

Wheels Car Third Party Only

POLICY WORDING



Contacting us

If **you** ever have a question, need help or want to make an insurance claim, **you're** welcome to phone **us**.

In New Zealand, simply call **0800 501 508**.

If **you're** calling from overseas, **you** can call **us** on **64 9 985 0112**.

If **you'd** prefer to email **us**, it's easy. Just follow the link in the 'Contact Us' section at **www.nac.co.nz**.

Your policy

READING YOUR POLICY

Words in bold

You'll notice that some words in **your** policy are in **bold**. This is because they have a special meaning. There is a list of these words and what they mean on page 8.

Examples and headings

To make it easy for **you** to understand **your** policy, **we've** included some examples and comments in *italics*. Note, these don't affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy wording are designed to help **you** find **your** way around it. **You** mustn't use them when interpreting the policy wording.

WHAT YOUR POLICY CONSISTS OF

Your NAC Car Third Party Only Policy consists of this policy wording, the **schedule** and the information **you** provided in the **application** and any subsequent information **you** provide.

YOU CAN CHANGE YOUR MIND

If **you're** not happy with this policy **you're** welcome to change **your** mind, but **you** must tell **us** within 15-days of the date the policy started. **We'll** then cancel the policy and refund in full any premium **you've** paid. This doesn't apply if **you've** made a claim on **your** policy.

OUR AGREEMENT WITH YOU

We have an agreement with **you**. **You** agree to pay **us** the premium. In exchange, **we** promise to cover **you** as set out in this policy wording.

YOUR DUTY OF DISCLOSURE

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

1. whether to accept or decline **your** insurance, or
2. the cost or terms of the insurance, including the **excess**.

You also have this duty every time **your** insurance renews and when you make any changes to it.

If **you** breach this duty, **we** may treat **your** policy as being of no effect and to have never existed.

Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

What your policy covers

USE OF THE VEHICLE

This policy only applies when the **vehicle** is being **used**:

1. for private, domestic, social or pleasure purposes (including community work), or
2. in connection with a business, profession or occupation, as long as the person **using** the **vehicle** is not **using** it in their capacity as a:
 - (a) salesperson, commission agent, service person or commercial traveller, or
 - (b) insurance representative, insurance agent or insurance broker, or
 - (c) land or real estate agent, or
 - (d) mortgage broker or mobile mortgage manager, or

- (e) stock or station agent, or
- (f) courier driver, delivery person or taxi driver, or
- (g) member of a motor trade.

You're not covered when the **vehicle** is being **used**:

1. to carry fare-paying passengers or for hire, or
2. to carry, haul or tow any goods, plant, machinery or samples in connection with any trade or business other than farming, or
3. to practice for, or take part in, any race (whether organised or not), rally, pace-making, reliability trial or speed test, or
4. on any racetrack.

See also 'Exclusions that apply to the whole policy' on page 5 and 'Policy conditions' on page 7.

USER OF THE CAR

There is only cover under this policy if, at the time of the loss, the person using the **car** is:

1. **you**, or
2. a **named driver**.

This means that any person who is not named on the schedule is not covered by this policy, even if they have your permission to use the car.

See 'Exclusions that apply to the whole policy' on page 5 and 'Policy conditions' on page 7.

Section 1: Loss to your car

This section explains what **your** policy automatically covers and what it doesn't cover at all. Please read this section carefully – and if **you** have any questions, call **us** on **0800 501 508**.

PROTECTION AGAINST UNINSURED DRIVERS

You're covered for sudden and **accidental loss** to the **car** that happens during the **period of cover** in New Zealand (and transit between places in New Zealand), that is caused by an uninsured driver of another vehicle, as long as **you** give **us**:

1. enough information to establish that the driver of the other vehicle was completely at fault, and
2. the correct registration number of the other vehicle and information **we** need to identify the driver (including name and address), and
3. reasonable help to recover **your** claim from the driver of the other vehicle, or from its owner.

For example:

If you are waiting at a red light and another car hits your car in the rear, you can claim under this policy up to \$3,000, but only if that person is not insured and if you can give us all the information and assistance that is listed in 1, 2, and 3 above. If that person is insured then you must claim from their insurance company or from them personally.

What you'll get

See 'What you get if we accept your claim' on page 3 for details on what **we'll** pay.

The most **we** will pay for any **event** is \$3,000 – and **you** won't have to pay the **excess**.

What isn't covered?

See also 'Exclusions that apply to the whole policy' on page 5 and 'Policy conditions' on page 7.

REPLACEMENT CAR

When **you** buy a replacement car for the **car**, **we'll** cover the replacement car under this policy from the date of purchase, as long as:

1. **you** notify **us** within 10-days of the date of purchase, and
2. the replacement car's purchase price does not exceed \$30,000, and
3. the replacement car's purchase price will be the sum insured, and

TIPS

Remember to inform us of any changes to your circumstances during the time you are insured with NAC.

4. **you** pay any additional premium that is required, and
5. **you** accept any **excess(s)** and terms that **we** may decide to apply to the replacement car.

What you get if we accept your claim

Please make sure **you** read this section carefully. If **you** have any questions, just phone **us** on **0800 501 508**.

REPAIR OR PAY CASH?

Repairable

If the **car** is economic to repair in **our** opinion, **we** have the option to:

1. arrange for the **car** to be repaired as near as possible to the condition it was in before the **loss** happened, using parts and practices appropriate in the New Zealand repair industry, or
2. pay **you** the cost of repairs as estimated by **our** assessor.

If the repairs will put the **car** in a substantially better condition than before the accident, **you** may be required to make an appropriate contribution towards the cost of repairs if **we** ask **you** to.

Not repairable

If the **car** is **uneconomic to repair** in **our** opinion, **we'll** pay **you** the **market value** up to \$3,000.

If **we** do this, this policy comes to an end and **we** won't refund any premium.

Parts unavailable in New Zealand

If any new parts, accessories or tools cannot be bought in New Zealand, **we'll** pay the last known selling or list price in New Zealand plus the reasonable fitting cost.

Repair Guarantee

All repairs to the **car** that are done through **our** approved repairer network are quality guaranteed while **you** own it and it is insured with **us**.

Section 2: Liability

Your legal liability

You're covered for:

1. **your** legal liability and defence costs, caused by **your use** of a **vehicle** in New Zealand (including in transit between places in New Zealand) occurring during the **period of cover**, arising from:
 - (a) **accidental loss** to anyone else's property (including loss of use), or
 - (b) **bodily injury** to any one else.
2. General Average or salvage charges that you are legally required to pay as a result of the **car** being carried by ship between places in New Zealand during the **period of cover**.

'General Average' is a marine term that describes how the cost of losses will be shared between those persons with property on the ship.

Named driver's legal liability

We'll cover the legal liability, defence costs and legal liability to pay **reparation**, of any **named driver** caused in connection with their **use** of the **car** in the same way as **we** cover **you**, as long as:

1. the **named driver** had **your** permission to **use** the **car**, and
2. the **named driver's** liability is not covered by any other insurance, and
3. the **named driver** meets all the same terms of this policy that **you** must meet.

Reparation

You're covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of cover** in connection with **your use** of any **vehicle**, in New Zealand (including transit between places in New Zealand).

Provided that:

1. **you** or any other person entitled to cover must tell **us** immediately if **you** or they are charged with any offence in connection with the **use** of any **vehicle**, which resulted in **loss** of property or **bodily injury** to another person; and
2. **we** must give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 (Act), or would be covered but for:

1. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
2. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
3. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

Vicarious liability

We'll cover **your** employer's vicarious liability while **you**, or any other employee who is a **named driver**, and has **your** permission, **use** the **car** for the business of **your** employer, as long as:

1. **your** employer's vicarious liability is not covered by any other insurance, and
2. the other employee **using** the **car** meets all the same terms of this policy that **you** must meet.

'Vicarious liability' means that your employer may be held responsible for injury or damage, even if they were not actively involved in the incident.

What you'll get

PROPERTY DAMAGE PAYMENT

We'll pay for:

1. liability, including liability to pay **reparation**, for **loss** to property, and
2. reasonable defence costs incurred with **our** approval (**we** won't unreasonably withhold **our** approval), and
3. costs awarded against **you** by a Court.

The most **we'll** pay in total for 1, 2 and 3 is \$20,000,000 for any **event**.

BODILY INJURY PAYMENT

We'll pay for:

1. liability, including liability to pay **reparation**, arising from **bodily injury**, and
2. reasonable defence costs incurred with **our** approval (**we** won't unreasonably withhold **our** approval), and
3. costs awarded against **you** by a Court.

The most **we'll** pay in total for 1,2 and 3 is \$1,000,000 for any **event**.

SETTLEMENT OF ANY CLAIM

If **we** pay:

1. the full amount under this part of the policy, or
2. any lesser amount that **we** can settle **your** liability for plus **your** defence costs,

this will meet all **our** obligations under this part of the policy.

WHAT ISN'T COVERED

1. **You're** not covered for liability, including liability to pay **reparation**, for **loss** to any property:
 - (a) owned by **you** or anyone **we** cover and who claims under this policy, or
 - (b) in **your** care or in the care of anyone **we** insure under this policy other than for:
 - (i) a disabled vehicle being towed without charge by any **vehicle**, or
 - (ii) clothing, personal effects and luggage being carried by and belonging to any passenger in any **vehicle**, or
 - (c) being carried by, loaded into, or unloaded from, any **vehicle** or a caravan or trailer attached to any **vehicle** other than specified under (b)(ii) above.

TIPS

Make sure
you keep a safe
following distance.

2. **You're** not covered for liability created by a contract or agreement unless **you** would have been liable even without such contract or agreement.
3. **You're** not covered for liability in any way connected with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up) unless the seepage, pollution or contamination happens during the **period of cover** and is caused by a sudden **accidental event** that also happens during the **period of cover**.
4. **You're** not covered for any fine, penalty, or punitive or exemplary damages.
'Exemplary damages' is money claimed as punishment. The court awards this to punish someone for their outrageous conduct and to deter others.
5. **You're** not covered for any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.

Exclusions that apply to the whole policy

This section explains things **your** policy doesn't cover that are additional to those already mentioned in the previous sections.

Please read it carefully – and if **you** have any questions, call **us** on **0800 501 508**.

ALCOHOL, DRUGS AND OTHER INTOXICATING SUBSTANCES

There's no cover under this policy if the person **using** the **vehicle**:

1. has a breath alcohol or blood alcohol concentration that exceeds the legal limit, or
2. refuses to undergo a breath or blood test after an accident when they must legally do so, or
3. is under the influence of a drug or any other intoxicating substance to such an extent that they are incapable of having proper control of the **vehicle**, or
4. fails or refuses to stop, or remain at the scene, following an accident (as required by law).

This doesn't apply if the driver of the **vehicle** stole or converted it, as long as **you** lay a complaint with the police.

CONFISCATION

You're not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with confiscation, nationalisation, requisition, acquisition, or destruction of or damage to property by order of government, public or local authority or under any statute or regulation, unless such order is required to prevent or control **loss** that would otherwise have been covered by this policy.

ELECTRONIC DATA AND PROGRAMS

You're not covered for any liability or loss of or damage to **electronic data** from any cause whatsoever including, but not limited to, a **computer virus**.

This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

However, this exclusion does not apply to physical damage to other insured property that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.

EXCESS

For each **incident**, the relevant **excess** will be deducted from the amount of **your** claim unless stated otherwise.

INTENTIONAL OR RECKLESS ACTS

You're not covered for any loss, damage, cost, expense, prosecution or liability arising from any intentional or reckless act or omission by **you** or anyone else covered by this policy.

MODIFIED VEHICLE

There's no cover under this policy if the **car** has been **modified** unless details of all the **modifications** have been given to **us** and **we** have agreed in writing to continue cover.

NUCLEAR

You're not covered for any loss, damage, cost, expense, prosecution or liability of any type in connection with:

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

OTHER INSURANCE

You must tell **us** if the **car** is (or becomes) covered by another insurance policy.

This policy does not cover **your loss** or liability at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

TERRORISM

You're not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

TYPES OF LOSS NOT COVERED

You're not covered for:

1. depreciation, or
2. wear and tear, rust or corrosion, or
3. loss of use, or
4. gradual deterioration, or
5. consequential loss, unless stated otherwise.

For example, you are not covered for any loss in value of the vehicle following an accident.

UNLICENSED DRIVERS

There's no cover under this policy if the person **using** the **vehicle**:

1. does not comply with all the conditions of his or her driver's licence, or
2. is not legally allowed to drive in New Zealand.

UNSAFE OR UNROADWORTHY

You're not covered if a **vehicle** is being **used** in an unsafe or unroadworthy condition and:

1. the condition of the **vehicle** contributed to the **loss** or liability, and
2. the driver should have been aware of that condition.

WAR

You're not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:

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

TIPS

Remember to drive
inside your licence
restrictions.

Making a claim

When **you** need to make a claim, **we'll** be here to help **you** – go to www.nac.co.nz/claims or just call **us** on **0800 501 508** and select the Claims option.

WHAT YOU MUST DO

If anything happens that could result in a claim under this policy, **you** must:

- do what **you** can to take care of the **car** and prevent any further loss or liability, and
- tell **us** as soon as possible, and
- notify the police as soon as possible if **you** think the loss was caused by a criminal act, and
- allow **us** to examine the **car** before any permanent repairs are started, and
- not destroy or dispose of anything that is, or could be, part of a claim, and
- as soon as possible, send **us** anything **you** receive from anyone about a claim or possible claim against **you**, and
- give **us** any information or help **we** ask for, and
- consent to **your** personal information in connection with **your** claim being disclosed to **us** and transferred to Insurance Claims Register Limited, and
- tell **us** immediately if **you** or anyone else entitled to cover under this policy is charged with any offence in connection with the **use** of the **car** or a **vehicle** which resulted in **loss** of property or **bodily injury** to another person.

GETTING OUR PERMISSION FIRST

You must ask for **our** permission before **you**:

- incur any expenses in connection with a claim under this policy, or
- negotiate, pay, settle, or admit any allegation that **you** are legally liable, or
- negotiate, offer to pay or pay any **repairs**, including but not limited to, offers made as any part of any case management conference or sentencing hearing, or
- do anything that may prejudice **our** rights of recovery.

Policy conditions

Your NAC Car Third Party Only Policy has some important conditions. This section explains what they are and what happens if **you** don't follow them. Please read it carefully and if **you** have any questions phone **us** on **0800 501 508**.

IF YOU DON'T COMPLY WITH THE POLICY...

Breach of condition

If:

1. **you**, or
2. any other person **we** cover under this policy, or
3. anyone acting on **your** behalf, breaches any of the conditions of this policy, **we** may at our sole discretion:
 - (a) decline **your** claim, either in whole or in part,
 - (b) decline any claim connected with the same **event** that **you** make on any other policies **you** have with **us**,
 - (c) declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act, or breach.

YOUR OBLIGATIONS

True statements and answers

True statements and answers must be given (whether by **you** or any other person) in all communications with **us**, including, but not limited to, when:

1. this insurance is **applied** for and renewed, and
2. **we** are notified about any change in circumstances, and
3. **you** make any claim under this policy.

Changes in circumstances

You must let **us** know straight away if, after the start of this policy, there are any **modifications** to the **car**, or any material increase or change in the risk **we** cover.

We may change the terms of this policy in response to what **you** tell **us**.

Information is 'material' if we would have made different decisions about either accepting your insurance or setting the terms of the insurance, if we had known that information. Tell us if this information changes while we insure your car – as soon as you know that the change will happen.

If you're not sure if information is 'material', tell us anyway.

The 'risk we cover' refers to the actual property or liabilities we insure (known as physical risks), and you or other people covered by this policy (known as moral risks).

Reasonable care

You must always take reasonable care to avoid circumstances that could result in a claim. **You** won't be covered if **you** are reckless or grossly irresponsible.

We can take action in your name

We can take action in **your** name to:

1. negotiate, defend or settle any claim against **you** covered by this policy, and
2. make a recovery from anyone else for anything covered by this policy, and **you** must cooperate with **us**.

We'll pay any costs associated with these actions.

ADMINISTERING THIS POLICY

Cancellation

By you...

You can cancel this policy at any time. If **you** do, **we'll** refund any premium due to **you** based on the **period of cover you** haven't used.

You must pay **us** any outstanding payments due to **us**.

By us...

We can cancel this policy by writing to or emailing **you** at the last known address **we** have for **you**. The policy will be cancelled on the 14th day after the date of the notice. **We'll** refund any premium due to **you** based on the **period of cover you** haven't used.

TIPS

If you wish to modify your vehicle, always use a certified mechanic. For more tips on this topic, go to www.nac.co.nz.

Premium payment

Your NAC Car Third Party Only policy is an annual contract and premiums are calculated on such a basis.

Where **we've** agreed to accept payment of premium by instalments:

1. the policy remains an annual contract and
2. **we** reserve the right in the event of a claim being made to require immediate payment of the balance of any annual premium, and
3. in the event of a total **loss**, **we** reserve the right to deduct any outstanding annual premiums from the final settlement amount.

Changing the terms

We can change this policy's terms (including the **excess**) by writing to or emailing **you** at the last known address **we** have for **you**. Unless otherwise specified in the policy, the change in terms will take effect on the 14th day after the date of the notice.

Currency

Any amounts shown in this policy and on the **schedule** are in New Zealand Dollars.

Goods and services tax

All amounts referred to in this policy include any GST that may apply.

Governing law and jurisdiction

The law of New Zealand applies to this policy or any section of this policy and the New Zealand courts have exclusive jurisdiction.

Joint insurance

If this policy covers more than one person, all persons are jointly covered.

This means that a breach of this policy by any one person affects everyone's ability to claim under this policy.

Legislation changes

Any reference to any Act of Parliament or subordinate regulations or rules referred to in this policy includes any amendments made or substitutions to that law.

Definitions

Here are the special meanings of the words shown in **bold** in this policy. The definitions apply to the plural and any other versions of the words.

For example, the definition of 'accident' also applies to 'accidentally', 'accidental' and 'accidents'.

accessory

a part of the **car** not directly related to its function as a vehicle, including any:

- radio, audio equipment or other in-vehicle entertainment and communication equipment forming an integral part of the **car**, and
- portable telephone that connects to a power source in the **car**, and
- car seat covers, floor mats or child car seats.

accident

unexpected and unintended by **you** and anyone **using** the **car**.

act of terrorism

an act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

- involves violence against one or more persons, or
- involves damage to property, or
- endangers life other than that of the person committing the action, or
- creates a risk to health or safety of the public or a section of the public, or
- is designed to interfere with or disrupt an electronic system.

application

the information **you** provided to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**.

bodily injury

the **accidental** death of, or **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish and mental injury.

car

the **vehicle** described in the schedule, and including any:

- standard tool supplied by the **vehicle's** manufacturer or a similar substitute tool, and
- **accessory** or spare part whilst in or on the vehicle, and
- **accessory** that has been temporarily removed from the **vehicle** for security purposes, cleaning or servicing.

computer virus

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'.

electronic data

facts, concepts and information converted to a form usable 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.

event

any one event or series of events arising from one source or original cause.

excess

the first amount of the claim that **you** must pay, which is shown in either the **schedule** or in this policy wording.

incident

something that occurs at a particular point in time, at a particular place and in a particular way.

loss

physical loss or physical damage.

market value

the reasonable cost to buy, immediately before the **loss** and on the retail market, a vehicle of comparable:

- year,
- make, model and specification (including fitted equipment covered by this policy),
- mileage,
- general condition,

as the **car** that was damaged.

modification

any change to the **car**, that is different to the manufacturer's original specification or recommendations.

Examples include:

- *changes to the engine, steering, performance, suspension, chassis, or*
- *body kits, paintwork, interior modifications, or*
- *tyres or wheels of the car.*

We do not consider a conversion of the car to run on CNG, LPG or Bio Gas is a modification, provided the car has a current Warrant of Fitness and a current Alternative Fuel Inspection Certificate.

named driver

any driver listed in the **schedule** as a 'Named Driver'.

period of cover

the 'Period of cover' shown in the **schedule**.

reparation

an amount ordered by a New Zealand Court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.

schedule

the latest version of the 'Schedule' **we** issued to **you** for this policy.

uneconomic to repair

a total loss because the **car** is:

- uneconomic or unsafe to repair in **our** opinion, or
- stolen and not recovered.

use

includes driving, parking, garaging or storing of the **car**.

vehicle

- the **car** when it is **used** by **you** or anyone else with **your** permission, and
- any other motorcar that **you** don't own that is **used** by **you**, as long as **you** have the owner's permission to **use** it.

we, us, our

NAC Insurance, a business division of IAG New Zealand Limited.

you

the person(s) shown as 'The Insured' in the **schedule**.

BROKER REMUNERATION STATEMENT

NAC Insurance has relationships with brokers who issue our policies. NAC Insurance is a business division of IAG New Zealand Limited. IAG New Zealand Limited pays remuneration to brokers when they issue NAC policies, and when these policies are renewed or varied.

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