> 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.</p>
<p>General Definition</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 <i>we</i> 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 on 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, <i>reparation</i>, or any other form of criminal sanction, non-pecuniary relief, taxes or any payment deemed to be unlawful to insure against.</p>
<p>New General Definition</p>	<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</i> costs in relation to an offence.