

Essential Private Vehicles Policy

FMG
Advice & Insurance

FMG has been protecting the property and livelihoods of people up and down the country since 1905. We're 100% New Zealand owned and operated and are proud to be the country's only rurally-based insurance company around today.

You don't get to be over 100 years old without learning a thing or two; because we've worked closely with New Zealand communities over the years we can help find what works for you.

And we're still listening to what you're saying which is why we continually strive to improve our products and services, and why we have something to offer all New Zealanders. It's also why we focus on partnering with you to plan for the risks and challenges you face, not just the insurance you need to deal with them.

Welcome to FMG

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Your Essential Private Vehicles Policy

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Introduction

Please take the time to read through these documents carefully because they form the insurance contract you have with us. Your policy certificate is particularly important because if there is any inconsistency between your FMG policy wording and what is on the certificate, it is the certificate that applies. Under this contract, we both have responsibilities to ensure everything runs smoothly. These are detailed as follows, and if there is anything that you don't understand, please contact us. The expiry date of your Policies is shown on the policy certificates. We will be in contact with you regarding renewal of your insurance around that time.

Your Responsibilities

This FMG Policy has been provided to you based on your disclosure to us.

If there is any material information which could relate to the cover provided under this Policy, you need to let us know. Please be aware that disclosure of material information will not necessarily affect your ability to obtain cover, but not informing us might result in you having no insurance at all. It is important that you:

- Please tell us all material information before the cover starts, even if we don't specifically ask about it.
- Please update us should anything about your circumstances change, both during the period of insurance and at renewal.

Cover under your Policy will not commence until you have paid, or have agreed to pay, the premium (including any Government charges) for the period of insurance. If your premiums are not paid on time, your insurance could be cancelled and you will not be insured.

It is essential that you:

- tell us of any errors in your documentation,
- contact us if there is anything you don't understand and would like explained more fully, and
- keep this Policy in a safe place along with your renewal notice(s).

This Policy contains some exclusions and these are detailed throughout the Policy. It is important that you read these and are aware of them.

This Policy also contains certain conditions and obligations that you must meet. If you don't, we may decline any claim you make. Any other person that is entitled to claim under this Policy must also meet these conditions and obligations.

Welcome to FMG

Our Responsibilities

We agree to provide the cover set out in the Policy below that is shown on your certificate. Throughout the Policy certain important words are in bold type; please refer to the Definitions section for the specific meaning of these words.

FMG is a member of the Insurance Council of New Zealand and, as such, we are bound by the Council's Fair Insurance Code. For a copy of the Code, please call us on 0800 366 466.

As you will be aware, the proposal you completed contains personal information relating to you and/or your business. We collect this information to enable us to fully evaluate your proposal and subsequently administer this Policy. We may require further information later on if you make a claim or wish to renew this Policy with us. The Proposal you completed also authorises us to collect relevant information about you and/or your business from third parties, such as other insurers and insurance brokers.

However, we fully understand the importance of protecting your personal, commercial and financial information and therefore we will not share your information unless authorised to do so under the Privacy Act 1993.

Your information will be held securely by us, within our organisation, and you are entitled to access and correct the information you have provided, as set out in the Privacy Act 1993.

We are confident this Policy will be right for you. However, you may cancel this Policy within 30 days of the commencement date for any reason if you are not entirely happy. We will refund any premium you have paid provided you do not have a claim during this 30 day period.

Your Feedback

Your feedback enables us to identify opportunities to make our products and services even better. If you have any feedback – good or bad – we would like to hear from you.

If you have a concern about something that has happened, tell us and we will investigate the issue quickly and inform you of the outcome, either by phone, in writing or by visiting you at a convenient time.

Similarly, if you have received exceptional service, we need to know about it in order to congratulate our team - so please let us know.

How you can contact us

- Call us on **0800 366 466**
- Contact your local FMG manager
- Write to us at FMG, PO Box 1943
Palmerston North 4440
New Zealand
- Visit our website www.fmg.co.nz
- Email us at contact@fmg.co.nz
- Fax us on **0800 366 455**

We agree to provide **you** with the insurance set out in this Policy, if this Policy is shown on the **certificate**.

Insured Events

- Under this Policy **you** have cover for one of the following insured events:
 - Third Party Only: **You** are covered under Section 2 – Liability of this Policy only.
 - Third Party Fire and Theft: **You** are covered under Section 1 – Accidental Loss and Section 2 – Liability of this Policy.
 - Fire and Theft: **You** are covered under Section 1 – Accidental Loss of this Policy only.
 - Fire Only: **You** are covered under Section 1 – Accidental Loss of this Policy only.
- The insured events cover **you** have is shown on the **certificate**.

Section 1 – Accidental Loss

What you are insured for

- If Third Party Fire and Theft, or Fire and Theft is shown on the **certificate**, **your private vehicle**, anywhere in New Zealand, is insured for **accidental loss** caused by:
 - fire,
 - lightning,
 - explosion,
 - theft or attempted theft, or
 - illegal conversion.
- If Fire Only is shown on the **certificate**, **your private vehicle**, anywhere in New Zealand, is insured for **accidental loss** caused by:
 - fire,
 - lightning, or
 - explosion.

Additional Benefits

You are automatically insured under this section for the following benefits which are subject to the terms of this Policy except to the extent those terms are expressly varied in each benefit.

If **your private vehicle** is insured for **accidental loss** caused by Fire and Theft, or Fire Only, **you** are insured for only the Replenishment Costs Additional Benefit.

- Horse Trucks**
 - If **your private vehicle** is a horse truck **your** Policy is extended to include:

- emergency agistment and stabling costs, and
 - emergency veterinary costs for care at the accident site.
- (b) **We** will pay up to \$500 for each of the clauses 1 (a) (i) and (ii) above for any one **event**.

2. Natural Disaster

- Your private vehicle** is insured for **accidental loss** caused by **natural disaster**.

3. Replenishment Costs

- You** are insured for the reasonable cost of replenishing **your** fire-fighting equipment after it has been used to protect **your private vehicle** from **loss** covered by this Policy.
- We** will pay up to \$5,000 for any one **event**.

4. Terrorism

- Your private vehicle** is insured for **accidental loss** (but not related costs or expenses) caused by any **terrorism** provided the **terrorism** is not connected in any way with:
 - nuclear,
 - biological, or
 - chemical, weapons or substances (including **nuclear materials**) or contamination.
- We** will pay:
 - the reasonable cost to have **your private vehicle** repaired,
 - the **present day value** of **your private vehicle**,
 - the amount shown on the **certificate**, or
 - \$1,000,000,whichever is less for any one **event**.

Optional Benefits

These Optional Benefits only apply if **you** have purchased them and they are shown on the **certificate**. These benefits are subject to the terms of this Policy except to the extent those terms are expressly varied in each benefit.

1. Contract Use

- If **we** agree to pay a claim for **loss to your private vehicle** that occurred while it was being used for **contract use**, **you** will not have to pay the Contract Use additional **excess**.
- This benefit applies to both Section 1 – Accidental Loss and Section 2 – Liability.

2. Defined Events

- Your private vehicle** is insured for **accidental loss** caused by a **defined event**.

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What we will pay

- We** will pay:
 - the reasonable cost to have **your private vehicle** repaired,
 - the **present day value** of **your private vehicle**, or
 - the amount shown on the **certificate**, whichever is less.
- If the repair or replacement of damage substantially improves the condition of **your private vehicle** beyond the condition it was in immediately before the **loss**, **you** will be required to contribute a reasonable amount towards the repairs.
- If **we** settle **your** claim by paying either:
 - the **present day value** of **your private vehicle**, or
 - the amount shown on the **certificate**,**we:**
 - will dispose of the wreck,
 - may, at **our** option, keep some or all of the proceeds of the wreck, and
 - will not refund any unexpired premium for that Policy.
- If any parts needed for repairs to **your private vehicle** are unavailable from stock in New Zealand, **we** will pay:
 - the manufacturer's latest list or quoted price, or
 - the actual cost of having the part made in New Zealand,whichever is less, and
 - the reasonable cost of freight (excluding airfreight).
- We** will not pay any additional painting costs incurred because a repairer cannot match the existing paintwork.
- Accessories**
 - We** will pay the **present day value** of **your accessories** up to the amount shown on the **certificate**.

What you are not insured for

- Defects**
 - Your private vehicle** is not insured for **loss** connected in any way with:
 - any inherent defect or inherent fault,
 - defective workmanship, defective materials, or defective design.
 - This exclusion only applies to the part of **your private vehicle** first affected by the **loss**. **You** are insured for resultant **loss** to other parts of **your private vehicle**, unless otherwise excluded.

2. Natural Disaster

- Your private vehicle** is not insured for **natural disaster** damage, unless covered by the Natural Disaster Additional Benefit.

3. Wear and Tear

- Your private vehicle** is not insured for:
 - wear and tear,
 - deterioration,
 - rust, or
 - corrosion.

- Please note there are also General Exclusions in this document.

Section 2 – Liability

What liability you are insured for

- You** are insured for **your** legal liability for:
 - accidental loss** to the property of others, or
 - accidental bodily injury** to any other person, during the **period of insurance** arising:
 - from an **accident** involving **your private vehicle**, or
 - while **you** are driving another person's vehicle, provided there is no other insurance which covers that liability.
- If **we** have accepted a claim under 1. above of this section of **your** Policy, **you** are also insured for **your** necessary and reasonable legal defence costs.
- We** also insure the legal liability of any other person using **your private vehicle** with **your** consent for 1. and 2. above, unless that person is otherwise excluded. That person is subject to the same terms of cover as **you**.

Additional Benefits

The insurance under Section 2 – Liability is automatically extended to cover the following legal liabilities and legal defence costs which are subject to the terms of this Policy except to the extent those terms are expressly varied in each benefit.

1. Domestic Trailer Liability

- If **you** have insured **your private vehicle**, **you** are insured for **your** legal liability for **accidental loss** or **accidental bodily injury** during the **period of insurance** arising while **you** are using, for domestic purposes, a trailer, boat trailer, caravan, camper trailer or horse float:

- (i) owned by **you**, or
 - (ii) in **your** care or control,
- provided **your** liability is not insured under any other insurance.

2. Driving Your Vehicle for Your Employer

- (a) **You** are insured for **your** legal liability when **your private vehicle** is being used by **you** (or a fellow employee who has **your** consent and is not otherwise excluded) for **your** employer's business, provided that there is no other insurance which covers that liability.

3. Forest and Rural Fires Act 1977

- (a) **You** are insured for **your** legal liability for:
 - (i) levies a fire authority apportions to **you** under sections 46 or 46A of the Forest and Rural Fires Act 1977, and
 - (ii) costs and losses recoverable from **you** under section 43 of the Forest and Rural Fires Act 1977 (but not otherwise at law), for a fire (or threat of fire) which occurs in connection with **your private vehicle** during the **period of insurance**.
- (b) **We** will pay up to \$1,000,000 for any one **event**.

4. Hazardous Substances

- (a) **You** are insured for **your** legal liability for costs payable under the Fire Services Act 1975, arising from a hazardous substance emergency, during the **period of insurance**, involving **your private vehicle**.
- (b) **We** will pay up to \$5,000 for any one **event**.

5. Horse Trucks

- (a) **You** are insured for **your** legal liability for costs **you** may be required to pay as a result of **accidental loss** or **accidental bodily injury** during the **period of insurance** caused by any animal that has escaped from **your** horse truck, where reasonable attempts to restrain the animal by the driver or occupants of **your** horse truck have failed.
- (b) **We** will pay up to \$500,000 for any one **event**.

6. Legal Fees

- (a) If **you** are charged with:
 - (i) manslaughter,
 - (ii) careless driving causing death,
 - (iii) dangerous driving causing death, or
 - (iv) reckless driving causing death,

arising out of an **accident** involving **your private vehicle** and **we** have accepted a claim under this Policy, **we** will pay **your** reasonable legal fees incurred with **our** consent.

- (b) **We** will pay up to \$2,000 for any one **event**.

7. No Blame Benefit

- (a) If **you** are involved in an **accident** with another vehicle and:
 - (i) **you** can give **us**:
 - 1. the registration number of the other vehicle, and
 - 2. the name and address of its driver,
 - (ii) **we** determine that the driver of the other vehicle was at fault, and
 - (iii) the other driver is not insured for the **loss**, **we** will insure **you** for **accidental loss** to **your private vehicle** and **you** do not have to pay any **excess**.
- (b) **We** will pay:
 - (i) the reasonable cost to repair **your private vehicle**,
 - (ii) the **present day value** of **your private vehicle**, or
 - (iii) \$3,000,
 whichever is less.

What we will pay

1. **We** will pay up to \$10,000,000 for any one **event** inclusive of legal defence costs.
2. If any indemnity under this Policy is insufficient to cover both **you** and any other party covered by this Policy, the indemnity shall apply, in priority, to **you**.

What liability you are not insured for

You are not insured for **your** legal liability:

1. For **loss** to property that **you**:
 - (a) own, or
 - (b) have under **your** care or control, except for a vehicle being towed (without reward) by **your private vehicle** because it is not in a drivable condition.
2. For **bodily injury**:
 - (a) To any person caused by an **accident** while that person is driving **your private vehicle**.
 - (b) Covered by the Accident Compensation Act 2001.
3. For **loss** caused to any road.
4. For **loss** to any bridge, viaduct, weighbridge, path or anything beneath (including the material beneath such structures) caused by vibration or the weight of:

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- (a) **your private vehicle**, and/or
 - (b) the load carried by that **private vehicle**.
5. For **loss** to underground services including pipes, cables and other installations.
6. Connected in any way with **your** ownership or use of any aircraft or watercraft.
7. For any fine, penalty, sentence of reparation, or any punitive or exemplary damages.
8. If **you** have agreed to accept liability where there would otherwise be none.
9. Connected in any way with **your** business, trade or profession (other than **homestay activities** or **your farming operations**).
10. For pollution or contamination (including the cost of removing and cleaning up) unless the pollution or contamination:
(a) occurs during the **period of insurance**, and
(b) is caused by an **accident** during the same **period of insurance**, involving **your private vehicle**.
11. Under the Forest and Rural Fires Act 1977, unless **you** are otherwise liable at law, or are covered by the Forest and Rural Fires Act 1977 Additional Benefit.

General Exclusions

These exclusions apply to both Section 1 – Accidental Loss and Section 2 – Liability of **your** Policy.

1. Alcohol and Drugs

- (a) **You** are not insured for any **loss** or liability while the **private vehicle** is being used by any person who:
 - (i) is under the influence of any intoxicating substance or drug,
 - (ii) has a proportion of alcohol in the blood which exceeds the legal limit prescribed by law,
 - (iii) has a proportion of alcohol in the breath as ascertained by an evidential breath test subsequently undergone which exceeds the legal limit prescribed by law,
 - (iv) fails to supply a blood or breath sample as required by law,
 - (v) fails any other test as required by law to determine alcohol or drug use, or

- (vi) fails to stop or remain at the scene following an accident as prescribed by law.
- (b) This exclusion shall not operate when the **private vehicle** is stolen or illegally converted.

2. Confiscation, Nuclear Materials, Terrorism and War

- (a) There is no cover under this Policy for **loss** in any way connected with:
 - (i) **confiscation**,
 - (ii) **nuclear materials**,
 - (iii) **terrorism**, unless covered by the Terrorism Additional Benefit, or
 - (iv) **war**.

3. Consequential Loss

- (a) **You** are not insured for any consequential loss including but not limited to:
 - (i) penalties,
 - (ii) loss of use of property,
 - (iii) loss resulting from delays,
 - (iv) loss of market,
 - (v) loss resulting from depreciation, or
 - (vi) loss of value.

4. Designed Use

- (a) **You** are not insured for any **loss** or liability which results from the **private vehicle** being used beyond its design capabilities.

5. Driver Teaching

- (a) **You** are not insured for any **loss** or liability while the **private vehicle** is being used by a motor-driving instructor unless it is to teach **you** or a member of **your** family to drive.

6. Driver's Licence

- (a) **You** are not insured for any **loss** or liability while **your private vehicle** is being driven or used by any person who:
 - (i) does not hold an appropriate licence, or
 - (ii) breaches any conditions of their licence.
- (b) This exclusion does not apply if:
 - (i) the person using **your private vehicle** had previously held an appropriate licence and, at the time of the **accident**, was not disqualified from holding or obtaining an appropriate licence and immediately subsequent to the **accident** obtains an appropriate licence,

- (ii) **your private vehicle** was being used to teach a learner, as long as all the requirements of the law were being complied with, or
- (iii) **your private vehicle** is stolen or illegally converted.

7. Electronic Data

- (a) **You** are not insured for **loss** in any way connected with the **loss of electronic data**.

8. Excess

- (a) **You** are not insured for any **excess**.
- (b) If an **event** is covered under more than one of **your** FMG Policies, **you** will only have to pay one **excess**. This will be the highest **excess** that **we** could apply under any one of those Policies.

9. Racing

- (a) **You** are not insured for **loss** or liability while **your private vehicle** is being used for any of the following:
 - (i) racing,
 - (ii) time and/or reliability trials,
 - (iii) rallying,
 - (iv) pacemaking,
 - (v) motor sports events,
 - (vi) driving on a race track,
 - (vii) motor cross or trail bike events,
 - (viii) any similar or related event, or
 - (ix) practising or testing for any of the above excluded events.

10. Unattended Vehicle

- (a) **You** are not insured for any **loss** or liability which results from the theft or illegal conversion of **your private vehicle** while it is left unattended by **you** in a public place unless it has been fully locked and the keys have been removed.

11. Unsafe Vehicle

- (a) **You** are not insured for any **loss** or liability while **your private vehicle** is not in a safe and road-worthy condition unless **you** can satisfy **us** that:
 - (i) the condition of **your private vehicle** did not cause or contribute to the **accident**, and
 - (ii) **you** (or the person who was using **your private vehicle** at the time of the **accident**) did not know of **your private vehicle's** condition, and could not have been reasonably expected to have known.

12. Use

- (a) **You** are not insured for any **loss** or liability while **your private vehicle** is being used:
 - (i) in connection with:
 1. the motor trade,
 2. sales, service or collection,
 3. driver instruction, or
 4. the carriage of goods or samples,
 - (ii) by any person acting as a:
 1. commission agent,
 2. commercial traveller,
 3. insurance representative or assessor,
 4. stock, station, land or real estate agent,
 5. manufacturing agent, or
 6. company representative.

13. Vehicle Out on Hire

- (a) **You** are not insured for any **loss** or liability:
 - (i) whilst the **private vehicle** is let out on hire (but hire whilst being driven by **you** is not excluded provided the **private vehicle** is used for purposes comparable with those purposes used by **you**), and/or
 - (ii) for the conveyance of passengers for hire fare or reward other than as part of a car-sharing agreement.

Claims Conditions

These conditions are important and must all be met before **we** will accept a claim under **your** Policy with **us**.

1. What you must do

- (a) **You** must notify **us** immediately of any circumstance likely to lead to a claim.
- (b) **You** must complete **our** claim form in full if **we** request **you** to do so, and return it to **us** within 30 days of **our** request.
- (c) **You** must take reasonable steps to minimise the claim and avoid any further claim.
- (d) **You** must make a complaint to the Police if **you** suspect criminal activity.
- (e) **You** must provide all reasonable information and assistance **we** require at any time.
- (f) **You** must immediately send **us** all relevant correspondence and court documentation.
- (g) **You** must authorise **us** to:
 - (i) Obtain personal information about **you** from **you** and third parties in connection with **your** insurance.

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- (ii) Disclose personal information about **you** to third parties in connection with **your** insurance.

Please see the full Privacy Statement on **our** website (www.fmg.co.nz) for information about how **we** collect, use and store **your** personal information.

2. What you must not do

- (a) **You** must not admit **you** are liable to any party.
- (b) **You** must not say or do anything which prejudices **our** ability to:
 - (i) defend any action against **you**, or
 - (ii) take recovery action in **your** name.
- (c) **You** must not start any remedial action without **our** prior approval.
- (d) **You** must not dispose of any property that is to be the subject of **your** claim, without **our** prior approval.

3. Fraud

- (a) **You**, and anyone else entitled to claim under this Policy, must ensure all statements made to **us** are true and complete.
- (b) If **your** claim is dishonest or fraudulent in any way, **we** are entitled to:
 - (i) decline **your** claim in whole or in part,
 - (ii) bring this Policy to an end from the date of the dishonest or fraudulent act, and/or
 - (iii) bring all other insurance **you** have with **us** to an end from the date of the dishonest or fraudulent act.
- (c) **We** may also notify the Police and/or the Serious Fraud Office.

4. Other Insurance

- (a) **You** must immediately notify **us** of any other insurance that covers **you** for any of the risks covered under this Policy.
- (b) **We** will only pay over and above the limit payable under that other insurance.

5. Progress Payments

- (a) **We** will at **our** option make regular progress payments for **your** claim provided that:
 - (i) **you** provide **us** with proof of **your** insured **loss**, and
 - (ii) if the combined progress payments exceed the total amount of the **loss**, **you** immediately refund the difference between these amounts to **us**.

6. Recoveries

- (a) If **we** accept any part of **your** claim, **we** may exercise any legal rights **you** have to, at **our** cost, recover amounts from the person(s) responsible for the **loss**.
- (b) If **we** do this, **you** must co-operate and assist **us** with this exercise. If **you** refuse, **we** may require **you** to repay **us** the money **we** paid **you**.
- (c) If **we** succeed in recovering any money from the person(s) responsible, **we** will refund **your** excess and pay any remaining money recovered to **you** less **our**:
 - (i) recovery costs, and
 - (ii) the money **we** have paid **you**.
- (d) If **you** recover any lost or stolen property claimed under this Policy:
 - (i) **you** must hand this over to **us**, and
 - (ii) **we** are entitled to keep this and any proceeds from its sale.
- (e) If **you** receive any reparations in respect of any property claimed under this Policy, **you** must immediately reimburse **us** for any claim **we** have paid from these reparations.

7. Salvage

- (a) If **your** claim relates to damaged property, **we** are entitled to retain possession of the damaged property and deal with salvage in a reasonable manner.
- (b) **You** cannot abandon any property to **us**.

General Conditions

These conditions are important and must all be met before **we** will accept a claim under **your** Policy with **us**.

1. Acts of Parliament

- (a) Any Acts of Parliament referred to in this Policy include any:
 - (i) amendments or Statutory Regulations made under them, and
 - (ii) Acts or Regulations made in substitution for the original Acts or Regulations.

2. Cancellation

- (a) **You** may cancel this Policy at any time by giving notice to **us**.
- (b) **We** may cancel this Policy at any time by giving notice to **you** at **your** last known address as held by **us**. Cancellation will take effect 30 days after the day **we** send or deliver the notice to **you**.

- (c) If:
- (i) **you** cancel this Policy **we** will (subject to “Our Responsibilities” in the Welcome to FMG section) refund 90% of the unexpired portion of **your** premium,
 - (ii) **we** cancel this Policy, **we** will refund the unexpired portion of **your** premium,
 - (iii) **you** have made a claim and **we** have paid the full amount under:
 - 1. the Policy,
 - 2. an Item, or
 - 3. an Optional Benefit,
- we** will cancel this Policy, Item or Optional Benefit from the date of **loss**.

3. Changes

- (a) Where **we** agree, **you** may change this Policy by giving **us** notice of the changes.
- (b) **We** may change the terms of this Policy at any time by giving **you** notice at **your** last known address as held by **us**. The changes **we** make will take effect 30 days after the day **we** send or deliver the notice to **you**.

4. Compliance with the Policy

- (a) **You**, and anyone else entitled to claim under this Policy, must comply with all the terms of the Policy before **we** will meet any claim under it.
- (b) **You** must tell the truth at all times.

5. Condition, Maintenance and Safety of the Vehicle

- (a) **You** must take reasonable steps at all times to make sure that the **private vehicle** is:
 - (i) maintained in an efficient condition, and
 - (ii) secure and protected from possible **loss**.

6. Conduct of the Defence

- (a) Once **you** have made a claim under Section 2 – Liability of this Policy, **we** have the sole right to act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** decide, at **our** expense.
- (b) **We** are entitled to appoint **our** own lawyers who report to **us** and **you** waive **your** right to legal professional privilege.
- (c) **We** may elect to pay the maximum amount payable under this Policy or any lesser sum for which the action against **you** can be settled. Once **we** have done so, **we** are under no further liability to **you** under this Policy.

7. Currency

- (a) All monetary amounts referred to in this Policy are expressed and payable in New Zealand dollars.

8. Defined Words

- (a) To clarify the cover **you** have in this Policy, some words appear in bold. These words have a specific meaning, which is outlined in the Definitions section. Defined words specific to some sections are outlined within those sections.

9. Goods and Services Tax

- (a) Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
 - (i) all amounts insured exclude GST (unless otherwise shown on the **certificate**), and
 - (ii) GST will be added, where applicable, to claim payments.
- (b) All **excesses** include GST.

10. Governing Law

- (a) The law of New Zealand applies to this Policy and the New Zealand courts have exclusive jurisdiction.

11. Headings

- (a) Headings are for reference only. They do not form part of the Policy and are not to be used in interpreting it.

12. Inspection

- (a) **We** are entitled to inspect property insured, at any reasonable time, and **you** must provide such information as may be reasonably required by **us** in relation to that property.
- (b) However, neither this inspection, nor any inspection report, is to be regarded as an undertaking by **us** to determine or warrant that any operations, property and/or premises are safe or covered by a Policy.

13. Interested Parties

- (a) If **we** are advised in writing of a party holding a financial interest over the property insured under this Policy:
 - (i) that party is noted by **us**, but is not directly insured under this Policy,
 - (ii) **you** authorise **us** to disclose to that party personal information about **you** in connection with this Policy, and

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(iii) **we** may make a claim payment directly to that party up to the limit of its interest.

This meets **our** obligations to **you** under this Policy to that extent.

14. Joint Insurance

- (a) If this Policy insures more than one person or entity, they are insured jointly. A breach by one insured will be treated as a breach by all insureds.
- (b) The most **we** pay in total to all insured persons or entities during the **period of insurance** is the amount shown in this Policy or on the **certificate**.

15. Location – in New Zealand only

- (a) This Policy covers:
 - (i) **your** insured property while it is in New Zealand, and
 - (ii) **your** liability that arises as a result of an **event** in New Zealand, unless another location is shown on the **certificate**.

16. Notification of any Change in Circumstances

- (a) After this Policy has commenced, **you** must notify **us** immediately of any change in circumstances **you** are aware of which:
 - (i) increases, or
 - (ii) alters, any risk insured under this Policy.
- (b) Once **you** have done so, **we** may change the premium and/or terms of cover, at **our** discretion.
- (c) If **you** fail to notify **us** of any change in circumstances, **we** may:
 - (i) refuse to meet any claim or part of it, and/or
 - (ii) bring this Policy to an end, from the date of the failure.

17. Payment of Premiums

- (a) Cover under this Policy will not commence until **you** have paid, or have agreed to pay, the premium (including any Government charges) for the **period of insurance**.
- (b) If **we** have agreed that **you** can pay **your** premium in instalments, payments are due in accordance with the agreement **we** have with **you**. In such case, cover under this Policy will not commence until **you** have paid, or have agreed to pay, the premium, including any Government charges, due under this agreement.

(c) If **you** suffer a **total loss**:

- (i) **we** will not settle **your** claim:
 - 1. until the full annual premium is paid, or
 - 2. if **you** are paying **your** premium by instalments, until the balance of the full annual premium is paid,
- (ii) **we** may deduct any outstanding annual premium from the claim settlement, and
- (d) It is important **you** continue to pay **your** premiums on time (either in full, in advance, or in accordance with any agreement **we** have with **you**).

18. Reasonable Care

- (a) **You** must take reasonable care to avoid and minimise **loss** or damage occurring to the property insured under this Policy, and liability to others, at **your** own expense. This includes:
 - (i) complying with all relevant laws,
 - (ii) complying with all manufacturer's recommendations,
 - (iii) employing competent employees, and
 - (iv) maintaining and operating all security protection equipment, and all fire protection and extinguishment equipment, at all relevant times.
- (b) **We** will not pay any claim if **you** have been reckless or grossly irresponsible.

19. Transfer of Interest

- (a) No interest in this Policy can be transferred or assigned without **our** written agreement.

20. Vehicle Modifications

- (a) **You** must let **us** know promptly if any modifications are made to the **private vehicle** that are not standard manufacturer's specifications.
- (b) **We** may change the terms of this insurance in those circumstances, because modifications may affect the risk.

Definitions

The following definitions apply to **your** Policy, unless the context requires otherwise.

Please note:

- References to the singular include the plural and vice versa.
- The definitions apply to any derivatives of the word used in this Policy.

Accessories means a part of **your private vehicle** not supplied or fitted by the manufacturer of **your private vehicle** as standard equipment for the model including:

- (a) **non-standard wheels**,
- (b) any radio, audio equipment or other in-vehicle entertainment and communication equipment forming an integral part of **your private vehicle**,
- (c) any telephone permanently fitted to **your private vehicle**,
- (d) any detachable and fixed equipment such as radar detectors, on-board computers, heating and/or cooling units, tarpaulins, chains and twitches, bearers and load-securing and lifting equipment or ropes,
- (e) signwriting, artwork and the like,
- (f) LPG, CNG or other fuel conversion installations,
- (g) any car seat covers, or car mats, and
- (h) any child car seat while in the **private vehicle** and which is not otherwise insured.

Accident and **accidental** means an **event** which is sudden, unintended and unforeseen by **you**.

Bodily injury means **injury**, sickness, disability, disease, diagnosed mental injury, or death resulting from any of these.

Certificate means the latest version of **your** Policy Certificate issued by **us** which contains details of **your** insurance cover under this Policy.

Contract use means **you** using **your private vehicle** for **farm contracting**.

Confiscation means confiscation, requisition, nationalisation, or destruction of, or damage to property by order of Government, a local authority, a court, or any public authority but excludes such orders given for the purpose of controlling a peril covered by this Policy.

Defined event means:

- (a) fire,
- (b) explosion,
- (c) lightning,
- (d) hail,
- (e) snow,
- (f) impact by a **motor vehicle** or an animal,
- (g) malicious acts,
- (h) vandalism excluding:
 - (i) vandalism to property in the course of construction or repair, or

(ii) vandalism caused by **you**, any member of **your** family or any of **your** employees.

- (i) **storm** or **flood**, excluding **storm** or **flood** damage to fences, unless **your farm fencing** is shown on **your certificate**, gates, retaining walls or glass (including glass houses), shade houses or tunnel houses,
- (j) **burglary**, other than by **you**, any member of **your** family or any of **your employees**,
- (k) impact by an aircraft or any other aerial or spatial devices or articles which drop from them, and
- (l) riot or labour disturbance.

Erosion means the wearing away of rocks, soil and the like by action of water, ice or wind.

Excess means the first amount of a claim that **you** must pay, as shown on the **certificate**.

Event means a single **loss** and/or **bodily injury**, or a series of **losses** and/or **bodily injuries** which have the same cause.

Farm contracting means agricultural or horticultural contracting excluding the use of explosives.

Farming operations means **your** normal regular farming activities including:

- (a) Exhibitions and competitions at shows.
- (b) Using **your** property for horse or hunt club activities, except horse racing organised by a racing or trotting (or similar) organisation.
- (c) Distributing farm material from aircraft, except for 1080, 1081, herbicides, fungicides, pesticides or similar poisons or substances.
- (d) Artificial Insemination Technician activities.
- (e) Occasional **farm contracting**.
- (f) **Horticulture operations**.

Flood means the inundation of normally dry land by water overflowing the normal confines of any natural or artificial water course, lake, reservoir, canal, dam or river, or the ponding of a normally dry paddock.

FMG means FMG Insurance Limited as shown on the **certificate**.

Homestay activities means **your** accommodation of **paying guests** provided that:

- (a) **your** maximum **paying guest** capacity is no more than six persons,

Your Essential Private Vehicles Policy

- (b) **your** annual turnover from **paying guests** is not greater than \$30,000, and
- (c) for taxation purposes **you** claim no more than 50% of **your house** for **your** accommodation of **paying guests**.

Horticulture operations means **your** normal regular **horticultural activities** associated with the growing of **your** plants.

House means the house that **you** live in.

Injury means external or internal bodily injury caused solely and directly by violent, **accidental**, external and visible means.

Loss means physical:

- (a) loss,
- (b) damage, or
- (c) destruction,

of tangible property during the **period of insurance**.

Loss of electronic data means the loss, corruption, destruction, malfunction or unavailability of information or instructions in electronic form including programs, software and other electronic data. This extends to the loss of use, reduction in functionality, or any other associated loss or expense in connection with the loss of such data including data retrieval costs.

Motor vehicle means any type of machine on wheels or tracks that is propelled by its own power. This includes anything that can be towed by the machine and any **accessories** attached to the machine.

Natural disaster means earthquake (including earthquake fire), volcanic eruption, tsunami, hydrothermal activity, or **natural landslide**.

Natural landslide means the movement (whether by way of falling, sliding or flowing, or by a combination thereof) of ground forming materials composed of natural rock, soil, artificial fill or a combination of such materials which, before movement, formed an integral part of the ground. Natural landslide does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compaction, or **erosion**.

Non-standard wheels means either:

- (a) modified wheels including wheels and/or tyres that are a different diameter, or a wider width, or a lower profile than the vehicle manufacturer's specification, or
- (b) non-manufacturer wheels including wheels differing from the wheels fitted by the manufacturer when the vehicle was new.

Nuclear materials means:

- (a) ionising radiation or contamination by radioactivity from:
 - (i) any nuclear fuel,
 - (ii) any nuclear waste,
 - (iii) the combustion or fission of nuclear fuel, or
- (b) nuclear weapons material.

Paying guest means a temporary visitor at **your house** who pays **you** for hospitality, meals and/or accommodation for a short term.

Period of insurance means the duration of **your** Policy, as shown on the **certificate** (unless the Policy is terminated earlier by **you** or **us**).

Present day value means either the:

- (a) market value immediately before the **loss** or **spoilage**, or
- (b) replacement cost less an allowance for age and wear and tear,

as calculated by **us**, using whichever method **we** believe to be appropriate in the case.

Private use means **your private vehicle** is covered while it is being used for:

- (a) Private purposes (including commuting only to and from **your** workplace).
- (b) Social, domestic and pleasure purposes.
- (c) Religious, social welfare or youth organisation workers in the course of their work.
- (d) **Your farming operations**, including the carriage of goods.
- (e) **Your private homestay activities**.
- (f) **Your** professional or business purposes, if that profession is shown on **your certificate**.

Private vehicle means the private vehicle shown on the **certificate** including:

- (a) Unspecified:
 - (i) non-manufacturer-fitted **accessories** limited to \$2,000 per item,
 - (ii) **non-standard wheels** limited to \$2,000 per set, and
 - (iii) standard accessories, tools and equipment supplied and fitted by the manufacturer.
- (b) Specified **accessories**,

only while being used for **private use**.

Spoilage means deterioration, putrefaction or contamination that occurs during the **period of insurance**.

Storm means violent winds sometimes combined with thunder, heavy falls of rain, hail or snow. Bad weather, or heavy or persistent rain by itself does not constitute a storm.

Terrorism means:

- (a) the use, threatened use, or preparation for the use, of:
 - (i) force or violence towards any person or group(s) of people,
 - (ii) property damage,
 - (iii) conduct that creates a risk to health and safety, or
 - (iv) interference or disruption with an electronic system,
- (b) by a person or group(s) of people whether acting alone, or on behalf of, or in connection with, any organisation or government:
 - (i) designed to influence, coerce or retaliate against, a government or group of people,
 - (ii) bring about change that aligns with their particular political, religious, ideological, ethnic, economic agenda, and
- (c) extends to conduct connected with controlling, preventing, suppressing, retaliating against, or responding to such conduct.

Total loss means **your private motor vehicle** is damaged so badly that it would cost more to repair it than it is covered for under this Policy less its salvage value or **your private motor vehicle** is stolen and not recovered.

War means conflict, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil, mutiny, civil commotion assuming the proportions of or amounting to an uprising, insurrection, rebellion, revolution, military or usurped power, and extends to activity connected with controlling, preventing or suppressing such conduct.

We, us, or our means **FMG**.

You and **your** means the person (or persons) shown on the **certificate** as the insured. **You** can also be a company, partnership or other legal entity.

Your Essential Private Vehicles Policy

We're easy to contact

Call us on
0800 366 466

Write to us at
PO Box 1943
Palmerston North 4440

Email us
contact@fmg.co.nz

Visit our website
www.fmg.co.nz

FMG
Advice & Insurance