



AA Small Business Insurance Policy

Here are the details of your
Commercial Vehicle Policy Module



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Welcome to AA Insurance

Thank you for choosing AA Insurance. When you need us, we'll get things sorted for you.

This policy document explains your insurance cover, your responsibilities and how to make a claim. Please read it carefully and keep it in a safe place.

How to contact us

Go to aainsurance.co.nz/contact

Or if you would prefer to phone us:

- For sales, service and general queries, call us on **0800 500 213**
- For claims queries, call us on **0800 500 216**

We're here to
get things sorted.

0800 500 213
aainsurance.co.nz

The documents that make up your insurance contract

Your insurance contract consists of this policy document and your most recent *policy schedule*.

Your policy document and *policy schedule* are designed to be read together.



This policy document + Your policy schedule = Insurance contract

When read together, your *policy schedule* and policy document outline your cover, which is the insurance we agree to provide you. This cover is governed by the limits, terms and conditions set out within this policy document and your *policy schedule*.

Your *policy schedule* takes priority if the information in this policy document and your *policy schedule* is different.

We agree to provide cover as long as you have paid your premium.

You have a cooling-off period if you change your mind

We provide you with a 21-day cooling-off period if you change your mind. You can cancel your policy within 21 days from the day your policy started, as long as you have not made a claim.

If you choose to cancel your policy within this period, we will cancel your policy back to the policy start date and refund you the full amount of any premium paid. The cooling-off period does not apply if you renew your policy or if you have sold the *insured vehicle*.

If you have a concern

We value our customers and aim to deliver the best service possible. We also appreciate and encourage your feedback – the good and the bad. If you're unhappy with one of our policies, our service or a decision on your claim, please tell us.

Often a quick conversation can help sort things out.

If we can't reach a resolution, please let us know. We can explain our complaints procedure to you, and we have a Customer Resolution Service to help you if needed.

Headings and defined words in your policy

We have used the headings in this policy document to help guide you. These headings are purely descriptive in nature. You should not rely on headings to interpret the policy.

Words in italics have specific definitions

Some words in this policy document are in italics. These words have specific meanings. We have explained them in the 'Definitions' section at the end of this policy document on page 15.

The meaning of other common words in your policy document

We use some common terms throughout this policy document. The meaning of these words are explained below.

'We', 'us' or 'our'

When we say 'we', 'us' or 'our', we mean AA Insurance Limited.

'You' or 'your'

When we say 'you' or 'your', we mean the *insured* and any other *persons insured*.

Cancelling your policy

If you choose to cancel your policy

You may cancel your policy at any time, unless you have made a claim.

If you cancel your policy outside the cooling-off period and you have not made a claim, we will refund you any amount we owe after the cancellation date. We will deduct any cancellation fee shown on your *policy schedule* from the amount we refund you.

If we choose to cancel your policy

We may cancel your policy at any time by notifying you in writing. The cancellation will take effect on the 7th day after we have sent the notice. We will refund you any amount we owe after the cancellation date.

What you are covered for

Item 1: Cover for loss to your vehicle

We will cover you for loss or *damage* to the *insured vehicle* in accordance with the level of cover selected by you (Comprehensive, Third Party, Fire & Theft, or Third Party) and as set out below.

For the purposes of cover under this module, the *insured vehicle* includes all of the following:

- the standard manufacturer's equipment and options
- any *accessories*
- any *modifications* that have been fitted to the *insured vehicle* that we have agreed to cover.

However, the *insured vehicle* does not include:

- *modifications* we have not agreed to cover
- personal effects and household contents (such as clothing, sporting or recreational equipment, tools, eyewear, cell phones, tablets, or laptops) in the *insured vehicle* or trailer.

Description of use

The *insured vehicle* is covered when used:

- in the course of your *business*, and
- for private or domestic purposes.

You must tell us if you change the use of the *insured vehicle* or your *business*, profession or occupation changes.

Comprehensive

If your *policy schedule* shows 'Type of cover: Comprehensive', we will insure you for *damage* to the *insured vehicle* that happens anywhere in New Zealand during the *period of insurance*.

Third Party, Fire & Theft

If your *policy schedule* shows 'Type of cover: Third Party, Fire & Theft' we will insure you for the following events that happen anywhere in New Zealand during the *period of insurance*:

- loss or *damage* to the *insured vehicle* caused by fire
- *damage* to the ignition of the *insured vehicle* caused by attempted theft or vandalism
- theft of the *insured vehicle*.

Third Party

If your *policy schedule* shows 'Type of cover: Third Party', you do not have cover for any loss of or *damage* to the *insured vehicle*.

Item 2: Legal liability

We will cover you for your legal liability to third parties as a result of use of a commercial *vehicle*.

The most we will pay for legal liability is the total of \$20million for any one *event* including related legal costs and expenses incurred with our consent.

We will pay up to:

- \$20million for 'Cover for property damage'
- \$250,000 for 'Cover for reparations'
- \$1million for 'Cover for exemplary damages'
- \$500,000 for 'Cover for weight damage'.

If the cover provided under this item is insufficient to cover both you and any other person entitled to cover under this item, it will apply in priority to you.

Cover for property damage

We will cover your legal liability for *damage* to physical property arising from an *event* in New Zealand involving the *insured vehicle* during the *period of insurance*.

Cover for reparations

We will cover your liability to pay *reparation* in respect of death, *personal injury*, or loss of or *damage* to physical property arising from an *event* in New Zealand caused by, or in connection with the *insured vehicle* during the *period of insurance*. However, there is no cover for *reparation* arising from prosecution of an offence under the Health and Safety at Work Act 2015.

Cover for exemplary damages

We will cover your legal liability for exemplary or punitive damages awarded by any New Zealand court in respect of *personal injury*.

A \$5,000 excess applies to these claims.

Cover for weight damage

We will cover your liability for *damage* caused by the weight of the *insured vehicle* including the weight of the load carried.

A \$5,000 excess applies to these claims.

Cover for marine liability

We will cover you for General Average and Salvage charges adjusted per the contract of affreightment and governing law and practice for which you have a legal liability when the *insured vehicle* is transported by sea or air between places in New Zealand.

Additional liability cover

We will also cover legal liability for 'Cover for property damage', 'Cover for reparation', 'Cover for exemplary damages', and 'Cover for weight damage' where:

- another person is driving the *insured vehicle* with your consent and is not otherwise excluded from the policy cover
- the *damage* was caused by any trailer while attached to the *insured vehicle* provided it is not insured under any other policy
- the *damage* was caused by items falling from the *insured vehicle* or any trailer or caravan attached to the *insured vehicle*
- you are using an uninsured *vehicle* that does not belong to you, however, there is no cover for the *vehicle* being driven
- a *vehicle* not belonging to you and not provided by you is being used in connection with your *business* by any person in your employment, however, there is no cover for the *vehicle* being driven
- while any *vehicle* hired-in by you is being used in connection with your *business* by any hired in-driver, however, there is no cover for the *vehicle* being driven.

What you are not covered for

This policy does not cover any of the following:

- legal defence costs, court costs and any levy, fine or penalty (other than for *reparations*) arising from a prosecution of any offence under any Act, rules or by-laws, against you, your employer, or any person using the *insured vehicle*
- legal costs incurred by any other party that you agree to or are ordered to pay
- legal liability that you assume by agreement unless you would have been liable anyway (or are ordered to pay)
- liability in connection with the bringing of a load to the *insured vehicle* or taking away the load from it
- liability for the death or injury of any person who was in charge of the *insured vehicle* at the time of the *damage*
- for any *damage* to property belonging to you, or in your care, custody or control, unless that property:
 - belongs to the passengers in the *insured vehicle*, or
 - is an inoperative *vehicle* that you are towing (but not for financial gain).

Limits on what we will pay

Comprehensive

If your *policy schedule* shows 'Type of cover: Comprehensive', the most we will pay for any one *event* is the total of:

- the *Agreed Value* of the *insured vehicle*, or the *Market Value* of the *insured vehicle*, whichever is shown on your *policy schedule*
- \$20million for Item 2: Legal liability
- the maximum you are entitled to under the following Automatic extensions:
 - 'Road cleaning and load recovery costs'
 - 'Transport and accommodation'
 - 'Emergency costs'
 - 'Trailers'
 - 'Hire of a vehicle following theft of your vehicle'
- the maximum you are entitled to under the Additional extension – 'Hire of a vehicle following an accident', if you have chosen this.

Third Party, Fire & Theft

If your *policy schedule* shows 'Type of cover: Third Party, Fire & Theft', the most we will pay for any one *event* is the total of:

- the *Agreed Value* of the *insured vehicle*, or the *Market Value* of the *insured vehicle*, whichever is shown on your *policy schedule* if your claim is for fire or theft
- \$20million for Item 2: Legal liability
- the maximum you are entitled to under the Automatic extension – 'Cover for accidents with an uninsured third party'.

Third Party

If your *policy schedule* shows 'Type of cover: Third Party', the most we will pay for any one *event* is the total of:

- \$20million for Item 2: Legal liability
- the maximum you are entitled to under the Automatic extension – 'Cover for accidents with an uninsured third party'.

Automatic extensions

The following extensions are automatically included in your cover.

Replacement vehicle

We will insure a replacement *vehicle* for its *Market Value* on the same terms that apply to the *insured vehicle*, provided:

- you tell us within 30 days of the purchase date of the replacement *vehicle*
- you pay any extra premium which we may require.

Invalidation

We will cover the *insured* when the *insured vehicle* is being used in a manner to which an exclusion would apply, providing:

- the use was without the *insured's* knowledge
- the *insured* has not waived any right of recovery against the driver or person responsible for the *damage*
- the *insured* co-operates fully in any subrogated recovery action.

However, there is no liability cover for the driver or person responsible for the *damage* and 'Cover for exemplary damages' does not apply.

The most we will pay for any one *event* is \$75,000.

Comprehensive extensions

The following extensions only apply if your *policy schedule* shows the *insured vehicle* has 'Type of cover: Comprehensive'.

Road cleaning and load recovery costs

We will pay the reasonable costs for any of the following resulting from the *damage*:

- cleaning up and clearing away any debris and spillage
- recovering and reloading any load lost or fallen from an *insured vehicle*
- transferring the load carried on, lost or fallen from an *insured vehicle* to another *vehicle* and removing it to the nearest place of safety.

The most we will pay is \$20,000 for any one *event*.

This automatic extension does not cover any fine, penalty or order for *reparation*.

Transport and accommodation

If the *insured vehicle* cannot be driven, or you are unfit or unable to drive, we will pay the reasonable costs of:

- transporting you and your passengers to their home or place of work
- temporary accommodation for you and for your passengers if you are unable to return to the place you are currently living or staying.

The most we will pay is \$5,000 for any one *event*.

Additional vehicle cover

We will insure an additional *vehicle* for its *Market Value* on the same terms that apply to the *insured vehicle*.

We will pay up to the additional *vehicle's Market Value* or \$100,000, whichever is the lesser, provided:

- you tell us within 30 days of the purchase date of the additional *vehicle*, and
- you pay any extra premium which we may require.

New vehicle cover

If we classify the *insured vehicle* as a total loss, and it is less than one year old, we may at our option decide to replace the *insured vehicle* with a new *vehicle*. If we do this, we will also pay any *on-road costs*.

The replacement *vehicle*:

- will be the same make, model and specification as the *insured vehicle*
- will be fitted with the same options, *modifications* and *accessories* as those fitted to the *insured vehicle*
- must be available in New Zealand.

If we do not replace the *insured vehicle*, we will pay the *Agreed Value*, less your total applicable excess and any *on-road costs* that are not fully paid or up to date.

This automatic extension applies only to cars, vans, utility vehicles and SUVs.

Keys and locks

We will cover you for the necessary costs of rekeying, recoding or replacing the key mechanism, locks, and keys if the keys have been subject to *damage*, or are believed on reasonable grounds to have been duplicated.

The most we will pay is \$5,000 for any one *event*.

Trailers

We will cover you for *damage* to a domestic trailer owned, hired or leased by you whilst attached to the *insured vehicle*.

However, this extension doesn't cover any of the following:

- caravans, boat, horse or camper trailers
- trailers which are insured by another policy
- trailers which can't be towed by the *insured vehicle*
- trailers which are not attached to the *insured vehicle*
- the contents of any trailer.

We will pay the *Market Value* of the trailer up to a maximum of \$1,000 for any one *event*.

Hoist breakdown

We will cover you for mechanical breakdown or failure of hoists which is not due to wear and tear.

The most we will pay for any one *event* is \$5,000.

Tyres and tracks

We will insure you in respect of any loss to any tractor or implement tyres or tracks (excluding inner tubes) fitted to the *insured vehicle* while it is in use.

There is no cover for normal wear and tear, or if the *insured vehicle* is primarily used or operated on public roads.

The most we will pay is \$1,000 per tyre or track for any one *event*.

Hire of a vehicle following theft of your vehicle

If the *insured vehicle* has been stolen and not recovered, we will cover the reasonable cost of hiring a replacement *vehicle*.

We will cover the costs incurred after you have notified us of the theft until any of the following occur:

- the day after the *insured vehicle* is recovered
- on completion of repairs should the *insured vehicle* be recovered damaged
- your claim is settled as determined by us.

If you hire or borrow a *vehicle* which is a different make or model to the stolen *insured vehicle*, we may reduce proportionately the amount otherwise payable under this extension. No compensation will be paid if you have a free replacement or surplus *vehicle* available.

The most we will pay for any one *vehicle* is \$150/day and \$3,000 in total per *event*.

Where you are using a substitute *vehicle* and you are required to insure it, we will cover the *vehicle* on the same terms that apply to the *insured vehicle*, provided the substitute *vehicle* is of a similar type to the *insured vehicle*.

Emergency costs

We will pay the reasonable costs for any of the following:

- moving the *insured vehicle* to the nearest repairer or place of safety
- storage of the *insured vehicle*
- essential emergency repairs so you can get the *insured vehicle* to your destination or to a repairer
- salvage or recovery of the *insured vehicle*.

Employees' vehicles

We will cover *employees' vehicles* as if they were an *insured vehicle* while being used for your *business* when such use invalidates the *employees' own vehicle* insurance or where the *vehicle* is uninsured.

The most we will pay for any one *employees' vehicle* is \$75,000.

This automatic extension will only apply to a *vehicle* that is not normally used by your *business*, and is not used for more than 14 days per annum.

Excess-Free Glass Cover

No excess applies to claims for sudden and accidental physical *damage* to your windscreen or window glass provided there is no other *damage* to the *insured vehicle*.

However, we don't cover any of the following under this automatic extension:

- sunroofs, glass roofs, mirrors, headlights, tail lights, lamp covers or any other glass or transparent plastics, or for the replacement of anything attached to the windscreen or window glass; you will need to pay your excess for claims involving these
- any *damage*, wear, tear or deterioration to the *insured vehicle* that must be repaired to enable glass to be fitted
- the replacement of any undamaged glass or parts of the *insured vehicle* in order to create a match.

Third Party and Third Party, Fire & Theft extension

The following extension only applies if your *policy schedule* shows the *insured vehicle* has 'Type of cover: Third Party' or 'Third Party, Fire & Theft'.

Cover for accidents with an uninsured third party

We will cover *damage* to the *insured vehicle*, if all of the below criteria are met:

- the *damage* was the result of an accident caused by an uninsured third party
- you give us the correct name and contact details of the uninsured third party
- you give us the correct registration number of the other *vehicle*
- the uninsured third party confirms their involvement in the *event*
- we agree the driver of the *insured vehicle* was not at fault.

We will settle your claim in one of the following ways:

- 'Repairing your vehicle'
- 'Paying the costs to repair'
- 'Paying your claim as a total loss'.

However, the most we will pay is \$5,000 for any one *event*.

Additional extensions, memoranda and endorsements

If any of the following extensions or memoranda apply, they will be shown on your *policy schedule* under 'Additional extensions'.

Unless otherwise stated these extensions and memoranda are subject to all provisions of this policy module.

If there is any conflict or inconsistency between this extension or memoranda, only the more particular extension or memorandum will apply.

Entanglement

The 'Entanglement' exclusion on page 12 is deleted.

Deep frying equipment

If the *insured vehicle* is used for any deep frying with oil or fat you warrant that:

- each vat is fitted with a close-fitting steel lid that is shut when the vat is not in use, and the lid is readily available to cover the vat in the *event* of a fire
- a fire blanket with minimum dimension of 1.8m by 1.8m is installed in a conspicuous place close to, but not less than 2m from, the frying operation and that the fire blanket is readily accessible for immediate use during any deep-frying operation
- a fully charged wet chemical extinguisher or other similar 'F'-rated fire extinguisher complying with the New Zealand Standard NZS 4503 (Hand Operated Fire Fighting Equipment) is installed in a conspicuous place close to, but not less than 2m from, the frying operation and is accessible for immediate use during any deep-frying operation
- all thermostats, pans, blankets and extinguishers are always maintained in good working order
- extraction filters are cleaned weekly and extraction flues and ducting inspected monthly and cleaned as necessary
- where the fryer is an electric fryer a separate non-adjustable manual reset thermostat is fitted to it and set to disconnect the power supply when the temperature of the cooking liquids reaches 220 degrees centigrade, and
- all cooking liquids for disposal are always stored in a metal bin with a close-fitting metal lid until removal from the *insured vehicle*.

If you are not the user of the *insured vehicle* or operator of the equipment, you will in writing instruct the user and operator to carry out all the requirements above to ensure that the terms of this extension are always met.

Hire of a vehicle following an accident

If *damage* prevents you from using the *insured vehicle* we will cover the reasonable cost of hiring a substitute *vehicle* provided:

- the *insured vehicle* has suffered *damage* for which the claim is payable under 'What you are covered for – Item 1: Cover for loss to your vehicle', and
- compensation for the substitute *vehicle* will begin when the *insured vehicle* is delivered to the repairer to start the repair, or from the date of the *damage* if the *insured vehicle* is totally disabled or lost at that date.

If you hire or borrow a *vehicle* which is a different make or model to the *insured vehicle*, we may reduce proportionately the amount otherwise payable under this extension. No compensation will be paid if you have a free replacement or surplus *vehicle* available.

The most we will pay for any one *vehicle* is \$150/day and \$3,000 in total per *event*.

Where you are using a substitute *vehicle* and you are required to insure it, we will cover the *vehicle* on the same terms that apply to the *insured vehicle*, provided the substitute *vehicle* is of a similar type to the *insured vehicle*.

Making a claim

This section explains what you need to do when you make a claim.

Claims conditions

You must co-operate with us and give us any information or help we ask for in relation to your claim.

As soon as you are aware of an *event*, circumstance or occurrence you or any driver must comply with all the following conditions:

- take all reasonable steps to minimise the loss and prevent further *damage*
- tell the police in the case of theft, burglary, vandalism or arson, or the attempt at these
- do not admit responsibility for any loss, *damage* or liability
- do not, without our consent, incur any expense or negotiate, pay, settle, or make any agreement in relation to any claim
- tell us if you or any person entitled to cover is charged with any offence in connection with the use of the *insured vehicle* or any other *vehicle* which has resulted in loss or *damage* to physical property or *personal injury* to another person
- do not make any offer of *reparation* (including as part of any case management conference or sentencing hearing) without getting our prior consent in writing.

As soon as possible you or any driver must also:

- tell us of the *event* and give full details and circumstances of what has happened, including details of everyone involved
- send us all relevant communications which you receive
- obtain our permission before you incur any expense, other than the reasonable cost of urgent work to prevent further loss or *damage*
- keep damaged property for our inspection
- make the *insured vehicle* available for inspection and assessment before any repairs are carried out
- provide a detailed description of the lost, damaged or stolen items, proof of ownership and any other information or evidence that we may require
- let us at our expense and in your name to take any action necessary against any other party and to take over and conduct the defence and settlement of any claim against you
- provide all reasonable assistance and co-operate with us and our assessors, investigators, lawyers or anyone else we appoint to assist, in the making of your claim, its settlement and any defence of a potential claim against you or any action against anyone else.

If you do not comply with these conditions

If you do not comply with any of these conditions, we can:

- decline your claim
- recover from you what we have already paid.

After your claim is accepted

If any lost or stolen property for which we have paid a claim is later found or recovered, you must:

- tell us immediately, and
- if we request it, hand the property over to us.

We have the right to keep any property, including any proceeds from its sale, for which we have paid a claim under this policy subject to adjustment if you have not been fully indemnified for your loss.

If any person is ordered to make or otherwise makes *reparation* to you for loss or *damage* to any property for which we have paid a claim under this policy, you must reimburse us for that payment as soon as any *reparation* is made, subject to adjustment if you have not been fully indemnified.

You will have to pay an excess

An excess is the amount you must pay for each individual *event*. We may deduct your excess from the total settlement amount.

The total excess is determined by the circumstances of your claim. You might have to pay more than one type of excess when you make a claim. The excesses will be noted in this policy document and/or in your *policy schedule*.

If you claim under more than one policy with us for loss, *damage*, or liability caused by a single *event* or occurrence at the same location, you will only have to pay one excess. This will be the highest total applicable excess. This does not apply to any loss caused by *natural disaster damage*.

A series of *events* arising from any one cause during any period of 72 consecutive hours will be treated as one *event* for the purposes of determining the excess you need to pay.

How we will settle your claim

We will choose to settle your claim in any of the following ways:

- Repairing your vehicle
- Paying the costs to repair
- Paying your claim as a total loss.

Repairing your vehicle

When we choose to repair your vehicle

We can choose to repair the *insured vehicle* if it has been damaged and we believe all the following:

- the *insured vehicle* can be repaired safely
- the *insured vehicle* is more cost-effective to repair than to pay the *Agreed Value* or the *Market Value*, whichever is shown on your *policy schedule*.

When we arrange to repair the *insured vehicle*, we will ensure it is repaired to a standard comparable to the condition of the *insured vehicle* immediately before the *damage*.

We will choose repairers from our group of *AA Insurance repairers*.

If we repair your vehicle to a better condition

If the repairs will put the *insured vehicle* in a better condition than it was immediately before the *event*, we will discuss this with you before any repairs begin. If we agree to complete repairs that are unrelated to your claim, you must pay the extra costs.

When we repair or replace parts of your vehicle

We will decide whether damaged parts and *accessories* on the *insured vehicle* are repaired or replaced.

If we decide to replace parts on the *insured vehicle*, we will decide whether to use new, recycled or reconditioned parts. We will use original manufacturer branded parts, except for windscreens and window glass. When available, windscreens and window glass will be replaced with compatible aftermarket glass that meets all Australasian safety standards.

If we decide to replace *accessories* for the *insured vehicle*, we will replace *accessories* with the nearest equivalent item which is readily available in New Zealand. This item will have the same function, characteristics and specifications as the damaged or stolen accessory, but will not necessarily be the same brand, price, model or colour.

You must let us take ownership of any parts or *accessories* we have replaced that have been damaged, lost, or stolen and are recovered.

Paying the costs to repair your vehicle

We can choose to pay the cost to repair the *insured vehicle* to a standard comparable to the condition of the *insured vehicle* immediately before the *event*.

We will pay the lowest of the:

- reasonable cost of the repairs as estimated by our assessor
- amount we would have paid if we arranged the repair ourselves.

We will not be responsible for the quality of workmanship provided by the repairer. We will not provide any guarantee relating to the repair.

For any part not available in New Zealand, the most we will pay is the lowest of the:

- manufacturer's last known list price in New Zealand
- price of the part's closest New Zealand equivalent
- cost of having a new part made in New Zealand.

We will not pay shipping or freight charges for parts that are sourced outside of New Zealand.

Paying the costs to repair or replace your vehicle's accessories

We can choose to pay the cost to repair or replace damaged or stolen *accessories* on the *insured vehicle*.

If we choose this option, we may pay you with cash, a voucher or a store credit for the repair cost or replacement value of any *accessories*.

The replacement value will be determined by the retail price of an item that is readily available in New Zealand with the same functions, characteristics and specifications as the damaged or stolen *accessories*. This value may take into account any discount to us from our suppliers.

Paying your claim as a total loss

We will choose to determine the *insured vehicle* as a total loss if we believe any of the following:

- it is not safe to repair the *damage* to the *insured vehicle*
- the cost of repairing the *insured vehicle* is more than the *Agreed Value* or *Market Value*, or it is uneconomic to repair
- the *insured vehicle* has been stolen and has not been found within 10 days.

What happens when your vehicle is a total loss

If we have determined the *insured vehicle* as a total loss, we will choose to settle your claim in one of the following ways:

- paying the *Agreed Value* or the *Market Value* of the *insured vehicle*, whichever is shown on your *policy schedule*
- replacing the *insured vehicle* if you meet the criteria under Automatic extension – 'New vehicle cover' and we select that option.

We will deduct your total applicable excess, and any *on-road costs* that are not fully paid or up to date, from your settlement payment.

Once your claim is settled, the *insured vehicle*, including all *accessories* and *modifications*, becomes our property. We will also be entitled to any refund of *on-road costs*. This includes when the *insured vehicle* is recovered after it has been stolen.

Your premium and policy when your claim is a total loss

When your claim is a total loss, you must pay the total premium for the entire *period of insurance* shown on your *policy schedule* in full before we can settle your claim. If you are paying your premium by instalments, we will deduct any unpaid instalments from your settlement payment.

Your policy will end on the date of the *event*, and you will not be able to claim on any subsequent *event*. You will not receive any refund of your premium.

What you are not covered for

This section explains what your policy does not cover. These exclusions apply to all sections of this policy.

Intentional damage

This policy does not cover any loss, *damage* or liability, directly or indirectly caused by, arising from or involving acts or omissions which are intentional, reckless, deliberate, malicious or have criminal intent by you, anyone covered by this policy or any person with a financial or ownership interest in the *insured vehicle* or in your *business*.

Existing damage

This policy does not cover an *event* which happened before your policy started.

Driving under the influence or leaving the scene of an accident

This policy does not provide cover if the person using the *insured vehicle* at the time of the *event*:

- failed to stop or left the scene of an accident when it is an offence to do so, or
- was under the influence of alcohol, drugs or any other intoxicating substance, or
- had a blood or breath alcohol level in excess of the legal limit or if after the *event* failed or refused to take any test for alcohol or drug content in the body, breath or blood after being lawfully required to do so.

This does not apply if the driver has stolen the *insured vehicle* and you have made a complaint to the police.

Breach of licence or driving conditions

This policy does not provide cover when the *insured vehicle* is being used or driven by any person who at the time of the *event*:

- was not legally licenced to drive in New Zealand
- was not complying with the conditions of their driver's licence
- had been advised, directed or instructed not to drive by a medical or other professional
- was in breach of the legal requirements relating to driving hours
- is otherwise excluded from cover under this module.

However, we will not apply this exclusion if the driver has stolen the *insured vehicle* and you have made a complaint to the police.

Faulty workmanship

This policy does not cover loss, *damage* or liability directly or indirectly caused by, arising from or involving poor, defective or faulty workmanship, design or manufacture, structural or inherent defect.

Wear, tear or gradual damage

This policy does not cover any loss, *damage* or liability, directly or indirectly caused by, arising from or involving any of the following:

- wear and tear, rust, or corrosion
- rot, mould, mildew, fungi, or smoke *damage* which has happened gradually
- action of micro-organisms, particles, or action of light
- atmospheric or climatic conditions.

This policy does not cover any loss, *damage* or liability, directly or indirectly caused by, arising from or involving gradual deterioration, blockage, or depreciation of the *insured vehicle*.

Undamaged property

This policy does not cover any loss, *damage* or liability associated with the cost of painting, repairing or replacing an area, set or part of the *insured vehicle* that was not damaged in the *event*, or that is not related to your claim.

This policy also does not cover any loss, *damage* or liability arising because paint, features, fabrics, or other parts of the *insured vehicle* cannot be matched.

Consequential loss or costs you incur

This policy does not cover any of the following:

- loss of use of the *insured vehicle*
- consequential losses of any kind
- costs or expenses you may incur to prove or help us with your claim
- repairs that are not related to your claim.

This exclusion includes, but is not limited to, the following:

- loss of income
- loss of or reduction in value
- additional costs incurred
- your time or anyone else's time or materials used
- inconvenience or disruption
- expenses and liability incurred due to the *insured vehicle* not being able to be used.

Tyre damage

This policy does not cover loss or *damage* to tyres caused by the application of brakes or by punctures, cuts or bursts. However, we will pay for *damage* to tyres caused by malicious *damage* by third parties.

Weight damage

This policy does not cover loss or *damage* to any property (including any road) arising from vibration caused by the *insured vehicle*, or the weight of the *insured vehicle* including the weight of the load carried by the *insured vehicle*.

Water damage

This policy does not cover any loss, *damage* or liability, directly or indirectly caused by, arising from or involving water *damage* due to defective or blocked drainage systems, leaking seals or gaskets.

Mechanical or electrical breakdown

This policy does not cover loss or *damage* to, or failure of, mechanical, electrical or electronic parts of the *insured vehicle* or any *damage* resulting directly or indirectly from a mechanical, electrical or electronic failure or breakdown.

Pest damage

This policy does not cover any loss, *damage* or liability, directly or indirectly caused by, arising from or involving insects, pests, vermin, rodents, or possums.

Excesses and other insurance

This policy does not cover your excess on this or any other policy.

This policy does not provide cover where cover is provided by other insurance or by a warranty or guarantee. We will not contribute towards any claim made under any other policy.

Entanglement

This policy does not cover *damage* to any *insured vehicle* that is an agricultural implement or machine arising from ingestion or entry of any foreign body or object into that *insured vehicle*, except where you have selected the Additional extension – ‘Entanglement’.

Vehicle use

This policy does not cover the *insured vehicle* when it is being used for any of the following, unless we have agreed in writing:

- for hire or to carry fare-paying passengers
- for or in any protest, civil disruption, unlawful purpose or criminal activity
- racing, or being tested for racing of any kind including pace-making, trials, tests, demonstrations or similar events
- on any track, circuit, speedway, racing arena or any other similar surface or location, unless it forms part of race track driver training or race track vehicle handling lessons where the training or lessons are provided by a professional driving instructor
- outside New Zealand
- as a tool of trade or item of mechanically propelled plant or item of machinery and not being used or operated solely as a *vehicle*.

Overloaded or unsafe vehicles

This policy does not cover the *insured vehicle* if it is:

- overloaded such that it is or has been loaded in excess of the manufacturer’s recommended specifications or contrary to any Act, or
- being used in an unsafe or unroadworthy condition.

Cover will still apply if you can prove that you and the driver were unaware of such condition, your lack of knowledge was reasonable, and you had taken all reasonable steps to maintain the *insured vehicle*.

Pollution or contamination

This policy does not cover any loss, *damage* or liability caused by, arising from, or involving, pollution or contamination.

Accident Compensation Act 2001

This policy does not cover any money that could be recovered from the Accident Compensation Corporation under the Accident Compensation Act 2001, future amendments to the Act, or any replacement Act.

This policy also does not cover any money that cannot be recovered from the Accident Compensation Corporation because of any of the following:

- a victim has not claimed what they are entitled to under the Act
- a victim has not claimed within the time required under the Act
- the Accident Compensation Corporation has decided to decline a claim or limit their liability to a victim.

Confiscation

This policy does not cover any loss, *damage* or liability connected in any way with the *insured vehicle* being confiscated or seized by anyone with a financial interest in the *insured vehicle*.

This policy does not cover any loss, *damage* or liability connected in any way with confiscation, destruction, acquisition, designation, or decision by government or public or local authorities.

Electronic data

This policy does not cover *damage*, cost or liability, directly or indirectly caused by, arising from, contributed to by, or in any way connected to any of the following:

- *electronic data* being damaged, distorted, deleted, corrupted, altered, misinterpreted, or misappropriated
- error in creating, amending, entering, deleting or using *electronic data*
- inability or failure to receive, send, access or use *electronic data* for any period of time
- any loss of use, reduction of functionality, repair, replacement, restoration or reproduction of any *electronic data*
- the value of any *electronic data*
- a computer virus.

Cyber events

This policy does not cover *damage*, cost or liability, directly or indirectly caused by, arising from, contributed to by, or in any way connected to a *cyber act* or *cyber incident*. However, we will not apply this exclusion for any of the following:

- an *event* otherwise covered by this policy that causes a *cyber incident*
- *damage* resulting from an *event* otherwise covered by this policy that has been caused by a *cyber incident* or *cyber act*.

Communicable disease

This policy does not cover any *damage*, cost, any other sum of any kind, or liability, directly or indirectly caused by, arising from, contributed to by, or any way connected to any of the following:

- communicable disease
- the fear or threat of any communicable disease, whether it is actual or perceived
- actions by any person, entity or public authority to respond to, control, prevent or suppress communicable disease.

Any other sum of any kind also includes any increased or additional costs or expenses of a claim that is otherwise covered by this policy.

Communicable disease means any disease that can be transmitted by any substance or agent, directly or indirectly from one organism to another, including any:

- virus, bacterium, parasite, or any other organism
- any variation of the above, whether considered living or not.

Communicable disease also includes any Infectious Disease or Quarantinable Disease as defined in or declared under the Health Act 1956, future amendments to the Act, or any replacement Act.

This exclusion applies, regardless of any other contributing cause or *event* that happens at the same time or some other time.

War, terrorism or nuclear incidents

This policy does not cover any loss, *damage* or liability, directly or indirectly caused by, arising from, or involving:

- war, invasion, act of foreign enemy, hostilities, civil war or warlike operations (whether war is declared or not)
- mutiny, civil commotion assuming proportions of or amounting to a popular uprising, military uprising, rebellion, revolution, insurrection, military or usurped power
- any act, including but not limited to the threat, or use of violence, which from its nature and context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes including the intention to influence any government and/or to put the public or any member of the public in fear
- nuclear weapons, ionising radiations, or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel.

Unlawful or otherwise prohibited to insure

This policy does not cover any loss, *damage*, *personal injury*, liability or prosecution of any type, directly or indirectly caused by, or arising from any act, *event*, occurrence or thing against which insurance is either:

- unlawful, or
- prohibited by any sanction, prohibition or restriction under the laws or regulations of any jurisdiction applicable to us or our parent company or its ultimate controlling entity.

You must tell us about certain things

Some parts of this policy can cover other parties as well as you. You and any person covered by this policy must meet all the following conditions and obligations to benefit from any cover under this policy. We will not pay any claim where any person covered under this policy does not meet any of the terms and conditions.

Nothing in this policy affects the common law rights of either party, including our right to avoid your policy for non-disclosure. This means your policy will be treated as if it never existed and any claim payments must be returned to us.

You must disclose material information and give us full and accurate statements

Your policy with us relies on the accuracy of the information supplied by you, or any person on your behalf. You must advise us of all *material information* before the start of this policy and before each renewal or variation of the policy.

You must also give us full and accurate information and answer honestly, correctly and completely all questions we ask you. Failure to do so entitles us to deny any claim and to cancel this and any other policy you have with us from the date the information should have been provided.

You must tell us if there is a change in circumstances

You must tell us immediately of any change in circumstances that has happened after the start of this policy or that you know is going to happen and which may increase any of the following:

- the amount of the risk
- the risk of loss, *damage* or liability
- the risk of insuring you.

As a result of these changes in circumstances, or if you fail to tell us immediately of any change in circumstances, we may:

- change your policy terms and make alterations to your premium
- reduce cover or change limits
- not insure you for any loss, *damage* or liability that happens after the date of the change in circumstances
- cancel your policy.

You must comply with certain conditions

You must avoid loss, damage or liability

You must take all reasonable care to avoid doing anything that could result in a claim, and at your cost and expense, must take reasonable steps to:

- ensure all property covered by this insurance is kept safe and protected from possible loss or *damage*
- maintain any protective devices, including but not limited to alarms, in an operational condition
- avoid any loss, *damage* or *personal injury* to any person or thing for which you could be held legally liable
- comply with all legal requirements for the safety of people or property.

You must not transfer your legal rights

You must not assign or transfer, or attempt to assign or transfer this policy or your interest in this policy to any other party.

How we administer your policy

Paying premiums

If your premium is overdue, we may refuse to make any claim payments until your overdue premiums have been paid.

If there is a change to your premium which remains unpaid, or you do not pay the full amount of your premium, we may reduce the *period of insurance* in line with the proportion of the unpaid premium.

If your premium remains unpaid for 28 days, your policy will automatically be cancelled and you will not be sent a cancellation notice.

Sending notices

We will send any notice, *policy schedule* or other written documents to your last known physical, postal or email address.

Noting interested parties

By noting an Interested Party on your *policy schedule*, you are authorising us to disclose your information to them. If your *policy schedule* shows an Interested Party, we may partially or fully settle your claim by making a payment to them, fulfilling our obligations under this policy. Anyone noted as an Interested Party is not covered by this policy and cannot make a claim under this policy.

You are jointly insured

All those listed as *insured* are jointly insured and are considered to act with the expressed authority of each other. This means that if anyone does or fails to do anything so that there is no cover, there will be no cover for any of the *insureds*.

Each *insured* has the right to:

- make a change to the policy
- make a claim under the policy
- receive claim proceeds under the policy, and
- cancel the policy.

Currency

All amounts referred to in your policy are expressed in New Zealand currency and include Goods and Services Tax (GST). We will pay all claims in New Zealand currency.

Governing law

This policy is governed by New Zealand law, and the New Zealand courts have exclusive jurisdiction over any legal proceedings about it.

Definitions

AA Insurance repairers

A repairer whom we have selected to repair vehicles on our behalf.

Accessories

An item kept in or on the *insured vehicle* that is not directly related to the function of the *insured vehicle*. This includes but is not limited to any of the following:

- fitted entertainment, communications and navigation systems
- child restraints or seats
- tools and breakdown equipment permanently kept in the *vehicle*, purchased by you to repair the *vehicle*
- *vehicle* seat covers
- roof racks
- first aid kit, torch, fire extinguisher
- aftermarket wheels.

Agreed Value

The Agreed Value shown on your *policy schedule*. This is the amount determined when your policy begins and at each renewal. The Agreed Value is reviewed at each renewal and may be adjusted as the value of the *insured vehicle* depreciates with age and use.

You can discuss the value with us at any time. By paying your premium, you have accepted the Agreed Value.

Business

The business and occupation described on your *policy schedule*.

Computer system

Any of the following systems:

- computer, communication system, or any other electronic device
- hardware, software, server or cloud
- any microcontroller.

A computer system also includes any system, output or data storage device that is similar to those mentioned above.

Cyber act

One or more unauthorised, malicious or criminal acts involving accessing, using, processing, or operating of any *computer system*. This also includes any threat or hoax of these acts.

Cyber incident

Any of the following:

- one or more errors or omissions involving accessing, using, processing, or operating any *computer system*
- one or more occurrences when any *computer system* is partially or totally unavailable
- one or more failures to access, process, use or operate any *computer system*.

Damage

Sudden, unforeseen, accidental physical loss and sudden, unforeseen, accidental physical damage that occurs at a specific place and time.

Electronic data

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

Employee

Any of the following while working for any *insured* in connection with the *business*:

- a person under a contract of service or apprenticeship with any *insured*
- a person hired or borrowed by any *insured*
- a labour only sub-contractor.

Event

A sudden, accidental and unforeseen occurrence that causes loss or *damage* that you do not intend or expect.

Insured

The person, company, or entity listed as 'Who's insured' on your *policy schedule* domiciled in New Zealand.

Insured vehicle

The *vehicle* shown on your *policy schedule*.

Market Value

The reasonable retail value of the item immediately before the *event* occurred, as determined either by us or by an independent valuer.

Material information

Any information which might influence the decision we make as to whether to provide insurance and if so on what terms and at what premium.

Modification

Any change or alteration made to the *insured vehicle* beyond the manufacturer's original specification. This includes but is not limited to any of the following:

- performance enhancements, structural changes
- a non-standard exhaust
- changes to the engine, steering, suspension or chassis
- changes to the computer or fuel system
- custom paint work and cosmetic upgrades
- electrical equipment.

Natural disaster

Earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, subterranean fire, or fire resulting from any of these.

Natural disaster damage

Any of the following:

- *damage* directly or indirectly caused by or resulting from *natural disaster*
- *damage* occurring (whether accidentally or not) as the direct result of measures taken under proper authority to avoid the spreading of, or otherwise to reduce the consequences of, any such *damage* but does not include any *damage* for which compensation is payable under any Act.

On-road costs

Vehicle registration fees or road user charges.

Period of insurance

When your policy starts, to when it ends. It is shown on your *policy schedule*, unless the policy is ended earlier.

Personal injury

Any of the following:

- death, or physical external or internal bodily injury
- illness, sickness, disease, debilitating or degenerative condition, or disability
- mental injury, mental anguish, shock, or fright.

Persons insured

Any of the following:

- any person who holds the position of or performs the duties of director, executive officer, trustee, secretary, manager, partner, or who holds any other position as an *employee* of the *insured* while acting in that capacity
- the officers, committees and members of the *insured's* own canteen, social sports and child care facilities or welfare organisations, first aid, fire and ambulance services, pension fund management and administrative committees in their respective capacities as such
- any *subsidiary company*.

Policy schedule

The most recent policy schedule we have sent you which includes, who's insured, business description, business address and the policy modules you have selected.

Reparation

An amount ordered by a New Zealand Court under Section 32 of the Sentencing Act 2002 to be paid to the victim of an offence. Reparation does not include:

- damages, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against; or
- your defence costs in relation to an offence.

Subsidiary company

Any of the following:

- any company that, at the inception of the *period of insurance*, by any applicable legislation, was or is deemed to be a subsidiary of the *insured*
- any company in which the company named in your *policy schedule*:
 - owns or directly or indirectly controls more than fifty percent of the issued share capital
 - controls the composition of the board of directors
 - exercises effective management and control, either directly or through one or more of its subsidiary companies, or
- any other company whose accounts are consolidated into those of the company named in your *policy schedule* in accordance with the relevant New Zealand Accounting Standard.

Vehicle

Any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine while attached to it.

Can we help with anything else?

Home Insurance

Protection for the place you love to call home.

Contents Insurance

Cover for your personal belongings at home and around New Zealand.

Limited Contents Insurance

Cover to protect your contents against burglary, fire, storm, flood or natural disaster.

Comprehensive Car Insurance

Comprehensive cover with optional extras to suit your car.

Third Party, Fire and Theft Car Insurance

All the benefits of Third Party Car Insurance and cover if your car is stolen or damaged by fire.

Third Party Car Insurance

Cover if you accidentally damage another person's vehicle or property.

Landlord Insurance

Protection for your investment property.

Classic Vehicle Insurance

Specialised cover to protect your pride and joy.

Motorhome Insurance

Cover for your home away from home.

Caravan/Trailer Insurance

Put your worries about what you're towing behind you.

Motorcycle Insurance

Tailored cover to suit your motorcycle.

Small Business Insurance

Flexible cover to suit your small business needs.

We're here to help you

Call us anytime

0800 500 213

Visit us online

aainsurance.co.nz

