

Wheels Car Fire, Theft & Storage

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 Wheels Car Fire, Theft and Storage Policy consists of this policy wording, the **schedule** and the information provided in the **application**.

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** have made a claim on **your** policy.

OUR COMMITMENT TO YOU

We'll do **our** best to:

- provide **you** with helpful, professional service
- act on **your** requests promptly
- provide **you** with policies that suit **your** needs
- give **you** information that will help **you** to reduce the risk of **loss**
- make **you** aware of policy conditions and obligations.

OUR AGREEMENT WITH YOU

Together, **you** and **we** have an agreement. **You** agree to pay **us** a premium for **your** cover and, in exchange, **we** agree to cover **you** as stated in this policy wording.

KEEPING US INFORMED

When **you** apply for insurance with **us**, **you** have an important 'duty of disclosure'. This means that **you** must:

- give **us** all the information that a prudent insurer needs to decide whether to accept or decline **your application** for insurance. If **we** accept **your application**, it includes information that a prudent insurer needs to decide the cost of **your** insurance and the terms and conditions that will apply (including the **excess**), and
- provide **us** with true, accurate and complete information, even if **you** think it isn't important.

You must also tell **us** about changes that occur during the policy period – see 'Changes in circumstances' on page 6.

If **you** don't tell **us** all relevant information, this policy may not be valid and **you** may not be covered if **you** make a claim.

If **you're** not sure whether **you** should give **us** some information, simply call **us** on 0800 501 508 – **we'll** talk the matter over with **you** and let **you** know if the information is relevant to the policy.

We treat all information **you** give **us** in accordance with the Privacy Act 1993.

A prudent insurer uses good judgement and carefully considers consequences and acts accordingly.

So what must you tell us?

You must tell **us** about anything that could affect **your** insurance with **us**. For *example*, **you** must tell **us**:

- *if the car has been modified in any way*
- *if you have been convicted of a criminal offence in the last 7-years*
- *if you move to a different address*
- *if you have been declined or refused insurance in the last 5-years*
- *if there has been any material change in circumstances since the policy started*
- *if you insure the car again with another insurer*

These *examples* are only a guide.

Remember, **we** provide **your** insurance based on the information **you** give **us**. If anything changes, or if **you** expect something to change, **you** must let **us** know or **your** policy may be unenforceable.

Please ask **us** if **you're** not sure if **you** should tell **us** about something.

We must tell you about...

We must keep **you** updated on **your** insurance. For *example*, **we** must tell **you**:

- *if we change the terms of the policy*
- *if we add new terms to the policy*
- *about any other changes to the policy*
- *before the policy renews, how much your new premium will be*

Our other responsibilities to you

- *We'll answer your questions honestly and accurately*
- *We'll provide you with information and advice to help you understand the policy and its terms and exclusions*
- *If you need it, we'll give you a copy of the information you gave us when you applied for the policy*

- *When you first insure with us, and when you renew the policy, we'll tell you about the financial rating on our ability to pay for any claims our customers make*

If **you** have any questions please call **us** on **0800 501 508**.

What your policy covers

ACCIDENTAL LOSS

You're covered for sudden and **accidental loss** to the **car** that happens during the **period of cover** and is caused by:

1. (a) fire, or
(b) theft or attempted theft, conversion or attempted conversion,
provided the **car** is kept in a locked garage or building when unattended by **you**, or
(c) earthquake, volcanic eruption, geothermal activity, tsunami, or
(d) storm or flood, or
(e) malicious damage,
at the situation shown in the **schedule**, or
2. an accident involving a vehicle that is towing or transporting the **car** within New Zealand.

What isn't covered?

See 'Exclusions' on page 4 and 'Policy conditions' on page 6.

REPLACEMENT CAR

When **you** buy a replacement car for the **car**, **we'll** automatically 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
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

This section explains when **we'll** repair the **car**, when **we'll** replace it and when **we'll** pay **you** for it, 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, REPLACE 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**:

1. pay **you** the lesser of the **market value** of the **car** and the **sum insured**, or
2. replace the **car** with a new one, as long as:
 - (a) the **loss** happened within 12-months of **you** buying the **car** new, and
 - (b) the same model and specification is available in New Zealand.

Whenever **we** take one of these actions, this policy comes to an end and **we** won't refund any premium.

MAXIMUM PAYMENT ON ACCESSORIES

Unless **you've** told **us** and it is noted in the **schedule** that a higher limit applies, the most **we'll** pay in total for all **accessories** for any **event** is \$1,000.

PAINTWORK

We will not pay for any additional costs incurred because the:

1. entire **car** has been repainted in a different colour to the original colour, or
2. paintwork includes graphics or illustrations, unless **you've** told **us** and **special paint** is shown in the **schedule**.

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**.

GOODS AND SERVICES TAX

All amounts in this policy include GST.

TIPS

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

Exclusions

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 driving the vehicle that is transporting or towing the **car**:

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.

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

EXCESS

For each **event**, we'll deduct the **excess** from the amount **we** would otherwise pay for **your loss** – unless specifically stated otherwise under another part of 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 AND WAR RISKS

You're not covered for **loss**, liability or any defence costs connected in any way with:

1. operations using the nuclear fission or fusion process, or handling of radioactive material.
This includes, but is not limited to:
 - (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators and similar devices, or
 - (b) the use, handling or transportation of radioactive material, or
 - (c) the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion, or

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

OTHER INSURANCE

You're not covered for any **loss** or liability covered under any other insurance. **We** will not make any contribution towards any claim made under any other insurance.

RECKLESS, WILFUL OR DELIBERATE ACTIONS

You're not covered for **loss**, liability or any legal costs and legal expenses caused or contributed to by any reckless, wilful, or deliberate action by **you** or by anyone acting with **your** knowledge or consent.

TERRORISM

You're not covered for any **loss**, damage, death, injury, illness, liability, cost or expense directly or indirectly caused by, resulting from or in connection with:

1. an **act of terrorism**, regardless of any other cause or **event** contributing to the **loss**, damage, **injury**, illness, liability, cost or expense, or
2. any action taken to control, prevent, suppress or do anything else in relation to an **act of terrorism**.

UNLICENSED DRIVERS

You're not covered if the driver of any vehicle transporting or towing the **car**:

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.

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

WEAR, TEAR, DEPRECIATION AND LOSS OF USE

You're not covered for:

1. depreciation, or
2. wear and tear or rust, or
3. loss of use.

Making a claim

When **you** need to make a claim, **we'll** be here to help **you** – 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.

WHAT WE'LL DO

When **you** contact **us** to make a claim under under this policy, **we'll**:

- treat **you** fairly and process **your** claim within the terms of the policy, and
- explain how the claim process works, and
- advise **you** as best **we** can, on how to prevent further damage, and
- if possible, register **your** claim straight away after asking **you** questions and recording **your** responses, and
- explain what **we** need to go ahead with **your** claim, and
- if required, arrange for an assessor to inspect the damage and explain the procedure that will be followed, and
- keep **you** updated on the progress of **your** claim, and
- give **you** all the information **you** need on how **we'll** settle **your** claim, and
- if **we** decline **your** claim, clearly explain why.

WHAT'S THE INSURANCE CLAIMS REGISTER?

The Insurance Claims Register (ICR) is an electronic register that holds a central record of claims lodged with participating insurance companies. These companies can access the claims history of a customer, for the specific purpose of checking for fraud. This helps to keep the cost of insurance affordable to **you**.

We may obtain details of **your** claims history from the ICR. Details of any claims **you** make under this insurance policy will be supplied to the ICR.

DON'T FORGET ABOUT YOUR EXCESS

When **you** make a claim for **loss** to **your car**, **we'll** deduct the **excess** from the amount **we** would otherwise pay for **your loss**. The **excess** applies to each **event** – unless specifically stated otherwise in another part of this policy.

There are different **excesses** that apply to different **events**. All **excesses** that apply to **your** policy will be shown in the **schedule**.

For example, a claim for theft will attract a different excess than a claim for windscreen damage.

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
- do anything that may prejudice **our** rights of recovery.

'Rights of recovery' means that we can claim the money that we paid out on your claim back from the responsible person (if someone else that is not insured under this policy was responsible for the loss). You must not do anything that prevents us from doing that, or that disadvantages us when doing that.

It is best that you allow us to manage your claim on your behalf. We'll let you know how you can help us when we talk to you about your claim.

HONESTY IS THE KEY

You and **we** have an agreement. As part of that agreement, **you** agree to be honest in all **your** dealings with **us**, just as **we'll** be honest with **you**. If **your** claim is dishonest or fraudulent in any way, **we** have the discretion to:

- decline **your** whole claim or part of it, and/or
- declare that this policy or all the policies **you** have with **us** are unenforceable from the date of the dishonest or fraudulent act.

THINGS THAT WILL HELP US HELP YOU

- Keep **your** insurance documents in a safe and easily accessible place.
- Have **your** policy number handy when **you** contact **us**.
- Have any relevant information ready when **you** contact **us**, such as brand names, special features, names and addresses of drivers of other vehicles involved and registration numbers.
- Let **us** know if **your** contact details change.
- Ask **us** if there's something **you're** not sure about.

IF YOU HAVE A PROBLEM WITH YOUR CLAIM

We'll always do **our** very best to get things right and provide **you** with the service **you** expect from **us**. However, sometimes things do go wrong – so when they do, **we** want to resolve the problem as quickly as possible.

Here's how **you** can help, in three easy steps:

Step 1:

Talk the problem over with the person **you've** been dealing with.

If they can't resolve the problem, or if **you're** unhappy with their response, contact their Claims Team Leader. It's best to put **your** complaint in writing, but if **you** prefer **you** can phone the Claims Team Leader instead. They'll confirm that they've received **your** complaint, investigate the matter and update **you** on the outcome.

Step 2:

If **you're** not satisfied with the results of Step 1, **you** can write to the Executive General Manager, Direct Insurance, Private Bag 92130, Auckland 1142.

We'll acknowledge **your** complaint within three working days of receiving it and make sure it's fully investigated. Within 10-days of receiving **your** complaint, **we'll** write to **you** with the outcome of

the investigation – or, if it's not complete, **we'll** give **you** an update on progress.

Step 3:

If **we** can't resolve **your** complaint to **our** General Manager within 3-months of receiving it, **we'll** let **you** know and advise **you** of **your** rights under the independent Insurance & Financial Services Ombudsman scheme, which considers complaints free of charge.

The Insurance & Financial Services Ombudsman can only consider complaints that have been investigated by the insurance company involved and that have resulted in a deadlock.

You can contact the Insurance & Financial Services Ombudsman by phoning 0800 888 202 or (04) 499 7612, by fax at (04) 499 7614 or by writing to PO Box 10 845, Wellington.

You'll find additional information and contact details on the web at www.ifso.nz

Policy conditions

Your NAC Wheels Car Fire, Theft and Storage 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...

You and anyone else covered under this policy must comply with this policy.

If any of the terms of this policy are breached, **we** have the sole discretion to decline any claim **you** make – either the whole claim or part of it.

YOUR OBLIGATIONS

True statements and answers

The **application** is the basis of this policy. True statements and answers must be given, (whether by **you** or any other person) when **you**:

1. apply for this insurance, and/or
2. let **us** know about any change in **your** circumstances, and/or
3. make a 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 less any administration costs.

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.

Premium Payment

Your NAC Wheels Car Fire, Theft & Storage policy is an annual contract and premiums are calculated on such a basis.

Where we've agreed to accept payment of premium by monthly instalments,

1. the policy remains an annual contract and doesn't become a monthly renewed policy, 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. The change will take effect on this policy's renewal date.

If the car is uneconomic to repair

If the car is uneconomic to repair and we've paid your claim:

1. this policy is automatically cancelled, and
2. we won't give you any refund of premium, and
3. the car will become our property.

This means that you will need to make new insurance arrangements on any replacement car.

Joint insurance

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

This means that if one person breaches the policy it affects everyone's ability to claim.

Other insurance

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

Other parties with a financial interest

If we know of anyone who has a financial interest over the car, we can pay them part or all of any claim proceeds. This payment goes towards meeting our obligations under the policy. However, anyone recorded as having a financial interest under this policy isn't covered by it and has no right to make a claim.

We're also authorised by you to disclose personal information about you to anyone who holds a financial interest in the car.

For example, if you borrowed money from the bank or finance company to buy the car, then the bank or finance company may have a financial interest in the car until you have repaid the full loan amount.

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 'accidental' also applies to 'accidentally', 'accident' and 'accidents'.

accessory

a part of the **car** not fitted by the manufacturer or dealer and which can be easily removed from the **car** including any:

- radio, audio equipment or other in-vehicle entertainment and communication equipment forming an integral part of the **car**, and
- alloy wheels not standard to the **car** but purchased separately, and
- portable telephone that connects to a power source in the **car**.

accidental

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

act of terrorism

an act by any person or group(s) that includes (but isn't limited to) the use of force or violence and/or the threat of force or violence, whether they are acting alone or on behalf of or in connection with any organisation(s) or government(s). By its nature or context, this act 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 make the public, or any section of the public, afraid.

application

the information **you** provided to **us** when **you** applied for and bought this insurance.

car

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

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

event

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

excess

this is the amount of **your loss** that **you** must pay. The amount of the excess is shown in the **schedule** or in the policy.

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.*

period of cover

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

schedule

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

special paint

any paint work on the **car** that is not factory standard, excluding repair paint work.

sum insured

the 'Sum Insured' shown in the **schedule**. The sum insured does not include the value of any separate **accessories** or modifications listed in the **schedule**.

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**.

we

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

you

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

Frequently asked questions

You'll probably have a few questions to ask us once you have read your policy. We've added a few frequently asked questions that may help you.

Note this section is designed to assist you with possible questions and does not form part of the policy document.

If you can't find your question here, or you want more information, just ring us on **0800 501 508**, we'll be happy to help.

What are assessors, and what do they do?

They help us get the information we need about your claim.

For example:

We may ask an assessor to view the damage to your car. The assessor will provide us with a report on the extent of the damage, if repairs are possible and estimate the overall cost of the claim.

Why does NAC Insurance want to know things that I think are private?

We need certain information to decide whether we'll accept your application for insurance. We also use the information to set your premium and excess.

We treat all the information you give us in accordance with the Privacy Act 1993. You can read more about this in 'Keeping us informed' on page 1.

What happens if I don't give you all the information you ask for?

If we accept your application and the information you've given us is inaccurate or incomplete, your policy may not be valid. You can read more about this in 'Keeping us informed' on page 1.

Will my premium increase if I make a claim?

Your premium won't always increase when you make a claim. However, every claim is different, so we will give you more information on this when you ring us.

Now I have insurance, I'm covered for every event - right?

While you're covered for many major unexpected events, we don't cover everything. You can find out what your policy doesn't cover in 'Exclusions' on page 4 and 'What your policy covers' on page 2. You must also comply with the 'Policy conditions' on page 6.

Do I have to pay an excess for every claim?

You'll pay an excess for most claims.

We'll do our best to recover your excess from any other person responsible for your loss, but sometimes we are unsuccessful, or the circumstances don't allow us to recover any money.

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.

NAC Wheels Car Fire, Theft & Storage Insurance Policy

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