



Commercial Motor Vehicle Policy Wording

Contract of Insurance and Insurance Agreement

This Policy forms part of Your contract of insurance. Your contract of insurance consists of:

1. This Policy document; and
2. The Schedule which details the cover applying to You and which may be updated from time to time. The Schedule will include any changes to the standard cover described in this Policy; and
3. Your proposal or application form including any written or oral statements or documents made or supplied by You; and
4. Any endorsements added either by way of Schedule or otherwise.

Under this contract of insurance You, as the Insured party, agree to pay the premium(s) stated in the Schedule and Western Pacific Insurance Limited (WPIL) agrees to provide the insurance cover set out in this Policy and according to this contract of insurance.

Some terms used in this Policy have specific meanings. Where words begin with an upper case letter the meaning of those words or terms are set out in the definitions section of this Policy document.

Defined words include any plurals or other derivatives of those words or terms as the context requires.

Headings are used for reference only and are not part of the Policy for interpretation purposes.

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Section 1.

1. Loss or Damage to Insured Property

In consideration of the Insured named in the Schedule having paid or promised to pay the required premium, Western Pacific Insurance Limited (WPIL) agrees to indemnify the Insured and others as set out in this Policy in respect of Accidents occurring during the Period of Insurance.

WPIL will indemnify the Insured against Loss to any Insured Vehicle arising from an Accident occurring anywhere in New Zealand or whilst in transit between places in New Zealand.

Basis of Settlement

WPIL may at its option repair, reinstate or replace any lost or damaged Insured Vehicle or any part of it, or may pay the amount of the Loss. The payment will not exceed the reasonable Market Value of the Insured Vehicle at the time of the Loss or the Agreed Value of the Insured Vehicle declared to WPIL (if insured on this basis) or the Special Limits or Liability specified in the Schedule or any other limits specified in the Policy.

2. Lease Value

If as a result of Loss covered by this Policy any Insured Vehicle becomes a total or constructive total loss and the vehicle is leased, settlement in respect of cars, station wagons, utilities and vans only will be on the basis of Market Value or Lease Value at the time of its Loss, whichever is the greater at the time of Loss.

“Lease Value” means the residual value of the Insured Vehicle as determined under the terms of the lease agreement.

Provided that no settlement under this Extension will include any:

- a. Penalties for early termination; or
- b. Penalties for any additional distances travelled; or
- c. Unpaid out-standings; or
- d. Penalties resulting from lack of poor servicing or maintenance; or
- e. Balloon payments.

The liability of the Company is limited to 120% of the Market Value of the Insured Vehicle.

3. New Replacement Vehicle

If as a result of Loss covered by this Policy an Insured Vehicle, which is either a car, station wagon, utility, four wheel drive passenger jeep, or van or other vehicle weighing 3500 kilograms gross laden weight or less, becomes a total or constructive total Loss within 12 months of the original (first) registration or purchase date when new, WPIL will replace the Insured Vehicle with a new vehicle of similar kind, make and model of currently available in New Zealand together with similar Accessories, tools and spare parts, or if such a replacement is not available in New Zealand will reimburse the Insured's actual price paid for the Insured Vehicle.

4. No Claims Bonus and Deductible Protection

The Insured's no claims bonus (if applicable to the rating of an Insured Vehicle) will not be penalised nor will any Deductible be applied in respect of loss or damage caused by an at fault third party, notwithstanding the Insured is unable to make a recovery from the third party, provided that:

- a. The identity of the third party vehicle and driver is established; and
- b. The insured is not at fault.

Automatic Extensions to Section 1

1. Breakage of Windscreens, Windows and Sunroofs

WPIL will indemnify the Insured for Loss to windscreens, windows, sunroofs, including any heat reflecting or tinting or security material or process on them, and scratching or damage to bodywork resulting solely from such breakage, free of any Deductible and without the Loss of the Insured's no claims bonus, provided there is no other Loss to the Insured Vehicle being claimed for.



2. Claim Preparation Costs

WPIL will indemnify the Insured, free of any Deductible, for any costs and expenses reasonably incurred for the purpose of assessing, preparing, presenting, negotiating, certifying and/or justifying any claim made under this Policy, provided a claim is accepted under Section 1. of this Policy.

Salaries, wages, overheads and other expenses of the Insured's employees and consultants shall be deemed to be part of such costs and expenses.

The liability of the Company is limited to the amount specified in the Schedule any one Accident.

3. Damage to Tyres

Notwithstanding Exclusion 2 (d) to Section 1. the Company will indemnify the Insured, free of any Deductible, for Loss to any tyres (including inner tubes) fitted to any Insured Vehicle, provided that:

- a. The vehicle is not used principally for the transport of people or property by road; or
 - b. The Loss is not caused by wear and tear; or
 - c. Indemnity for the Loss is not included in any other indemnity payable under this Policy; or
 - d. The liability of the Company; and
- Will not exceed the replacement cost of each damaged tyre, less a reasonable deduction for use of the tyre up to the time of its damage; and
 - Is limited to the amount specified in the Schedule any one tyre.

WPIL may, at its option, indemnify the Insured by payment or by repair or replacement of any damaged tyre.

4. Expediting Costs

Where a claim is payable under Section 1 of this Policy, WPIL will indemnify the Insured for additional costs of express freight, air freight, overtime labour, penalty labour, additional labour, hire of plant and equipment and the purchasing of resources reasonably incurred to expedite repairs, reinstatement or replacement.

5. Goods in Transit

WPIL will indemnify the Insured for Loss to property owned by the Insured or held by them jointly or in trust or for which they are responsible or have assumed responsibility (excluding property carried for payment or reward, but not excluding any charge or payment made solely to cover the normal running costs of the conveying vehicle), whilst in the course of loading, unloading and whilst in transit in or on any Insured Vehicle caused by fire, or theft of the entire vehicle, or collision or impact of the Insured Vehicle with any object, or overturning of the Insured Vehicle, provided that:

- a. The liability of WPIL is limited to the amount specified in the Schedule any one Accident; and/or
- b. The Deductible specified in the Schedule will be deducted from any amount payable under this Extension.

6. Hire of Alternative Vehicle Following Theft

If any Insured Vehicle is stolen in its entirety and a claim is accepted under this Policy, the Company will indemnify the Insured for the cost of hiring a substitute vehicle of similar make and model during the period the Insured Vehicle is unavailable, provided that the indemnity provided by the Company will:

- a. Cease on the date the Insured Vehicle is recovered (or upon the completion of the repairs to the Insured Vehicle if it is recovered damaged) or replaced or when the Insured is paid a total loss settlement by the Company; and/or
- b. Not exceed the Daily Limit or the Maximum Limit any one claim specified in the Schedule; and/or
- c. The insured must pay the hire charges for the Deductible Period specified in the Schedule, as well as the normal costs of running the hired vehicle.

7. Hoist Damage

Notwithstanding Exclusion 2 (b) to Section 1 WPIL will indemnify the Insured under Section 1 of this Policy for mechanical failure, breakdown or breakage of any hydraulic hoist or ram attached to any Insured Vehicle provided that:

- a. The mechanical failure, breakdown or breakage is not as a result of wear and tear; and/or
- b. The liability of WPIL is limited to the amount specified in the Schedule (any one Accident); and/or



- c. The Deductible specified in the Schedule will be deducted from any amount payable under this Extension.

8. Modifications Following Permanent Disability

If the Insured, or any of the Insured's directors, partners, executive officers, consultants, employees or elected members or officials become permanently disabled as a direct result of bodily injury arising from an Accident to an Insured Vehicle, WPIL will pay, free of any Deductible, the costs of any modifications to a vehicle necessary and reasonably incurred to accommodate such disability, provided that:

1. A claim is accepted under Section A. of this Policy; or
2. The liability of WPIL to \$5,000 any one Accident.
3. If more than one person becomes entitled to payment under this Extension as a result of one single Accident, the amount payable will be divided proportionally between them, based on the total cost of their individual modifications.
4. No payment will be made under this Extension until any other insurance (including cover provided by the Injury Prevention Rehabilitation and Compensation Act) covering these costs is exhausted.

9. Other Interested Parties

If there is any debenture holder, hire purchase company, conditional purchaser or other party with a financial interest in any Insured Vehicle which has been notified to WPIL, then WPIL will indemnify the Insured and/or such interested parties in terms of this Policy for their respective rights and interests and the proceeds of any claim under Section A. will be payable to such interested parties in the order of their priorities and their receipt will be sufficient discharge, provided that WPIL's total liability will be limited to such amount as would have been payable to the Insured in the absence of this Extension.

10. Protection, Salvage, Recovery and Disposal Costs

If any Insured Vehicle is disabled by reason of Loss covered by this Policy, the Insured must take prompt steps to ensure the safety of the Insured Vehicle. WPIL will pay the reasonable cost of taking those steps.

WPIL will also indemnify the Insured for:

- a. Any reasonable salvage, recovery, removal or disposal costs incurred as a consequence of Loss to the Insured Vehicle; and/or
- b. Any reasonable costs incurred in reducing or avoiding Loss.

The indemnity provided by this Extension is in addition to the indemnity provided for Loss to the Insured Vehicle. If the claim is subject to a Deductible, the Deductible will apply to the aggregate of the Loss, damage and costs arising from any one Accident or threat of Accident.

11. Rewards

This Policy extends to cover the cost of any reward paid by the Insured for the purpose of protecting or recovering or attempting to recover any of the Insured Property, provided the terms of such reward are agreed by WPIL prior to it being offered. WPIL will not unreasonably refuse its agreement to the terms of a reward payable under this Extension.

12. Road Clearing and Load Recover

In the event of an Accident resulting in Loss for which a claim is payable under this Policy, or in the event of emergency action being taken solely to avoid such an Accident, WPIL will indemnify the Insured for the reasonable costs of:

- a. Cleaning up and clearing away any debris and spillage resulting from the Accident or emergency action; or
- b. Recovering and reloading any load lost or fallen from an Insured Vehicle as a result of the Accident or emergency action; and
- c. If necessary as a result of the accident or emergency action, transferring the load carried on or lost or fallen from an Insured Vehicle to another vehicle and removing it to the nearest place of safety.

The indemnity provided by this Extension:

- a. Is in addition to the indemnity for Loss to the Insured Vehicle and is not subject to a separate Deductible; or
- b. Does not in any way limit the indemnity provided under Section 2. of this Policy.



The liability of WPIL is limited to the amount specified in the Schedule any one Accident.

13. **Transportation Costs**

Where as a direct result of Loss to an Insured Vehicle, the person in charge of the Insured Vehicle and any passengers travelling with them are prevented from completing their journey or returning in the Insured Vehicle to their home or the place where the vehicle is normally based, WPIL will indemnify:

- a. That person and any passenger for the cost of accommodation and travelling expenses reasonably incurred to complete their journey or return each one to their home or the place where their journey in that vehicle commenced; and
- b. The Insured for the reasonable cost of recovering and returning the Insured Vehicle to the place where it is normally based.

Provided that:

- a. A claim is accepted under Section A. of this Policy; or
- b. The person is in charge of the Insured Vehicle with the knowledge and consent of the Insured; or
- c. The indemnified costs will not include any costs that would have been incurred in the absence of Loss; or
- d. The liability of WPIL is limited to the amount specified in the Schedule any one Accident.

The indemnity provided by this Extension is in addition to the indemnity provided in respect of the Loss to the Insured Vehicle and is not subject to a separate Deductible.

Optional Extensions to Section 1

The following, **Optional Extensions to Section 1** will apply only when specified in the Schedule and/or in the written list of vehicles provided to WPIL by the Insured.

1. **Damage to Tracks**

Notwithstanding Exclusion 2 (b) to Section 1 WPIL will indemnify the Insured for loss (including mechanical failure, breakdown or breakage) to any tracks fitted to any Insured Vehicle, provided that:

- a. The vehicle is not used principally for the transport of people or property by road;
- b. The loss is not caused by wear and tear.

Indemnity for the damage is not included in any other indemnity payable under this Policy.

The liability of WPIL:

- i. Will not exceed the replacement cost of each damaged track, less a reasonable deduction for use of the track up to the time of its damage; or
- ii. Is limited to the amount specified in the Schedule any one track;

WPIL may, at its opinion, indemnify the Insured by payment or by repair or replacement of any damaged track.

2. **Ingestion / Entanglement**

Notwithstanding Exclusion 2 (e) to Section 1 WPIL will indemnify the Insured for Loss resulting from ingestion or entry of any foreign object into any agricultural implement or machine (eg. harvester), provided this occurs whilst the vehicle is being operated for the purpose for which it was designed.

3. **Loss of Use**

This Policy extends to cover the Insured where Loss prevents the Insured from using that Insured Vehicle, which is specified in the Schedule as being covered under this Extension, for the costs of hiring a substitute vehicle, reasonably and necessarily incurred by the Insured during the period of Cover set out below. Payment will be made based on the following:

- a. The Insured has suffered a Loss for which a claim is payable under Section 1 in excess of the Policy Deductible.
- b. The cover under this Extension is in addition to the cover for Loss.
- c. Period of cover:



- i. Compensation for the substitute vehicle will begin when the Insured Vehicle is delivered to the repairer to start the repairs or from the date of Accident if the Insured Vehicle was totally disabled or lost at that date.
 - ii. Compensation will cease when the repairs are completed and the Insured has taken delivery of the Insured Vehicle or has returned the substitute hire vehicle, whichever occurs first. In the case of total loss, compensation will cease from the date when the Insured receives payment for the total loss or has taken delivery of a replacement vehicle.
- d. The substitute vehicle is of similar specification to the Insured Vehicle.
 - e. No compensation will be paid if the Insured either has available a free replacement vehicle or purchased an additional or replacement vehicle unless negotiated separately with WPIL.
 - f. The repair or replacement of the Insured Vehicle is carried out with reasonable dispatch. Any delay beyond the reasonable control of the Insured will not be considered as a breach of this provision.
 - g. The liability of WPIL will not exceed the Daily Limit or the Maximum Limit any one claim specified in the Schedule.
 - h. The Insured must pay the hire charges for the Deductible Period specified in the Schedule, as well as costs charged by the hire company for insurance, petrol or the normal costs of running the substitute vehicle.

Exclusions to Section 1

1. Section 1 of this Policy does not cover:

- a. Any Deductible specified in the Schedule; or
- b. Loss of use or consequential losses of any kind (unless specifically covered herein); or
- c. Depreciation or loss of value.

2. Section 1 of this Policy does not cover Loss resulting from:

- a. Wear and tear, rust, corrosion, deterioration; or
- b. Mechanical, electrical or electronic breakdown, failure or breakages; or
- c. Loss or damage to any part or component of the engine, hydraulic or transmission systems resulting from Exceptions 2 (a) and (b) above. However resultant loss or damage to any other part or component of the Insured Vehicle is not excluded by this Exclusion; or
- d. Punctures, cuts, splits, or bursting of tyres or damage to tyres by application of brakes unless caused at the same time as other Loss covered by this Policy; or
- e. Ingestion or entry of any foreign object into any agricultural implement or machine (eg harvester); or
- f. Failure of, or defect or fault in the design or specification.

Provided that Exclusions 2 (a),(b), (d) and (f) apply only to, the property or part or component immediately affected and not resultant loss or damage to any other property or part or component.

Claims Conditions

If there is a claim under Section 1 the Insured;

- 1. Must take prompt steps to minimize and prevent further Loss; and
 - a. If the Insured Vehicle can be driven safely and without causing further Loss, take it to any repairer or otherwise have it towed to the nearest suitable repairer or tow-yard; and
 - b. As soon as possible notify WPIL and submit full particulars of the claim, as required by WPIL.

Note: Except for the replacement or repair of windscreens, windows or sunroofs, no repairs should be carried out until WPIL surveyor/assessor has examined the Insured Vehicle and approved any repair work, unless this requirement is specifically waived by WPIL prior to the commencement of the repair.

- c. Is responsible for the payment of the Deductible to the repairer.



Section 2

1. Third Party Liability

In the event of any Accident occurring anywhere in New Zealand or whilst in transit between places in New Zealand caused by or through or in connection with (including loading and unloading) any Insured Vehicle WPIL will indemnify the Insured for all sums which the Insured becomes legally liable to pay (including punitive, exemplary and aggravated damages) in respect of:

- a. Loss to property (including loss of use whether the property is physically lost or damaged or not).
- b. Loss to personal baggage and wearing apparel of any passenger.
- c. The death of or bodily injury (including illness, disease, disability, shock, fright, mental anguish or mental injury and care resulting from any of them) to any person.
- d. All costs involved in attending to or assisting at an Accident, or cleaning or restoring the site of an Accident, charged by any Local Body or Authority, the New Zealand Fire Service, Ambulance Service or any other entity.

The liability of the Company in respect of any of these events is limited to the amounts specified in the Schedule for any one Accident.

In addition, WPIL will also indemnify the Insured for:

- a. All costs of litigation and other expenses recovered by any claimant against the Insured.
- b. All costs of litigation and other expenses reasonably incurred to defend any legal action (or threat of legal action) incurred with the consent of WPIL.

WPIL will meet these costs and expenses even if the legal action seems groundless.

2. Cessation of Liability

In respect of any one Accident, WPIL may at any time pay to the Insured the Limit of Liability specified in the Schedule (less any sum already paid as indemnity for compensation) or any lesser amount for which the claim or claims arising from the Accident can be settled.

On making that payment, WPIL will be under no further liability in respect of the Accident except for costs of litigation and other expenses incurred prior to the payment being made.

Automatic Extensions to Section 2

1. Criminal Defence Costs

Where any person entitled to indemnity under this Policy is charged with manslaughter, or reckless or dangerous driving causing death, or careless driving causing death, or any other action causing death, and where the charge arises out of the use of any Insured Vehicle, WPIL will indemnify that person for the cost of defending any Court action in respect of the charge.

Where any person entitled to indemnity under this Policy is legally represented at any inquiry or coroner's inquest in connection with death arising out of the use of any Insured Vehicle, WPIL will indemnify that person for the cost of the legal representation.

The liability of WPIL is limited to the amount specified in the Schedule any one Accident.

2. Drivers' Indemnity

WPIL will indemnify, in terms of Section 2 of this Policy, any person who is driving or who is in charge of any Insured Vehicle on the Insured's order or with their permission provided that:

- a. The driver is not entitled to indemnity under any other Policy.
- b. This indemnity will not apply to liability in connection with the letting out on hire of the vehicle without a driver.



3. **Employee's Indemnity**

WPIL will indemnify, in terms of Section 2 of this Policy, any of the Insured's directors, partners, executive officers, contractors, employees or elected members or officials, as though they were the Insured, in respect of Accidents where:

- a. The director, partner, executive officer, independent contractor, employee or elected member or official is acting on behalf of the Insured at the time of the Accident; and/or
- b. The director, partner, executive officer, independent contractor, employee or elected member or official is held personally liable because of their relationship with the Insured or with any Insured Vehicle.

Where the director, partner, executive officer, independent contractor, employee or elected member or official is entitled to indemnify for the same liability under any other policy, the indemnity provided by this Extension will not apply until or unless the indemnity provided by the other policy is exhausted.

4. **Movement of other Vehicles**

Notwithstanding Exclusion 1 (d) to Section 2 the Insured is indemnified under Section 2 of this Policy for legal liability in respect of Loss arising out of the movement, by the Insured or any authorised employee or any other authorised person, of any vehicle, which is:

- a. Parked in a position which prevents or impedes the loading or unloading of any Insured Vehicle; or
- b. Prevents or impedes the legitimate passage of any Insured Vehicle.

For the purpose of this indemnity, the vehicle being moved will not be treated as being in the Insured's custody or control.

5. **Passengers' Indemnity**

WPIL will indemnify, in terms of Section 2 of this Policy, any person who is a passenger in or who is getting in to or out of any Insured Vehicle, provided:

- a. The person is not entitled to the same indemnity under any other policy or under any other clause in this Policy.

WPIL will not be liable to indemnify that person unless so requested by the Insured.

6. **Principals' Indemnity**

WPIL will indemnify, in terms of Section 2 of this Policy, any person, firm, company, corporation or public authority (herein after called the Principal) against legal liability arising out of the use of the Insured Vehicle in the performance by the Insured of any contract work for the Principal, provided that:

- a. The indemnity is limited to the extent required by the terms of the contract; or
- b. The Principal is not entitled to indemnity under any other policy; or
- c. The Principal must, as though the Principal were the Insured, observe and fulfil and be subject to the terms and conditions of this Policy in so far as they apply.

Nothing in this Exclusion will increase WPIL's total liability beyond Section 2 Limit of Liability specified in the Schedule.

7. **Towing Disabled Vehicles**

WPIL will indemnify the Insured, in terms of Section 2 of this Policy, whilst any Insured Vehicle is being used for towing any disabled vehicle, provided that such disabled vehicle is not towed for financial gain or reward.

8. **Use of Other Vehicles**

WPIL will indemnify, in terms of Section 2 of this Policy, the Insured while driving or in charge of any vehicle that is neither an Insured Vehicle nor owned or hired by the Insured.

9. **Vibration / Weight Damage**

Notwithstanding Exclusion 1 (b) to Section 2 WPIL will indemnify the Insured, in terms of Section 2 of this Policy, for Loss to any property, road, underground pipelines or cables or other underground installations of any description arising from:

- a. Vibration caused by the Insured Vehicle or the weight of the load carried by the Insured Vehicle; or
- b. The weight of the Insured Vehicle; or
- c. The combined weight of the load and the Insured Vehicle.



The liability of WPIL is limited to the amount specified in the Schedule any one Accident. The Deductible specified in the Schedule will be deducted from any amount payable under this Extension.

10. Vicarious Liability

The events to which Section B. of this Policy applies are extended to include any Accident caused by or through or in connection with:

- a. Any vehicle owned by or in the control of any director, partner, executive officer, independent contractor, employee or elected member or official (whether or not the Vehicle is insured by this Policy); and/or
- b. Any vehicle, together with driver, hired-in by the Insured.

Provided the Accident occurs whilst the vehicle is being used in connection with the Insured's business.

Exclusions to Section 2

1. Section 2 of this Policy does not cover liability:

- a. In connection with the bringing of a load to the Insured Vehicle or taking away the load from it where the act takes place beyond the limits of a carriageway or thoroughfare and is not performed by the driver or attendant of the Insured Vehicle; or
- b. For any property (including any road) arising from vibration caused by the Insured or from the weight of the load carried by the Insured Vehicle, or from the weight of the Insured Vehicle or from the combination weight of the load and the insured Vehicle; or
- c. Directly or indirectly caused while any component on the Insured Vehicle is being used or operated for the purpose for which it has been designed (eg. operation of a crane or back hoe); or
- d. In respect of any property which belongs to, or is in the care custody or control of any Insured, other than personal baggage and wearing apparel of any passenger, a building leased or rented by the Insured or a vehicle (not being the Property of the Insured under Section 1 of the Policy) which is being towed by an Insured Vehicle, however this does not apply to vehicles which are towed or recovered for reward where the Insured's Business includes a vehicle recovery service; or
- e. In respect of property, or death or injury to any person, who at the time of the Accident, was in charge of the Insured Vehicle; or
- f. Arising as a result of a judgement or order of any court outside New Zealand, or for any debt based on such judgement or order.

2. Section 2 of this Policy does not cover:

- a. Any Deductible specified in the Schedule.

Claims Conditions for Section 2

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

- a. The Insured must as soon as possible notify WPIL and submit full particulars of the claim, as required by WPIL and must not without the written consent of WPIL:
 - i. Incur any expense in making good any Loss to the property of others or incur any legal expense; or
 - ii. Make any statement or take action which may be considered to be an admission of liability; or
 - iii. Negotiate, pay, settle, admit or repudiate any claim made by another party, but must refer that party to WPIL which will be entitled to handle the claim on behalf of the Insured.

1. Additional Information

The Insured, or any other person, will as often as may be reasonably required submit to an examination under oath by any person named by WPIL and must co-operate with WPIL and supply any information or documentation or statutory declaration WPIL may reasonably require.



2. **Cross Liability**

Where more than one party is indemnified by this Policy, claims made between or against any of them will be treated as though each party has been issued with a separate Policy in their own name. Each party will be separately subject to the terms, conditions and exceptions of this Policy in so far as they can apply.

Where claims are made against more than one party in respect of the same Accident, the amount of any Deductible and the Limit of Liability for any one Accident will not exceed the amounts specified in the Schedule.

Where the Limit of Liability is insufficient to fully indemnify all parties entitled to indemnity under this Policy, it will apply in priority to the Insured.

3. **Fraud**

If any claim is in any respect fraudulent or if any false declaration is made or used in support thereof or if any fraudulent means or devices are used by the Insured or anyone acting on behalf of the Insured to obtain any benefit under this Policy in respect of the claim, all benefit under this Policy in respect of that claim will be forfeited.

For the purpose of this Condition, and if the Insured comprises more than one person or entity, each of the Insured shall be treated as having been issued with a separate Policy.

A breach of this Condition by one person or entity comprising the Insured shall not prevent any other person or entity comprising the Insured from claiming under this Policy.

4. **Notification to Authorities**

The Insured will notify the police immediately in respect of Loss or liability as a result of theft, illegal conversion, arson, malicious damage, or death or bodily injury to any person.

5. **Progress Claims Payments**

The Insured will be entitled to progress claims payments from WPIL, provided that:

- a. A claim is accepted under Section A. of this Policy.
- b. Acceptable evidence of insured Loss is produced.

Where required, an interim statement of Loss is supplied by the Insured and approved by WPIL's assessor / surveyor.

6. **Relinquishment of Conduct**

At any time after the happening of any event giving rise to a claim or series of claims under Section B. of this Policy, WPIL may pay to the Insured or agree to pay, as and when incurred by the Insured, the full amount of WPIL's liability for a claim under Section B. and relinquished the conduct of any claim, defence or proceedings. WPIL will not be liable for any costs or expenses whatsoever incurred by the Insured or other party after WPIL has paid such an amount and relinquish such conduct.

7. **Repairs**

If the Insured Property is to be repaired, the Insured may choose any repairer and authorise those repairs, provided that:

- a. If the estimated cost of repairs is \$1,000 or less, a detailed repair quotation is obtained from the repairer and forwarded to WPIL.
- b. If the estimated cost of repairs is in excess of \$1,000 repairs must not be commenced without the consent of WPIL or their assessor / surveyor.
- c. WPIL or their assessor / surveyor is given the opportunity of examining the repairs if they request to do so.

The liability of WPIL will not exceed the reasonable cost of repairing or replacing the Insured Property.

8. **Total Loss**

If there is any payment by WPIL 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 refunded for the unexpired Period of Insurance in respect of that Insured Vehicle. The Insured Vehicle then becomes the property of WPIL.



9. Subrogation

If WPIL indemnifies the Insured for any Loss or liability it shall be entitled to instigate, take over or defend any legal proceedings in the name of the Insured, including any claim or counterclaim, and shall have full discretion to conduct or settle such proceedings, including any recovery action.

Any amount recovered will be apportioned in the following order of priority:

- i. First, to reimburse the Insured for any uninsured portion of the Loss.
- ii. Second, to reimburse WPIL to the extent of its actual payment under this Policy.
- iii. Third, any remaining balance will be paid to the Insured.

The expenses of all such recovery proceedings will be apportioned in the ratio of respective recoveries. If no recovery is made, proceedings conducted solely by WPIL will be at its own expense.

The Insured shall render WPIL all reasonable assistance.

General Exclusions

This Policy does not cover any Loss or liability:

1. While any Insured Vehicle is:

- a. Being driven outside the Description of Use or used for racing, peacemaking, reliability trial, hill climbing or speed tests, or being driven in preparation for any of these activities; or
- b. Being driven in an unsafe condition where the condition causes or contributes to the event which results in the Loss or liability; or
- c. For the purpose of this Exclusion 1 (a), the term 'unsafe condition' includes any permanent or temporary condition that may result in damage to the Injured Property or any part of it; or
- d. Loaded or operated in excess of the manufacturer's recommended specifications, but only where the excess loading causes or contributes to the event which results in the Loss or Liability;

Provided that Exceptions 1 (a) will only apply if the Insured or the Driver was aware or with reasonable diligence ought to have been aware of the unsafe condition or overloading.

- e. Being driven by any person who is not the holder of a license for the appropriate class and use applicable to the operation of the Insured Vehicle or its components, or who is breaching any condition of their licence, provided this Exclusion will not apply if the Driver had held, and is not disqualified from holding or obtaining, and actually obtains a licence, nor if the Insured Vehicle is being used for the purpose of teaching a learner to drive if all requirements of the law are being complied with; and/or
- f. Being driven by a person who:
 - i. Is under the influence of intoxicating substance or drug; or
 - ii. Has a proportion of alcohol in the blood which exceeds the legal limit.

This exclusion will apply notwithstanding the driver may have died as a result of the Accident; and/or

- a. Has a proportion of alcohol in the breath which exceeds the legal limit; or
- b. Fails to supply blood or breath as required by law; or
- c. Fails to stop, or remain at the scene, following an Accident as require by law; or
- d. Being driven in breach of the legal requirements relating to driving hours;

Provided that Exclusion 1 (a) will not apply in respect of Loss or liability which results from fire, theft or conversion:

- a. Incurred by virtue of an agreement and which would have not attached in the absence of such agreement; and/or
- b. For death or injury which is recoverable under any statute or policy of insurance in substitution thereof;

Which is directly or indirectly caused by:



- a. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power; or
- b. confiscation, requisition, destruction of or damage to property by order of Government, Civil, Public or Local Authority unless the order is given of the purpose of preventing or controlling fire or any other event for which cover is provided by this Policy; or
- c. Nuclear weapons material; or
- d. Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exclusion 1 d, combustion includes any self-sustaining process of nuclear fission.

2. This Policy does not cover any death, injury, illness, loss, damage, cost, expense or liability, of any nature whatsoever, directly or indirectly caused by, or in connection with an Act of Terrorism.

“Act of Terrorism” means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

3. This Policy does not cover loss of or damage to Electronic Data, and any liability arising from this, directly or indirectly caused by, or in connection with a Computer Virus. This includes loss of use, reduction in functionality or any other associated loss of expense in connection with the Electronic Data.

However, this Exclusion does not apply to resultant damage to the Insured Property, which is not otherwise excluded.

“Electronic Data” means: facts, concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

“Computer Virus” means: a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to “Trojan Horses”, “Worms” and “Time or Logic Bombs”.

General Conditions

1. Cancellations made by the Insured

The Insured may cancel this Policy at any time and with immediate effect, by written notice delivered to WPIL. In the event of such cancellation, WPIL will be entitled to a pro-rata proportion (on cancellation) of the premium (subject to any adjustment required by the terms of this Policy) for the period the Policy has been in force.

2. Cancellations made by WPIL

WPIL may cancel this Policy at any time by giving written notice to the Insured. The notice may be delivered personally or posted to the Insured’s last known postal address. The cancellation will take effect at 4:00pm on the 30th day after the notice has been delivered or posted. In the event of such cancellation, WPIL will refund to the Insured a pro-rata proportion (subject to cancellation date) of the premium (subject to any adjustment required by the terms of this Policy) for the unexpired period of the Policy.

3. Change in Circumstances

The Insured will notify WPIL of any change in circumstances that is likely to increase the possibility of a claim arising in respect of the Insured Vehicle. WPIL shall be entitled, upon such advice to adjust the premium or terms of this Policy from when such advice is given.

4. Goods and Services Tax

The Market Value or Agreed Value or Limits of Liability or Special Limits of Liability specified in this Policy are exclusive of GST, so in the event of a claim, WPIL will pay a maximum of the Market Value or Agreed Value or Limit of Liability or Special Limits of Liability plus additional GST to a maximum of the current rate of GST applied to that Market Value or Agreed Value or Limit of Liability or Special Limits of Liability.



However, all Deductibles specified in this Policy are inclusive of GST.

5. Mis-description

The Policy will not be invalidated or prejudiced by:

- a. Any innocent or inadvertent alteration, mis-description or any other inaccuracy; or
- b. Any innocent or inadvertent misrepresentation or non disclosure of any material fact; or
- c. Provided that notice is given to WPIL as soon as practicable once the Insured becomes aware of any of the above and the Insured agrees to pay an appropriate additional premium if required.

6. Observance of Terms and Conditions

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 the Insured, and the correctness of statements and answers in the written submission or proposal or supporting documents, or in any claim form, or in any statement in support of a claim, whether made by the Insured or by others on behalf of the Insured, will be conditions precedent to WPIL's liability to make any payment under this Policy.

7. Other Insurance

If at the time of any claim arising under this Policy there is any other valid and collectable insurance covering the Loss or liability, this Policy will only apply in excess of the amount payable under the other insurance, even if there is a similar Other Insurance Condition, in the other insurance policy.

For the purpose of applying the Deductible applicable to this Policy, the amount of any other such insurance will not be taken into account, as the other insurance is permitted on Loss or liability within the Deductible amount.

8. Priority of Clauses

In the event the Insured is entitled to indemnity by virtue of more than one of the several clauses of this Policy, WPIL will indemnify the Insured in terms of the clause or clauses most favourable to the Insured.

9. Reasonable Care

The Insured will take all reasonable steps to protect the Insured Vehicle from Loss.

10. Rights of Multiple Insured's

If more than one person or entity is named as the Insured in the Schedule then:

- a. The indemnity provided by this Policy will apply to each of the Insured separately, as though a separate Policy had been issued to each of them; or
- b. The rights of each of the Insured will not be prejudiced by failure of any other of the Insured to disclose any material fact, nor by any material misrepresentation made by any other of the Insured; or
- c. The rights of each of the Insured will not be prejudiced by any breach of Warranty or Condition of this Policy by any other of the Insured;

Provided that nothing in this Condition will increase WPIL's total aggregate liability beyond that payable for a single Insured.

11. The Contract

This Policy is a contract consisting of the following parts:

- a. The written submission and/or completed proposal and/or other supporting documents supplied by the Insured; and
- b. This Policy wording; and
- c. The Schedule (including any endorsements).

This Policy, and any Schedule or endorsements will be read together as one contract.

12. Values

All values declared to WPIL in respect of all Insured Vehicles must represent, as nearly as possible, their current Market Value. Values such as book value, depreciation cost, written down value and residual value will not be sufficient to comply with the Policy Condition.



13. Additions and Deletions

At the commencement of each Period of Insurance, the Insured will provide to WPIL a written list of Insured Vehicles, together with their current Market Values and/or Agreed Values (if insured on this basis). The initial premium will be calculated on these values.

Any vehicle acquired by the Insured during the currency of this Policy is deemed to be included as an Insured Vehicle with effect from the time and date of acquisition. The amount insured in each acquired vehicle will be the Market Value of the vehicle at the date of its acquisition.

Any Insured Vehicle disposed of during the currency of this Policy is deemed to be deleted as an Insured Vehicle with effect from the time and date of disposal.

Within 30 days after expiry of the Period of Insurance, the Insured will declare to WPIL:

- a. The date on which each acquisition or disposal took place.
- b. Particulars of each vehicle acquired or disposed of.

For declaration purposes, the value for each acquired Insured Vehicle will be its Market Value at the date of its acquisition and for each disposed of Insured Vehicle the value shown in the latest list of Insured Vehicles provided by the Insured to WPIL.

The Insured will pay and WPIL will refund any adjustments of premium for the inclusion or deletion of these vehicles, such as premium to be calculated pro-rata of the applicable annual premium for each vehicle from the date of acquisition or disposal.

Provided that the liability of WPIL is limited to the amount specified in the Schedule in respect of any one additional vehicle not already advised to WPIL.

14. Breach of Warranty or Condition

The indemnity provided by this Policy will not be invalidated or prejudiced by reason of any breach of Warranty or Condition of this Policy where the breach occurs without the knowledge and consent of the Insured.

Provided that the notice is given to WPIL as soon as practicable once the Insured becomes aware of any such breach and the Insured agrees to pay an appropriate additional premium if required.

15. General Average / Salvage Charges

WPIL will indemnify the Insured against General Average and Salvage Charges adjusted or payable in connection with any Insured Vehicle being transported by sea or air between places in New Zealand according to the contract of afreightment and/or the governing law and practice. For example, if the vessel carrying the Insured Property is involved in a casualty or if a cargo is jettisoned to save the voyage because the vessel is at peril, WPIL will cover contributory costs, regardless of whether or not the Insured's property is damaged. The indemnity is free of any Deductible.

16. Hazardous Substance Emergencies

WPIL will cover the Insured for any charge that the New Zealand Fire Service is authorised to make against the Insured in respect of any Hazardous Substance Emergency arising out of or in connection with any Insured Vehicle, whether or not there is any damage to the Insured Vehicle.

“**Hazardous Substances Emergency**” has the same meaning as defined in the Fire Service Act 1975 or any statutory amendment to or re-enactment of that Act.

The liability of the Company is limited to the amount specified in the Schedule any one Accident.

17. Invalidation

WPIL will indemnify the Insured under Section A. of this Policy whilst any Insured Vehicle is being driven or used in a manner for which cover is excluded under a Policy Exclusion, provided that:



- a. The Insured Vehicle was being driven or used in that manner without the knowledge or consent of the Insured; or
- b. The insured has not waived any right of recovery against the driver or other person causing the Loss; or
- c. This Condition also extends to indemnify the Insured under Section 2 of this Policy for liability which may arise from such Loss.

For the purpose of this Condition and to avoid any doubt, the driver is not deemed to be the Insured under this Condition and nothing in this Condition is to be read as giving the driver any right to indemnity.

18. Reinstatement of Amount of Insurance

In the event of any claim under this Policy, and in the absence of written notice by WPIL or the Insured to the contrary, the Limit of Liability will be reinstated automatically from the date of Loss to the extent of the amount paid in respect of that claim.

The Insured agrees to pay such pro-rata premium at the rate applicable to the Item(s) concerned as may be required by WPIL the reinstatement.

19. Release of Liability

Where the Insured is required by legislation or by contractual agreement to release:

- Any Government Corporation, Authority or quasi Government organization
- Any municipal or Local Authority
- Any State Owned Enterprise
- The Fire Service Commission
- New Zealand Tranz Rail Corporation
- Any Oil Company
- Any Fire Protection Installation, Service or Equipment Supply Company
- Any other party to an agreement which has been declared to the Company

From liability (including the waiver of the Insured's rights of subrogation) arising from Loss covered by this Policy, the release is allowed without prejudice to this insurance.

20. Waiver of Recovery Rights (Group Companies)

Where the Insured is a parent or subsidiary in a group of related companies, this Policy will not be invalidated or prejudiced by the Insured waiving or having waived any right of recovery or indemnity it may have against any other company in the same group.

For the purposes of this Extension, a subsidiary company means a company 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.

Optional General Extensions

The following Optional General Extensions will apply only when specified in the Schedule.

1. Additional and Deletions - Fleets

At the commencement of each Period of Insurance, the Insured will provide to the Company a written list of Insured Vehicles, together with their current Market Values and/or Agreed Values (if insured on this basis). The initial premium will be calculated on these values.

Any vehicle acquired by the Insured during the currency of this Policy is deemed to be included as an Insured Vehicle with effect from the time and date of acquisition. The amount insured on each acquired vehicle will be the Market Value of the vehicle at the date of its acquisition.

Any Insured Vehicle disposed of during the currency of this Policy is deemed to be deleted as an Insured Vehicle with effect from the time and date of disposal.

Within 30 days after expiry of the Period of Insurance, the Insured will declare to the Company:



- a. The date on which each acquisition or disposal took place; and/or
- b. Particulars of each vehicle acquired or disposed of; and/or
- c. For declaration purposes, the value for each acquired Insured Vehicle will be its Market Value at the date of its acquisition and for each disposed of Insured Vehicle the value shown in the latest list of Insured Vehicles proved by the Insured to WPIL.

The Insured will pay and WPIL will refund any adjustment of premium for the inclusion or deletion of these vehicles, such premium to be calculated on 50% of the difference in value of all new additional Insured Vehicles less deleted Insured Vehicles at the premium rate agreed at the beginning of the Period of Insurance.

Alternatively, if agreed by WPIL and the Insured, premiums may be adjusted on a pro-rata basis from the date of acquisition or disposal of each vehicle.

Provided that the liability if WPIL is limited to the amount specified in the Schedule in respect of any one additional vehicle not already advised to WPIL.

Policy Definitions

The words defined below are used throughout this policy. Any other definitions are shown in the section to which they apply.

“Accessories” including, but not limited to:

- a. Detachable and fixed equipment such as on board computers, telephone installations, radios, receivers, tape recorders/players, CD Players, TV/video screens, sound amplifiers and/or speakers, radar detectors, heating and/or cooling units, security equipment, sign-writing, artwork, load securing or protection equipment (including but not limited to tarpaulins, sheets, straps, ropes, chains and other tightening devices) and spare parts, but excluding any item of electrical or communication equipment not permanently affixed to the vehicle or wired into the vehicle's electrical system; and/or
- b. LPG, CNG or other fuel conversion or performance improvement installation; whilst in or on or used in connection with any Insured Vehicle, whilst temporarily removed to any other Insured Vehicle, whilst temporarily removed for repair or renovation or cleaning, or whilst in storage.

“Accidental” means unintended and unexpected happening or event.

“Agreed Value” means the Value noted as ‘Agreed Value’ by the Insured in the list of Insured Vehicles declared to WPIL.

“Description of Use” while the Insured Vehicle is being driven:

- a. In the course of the business of the Insured stated in the schedule; or
- b. For private, social or domestic purposes.

In the course of a business or occupation, comparable with the Insured's stated in the Schedule and having been temporarily lent out by the Insured.

“Driven” using or operating the Insured Vehicle or any component, and reference to the driver is deemed to include the user or operator of any component, whether or not the driver.

“Insured” the Insured(s) named in the Schedule, including:

- a. Any subsidiary company or subsidiary thereof; and/or
- b. Any associated company or other organisation controlled and/or managed by the Insured; and/or
- c. Any director, partner; and/or
- d. Any new company or organisation formed or acquired by the Insured(s) through consolidation, merger, purchase or assumption of control or management during the Period of Insurance.

All vehicles, amphibious vehicles (but only while located on land), mobile plant and equipment and vehicular equipment of every description (other than railway locomotives, rolling stock and any other vehicle on rails, unless operated on rails owned by the



Insured) owned, used, leased, lent, borrowed, hired or under the Insured's care, custody and control or otherwise the responsibility of the Insured or for which the Insured has assumed responsibility.

Any vehicles owned by or in the control of a director, partner, executive officer, individual contractor, employee whilst the vehicle is being used in connection with the Insured's business; including:

- a. All their Accessories; and/or
- b. Accessories of directors, partners, executive officers, individual contractor, employees whilst in or on any Insured Vehicle; and/or
- c. Drivers and passengers personal effects whilst in or on any Insured Vehicle.

"Loss/Losses" physical loss, damage or destruction caused by an Accident.

"Market Value" the price for which the Insured could purchase the same or a comparable vehicle of similar pre-Loss condition on the retail market.

"We, Us, Ours and/or WPIL" means Western Pacific Insurance Limited.

"You and/or Yours" means the insured name in the schedule. Also includes any person who was, is or during the period of insurance becomes your partner or director or senior manager in actual control of your operations.