

# Motorcycle Third Party Only

Please read your Policy and Schedule carefully to ensure it meets your needs. If there is any error please contact us immediately.

## This Policy And Schedule Explains

- who is insured
- when the insurance begins and ends
- the conditions of the insurance
- what is insured
- the amounts that can be claimed
- what is not insured

This insurance is arranged on the basis of the information provided by you. It is essential that all information is truthful and correct. If there is any information which we have not been given or any change in circumstances during the Period of Insurance you must tell us.

Failure to tell us may affect the outcome of any claim you make.

Please keep this Policy in a safe place, you will find it useful in the event of a claim.

## The Insurance

IAG New Zealand Limited (IAG NZ) (we/us/our) provides the Insured (you/your) with insurance as set out in this Policy for an Event happening anywhere in New Zealand (including during transit between the North and South Islands of New Zealand) during the Period of Insurance and any further period for which the Policy is renewed.

The insurance applies while the vehicle insured is being used

- for social, domestic or pleasure purposes including community work
- in connection with any profession, business or occupation

The insurance will not apply while the vehicle insured is being used to carry fare-paying passengers or for hire.

All amounts shown in this Policy and the Schedule include GST.

## Definitions

- Your Vehicle is the vehicle described in the Schedule, including
  - any standard tool supplied by the vehicle's manufacturer or a similar substitute tool;
  - any Accessory or spare part whilst in or on your Vehicle;
  - any Accessory which has been temporarily removed from your Vehicle for security purposes, cleaning or servicing.

- An Accessory is a part of your Vehicle designed for use in or on a vehicle but which is not directly related to the function of a vehicle.
- An Event is any accident, loss, damage, Injury or legal liability.
- An Injury is Bodily Injury caused solely and directly by violent, accidental, external and visible means.
- Use shall include the driving, parking, garaging or storing of the vehicle.
- Reparation is 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.
- Bodily Injury is the accidental death of, or accidental bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

## Section 2 – Liability

### You Are Insured For

- Legal liability for
  - accidental loss of or damage to anyone else's property, or
  - accidental Injury to any person
 arising in connection with the driving or use of
  - your Vehicle;
  - a motorcycle that you do not own and are not purchasing provided you have the owner's permission to drive it and the liability is not insured under any other policy.
- The legal liability of
  - any other person;
  - your employer or a fellow employee
 for
  - accidental loss of or damage to anyone else's property, or
  - accidental Injury to any person
 arising in connection with the driving or use of your Vehicle provided
  - such use has your permission.
  - such person or employer shall meet all the terms, limitations, conditions and exceptions under the Policy that you have to observe, fulfil and comply with.
  - the liability is not insured under any other policy.

### 3. The legal liability to pay

Reparation to a victim who has suffered accidental loss of property or accidental Bodily Injury as a result of your committing an offence in connection with your use of the Vehicle, or any other motorcycle, provided that you had the owner's permission to use the motorcycle.

Cover under this benefit is also available for any person driving or using your Vehicle provided that they had your permission to use your Vehicle, they meet all the terms, limitations, conditions and exceptions under the Policy that you have to observe, fulfil and comply with and they are not otherwise insured for their liability to pay the Reparation.

Provided that:

- (a) you or any other person entitled to cover under this benefit must tell us immediately if you or they are charged with any offence in connection with the use of the Vehicle, or any other motorcycle, which resulted in loss of property or Bodily Injury to another person; and
- (b) 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:

- (a) a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
- (b) the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
- (c) 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.

### The Amounts We Will Pay

1. For liability, including liability to pay Reparation, for loss of or damage to property we will pay up to \$1,000,000 for any one Event including costs and expenses incurred with our approval or awarded against you by a Court.
2. For liability, including liability to pay Reparation, for Injury we will pay up to \$1,000,000 for any one Event including costs and expenses incurred with our approval or awarded against you by a Court.
3. We may pay the full amount under this Section for any claim or series of claims arising from one Event and give up any claim defence or proceedings.

### You Are Not Insured For

1. The Excess of \$250 which will be deducted from all claims arising out of each Event.
2. Any Event where your Vehicle is being driven or used for a purpose not insured under this Policy.
3. Liability, including liability to pay Reparation, for loss of or damage to property owned by you or anyone we insure under this Policy who claims under this Section.

4. Liability, including liability to pay Reparation, for loss of or damage to property in your care or in the care of anyone we insure under this Section other than for clothing, personal effects and personal luggage being carried by any vehicle insured that belongs to a passenger of the vehicle.
5. Liability, including liability to pay Reparation, for loss of or damage to any property being carried by or loaded into or loaded from any vehicle insured (other than property as set out in Paragraph 4 above).
6. Liability arising while in transit between the North and South Islands of New Zealand if the person in charge of any vehicle insured did not comply with all the requirements of the carrier.
7. Liability, including liability to pay Reparation, for Injury to
  - (a) you or any person who lives with you or any member of your family or any person you have a business relationship with;
  - (b) any person or persons we insure who claim(s) under this Section or anyone who lives with them or any member of their family or any person they have a business relationship with.
8. Liability for Injury covered by the Injury Prevention, Rehabilitation and Compensation Act 2001 or any subsequent amendment.
9. Any fine, penalty, punitive or exemplary damages.
10. 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.
11. Any consequent damage, loss, liability or consequent costs incurred by you or any other person after we have paid the full amount of our liability under Paragraph 3 of 'The Amounts We Will Pay'.

## Section 3 – Protection Against Uninsured Drivers

### You Are Insured For

1. Loss of or damage to your Vehicle
2. Reasonable costs incurred to take care of your Vehicle and its Accessories if it is disabled

when your Vehicle is damaged in an accident caused by an identified, uninsured driver of another vehicle and full liability is admitted by or established against that driver.

### The Amounts We Will Pay

1. If we consider your Vehicle is economic to repair, we may
  - (a) arrange to repair your Vehicle, or
  - (b) pay the cost of repairs as estimated by our assessor.
2. If we consider your vehicle is uneconomic to repair, we may replace your Vehicle with an equivalent vehicle, if available in New Zealand, or pay the market value.
3. The maximum amount that we will pay under this Section is \$1,000.

## You Are Not Insured For

1. Loss of use, depreciation, wear and tear.
2. Mechanical or electrical breakdowns, failures or breakages or damage to any engine or transmission system resulting from those breakdowns, failures or breakages.
3. Damage to tyres caused by braking or by punctures, cuts or bursts.

When a claim is payable under this Section, we will not adjust your No Claim Rebate.

## For All Sections You Are Not Insured For

1. Any Event arising while any vehicle insured is being driven or used by you or by any authorised person who
  - (a) does not hold a licence required by law to drive the vehicle.
  - (b) does not comply with any limitation, term or condition of their driver's licence.

Paragraph 1 will not apply

  - (i) if that person does not hold a licence but obtains a licence without a further driving test, or
  - (ii) while the vehicle is parked, garaged or stored.
2. Any Event arising while any vehicle insured is being driven or used by any person who
  - (a) at the time of the Event has a proportion of alcohol in their breath or blood which exceeds the legal limit.
  - (b) in connection with the Event is convicted of failing or refusing to undergo a breath or blood test.
  - (c) at the time of the Event is under the influence of alcohol to such an extent as to be incapable of having proper control of the vehicle. This sub-section shall not apply if the person has a breath or blood test for alcohol.
  - (d) at the time of the Event is under the influence of a drug or substance to such an extent as to be incapable of having proper control of the vehicle.
  - (e) fails or refuses to stop, or remain at the scene, following an accident (as required by law).

Paragraph 2 will not apply

- (i) where the claim arises from theft or conversion of your Vehicle, or
  - (ii) while the vehicle is parked, garaged or stored.
3. Any Event arising while any vehicle insured is being driven or used by any person in an unsafe or unroadworthy condition where that condition causes or contributes to the Event and you or the driver could reasonably be expected to have been aware of that condition. (Unsafe or unroadworthy condition includes any condition that may result in damage to the vehicle or any part of it).
  4. Any Event arising while any vehicle insured is being used in or tested in preparation for any race, rally, pace-making, reliability trial or speed test.

5. Any Event if your Vehicle or its engine has been modified since manufacture unless details of all the modifications have been given to us.
6. Legal liability arising out of a contract or agreement (except where you would have been liable even without such contract or agreement).
7. Any Event arising from nuclear weapons, ionising radiation or contamination by radio-activity from nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
8. Any Event arising from war, invasion, act of foreign enemy, warlike operations (whether war be declared or not), military or usurped power, civil war, rebellion, revolution or insurrection.
9. Any act of terrorism. Notwithstanding any provision to the contrary, this insurance excludes loss, damage, death, injury, illness, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with
  - (a) an act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, death, injury, illness, liability, cost or expense.
  - (b) any action taken in controlling, preventing, suppressing or in any way relating to an act of terrorism.

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

## The Conditions of This Policy

### Duty to Comply

1. We will not pay under this Policy if any provision of this Policy is breached by
  - (a) you;
  - (b) anyone acting on your behalf;
  - (c) any other person we insure under this Policy;or if any statements or answers in the proposal or any other document are false.

### Care of Your Vehicle

2.
  - (a) Reasonable care must be taken to protect your Vehicle and to prevent loss or damage.
  - (b) Your Vehicle must be maintained in efficient condition.
  - (c) We will have free access to examine your Vehicle at all times.

## Claims

3. If anything happens which may give rise to a claim under this Policy you must
  - (a) do as much as you can to take care of your Vehicle and to prevent further loss or damage;
  - (b) obtain our agreement before you incur any expense, negotiate, pay, accept payment, settle, admit or deny any claim or do anything which may in any way prejudice our rights;
  - (c) tell the Police immediately if any loss or damage was caused by burglary, theft, vandalism or malicious act(s);
  - (d) tell us as soon as possible.
  - (e) allow our assessor to examine your Vehicle before any repairs are completed and give or obtain an estimate of the necessary repairs;
  - (f) give us any information or assistance we ask for;
  - (g) send any letter or other document you receive from anyone else to us immediately;
  - (h) 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 your Vehicle, or any other motorcycle, which resulted in loss of property or Bodily Injury to another person;
  - (i) not negotiate, offer to pay or pay any Reparation, including but not limited to, offers made as part of any case management conference or sentencing hearing.
4. We will have the right to refuse to pay for any claim if
  - (a) it is false;
  - (b) you or anyone acting on your behalf or anyone else we insure under this Policy gives any untrue information and knows that information is not true;
  - (c) the loss or damage is caused by your wilful act or with your connivance.
5. We will have the right to take action in your name
  - (a) in the defence or settlement of any claim;
  - (b) to make a recovery from any other person for any Event insured by this Policy.
6. If agreement over a claim cannot be reached then
  - (a) the claim may be referred to arbitration but only if you and we both agree;
  - (b) we will not be liable under this Policy unless
    - (i) you commence Court Action, or
    - (ii) arbitration proceedings beginwithin 12 months of the date of the Event.
7. If your Vehicle is a total loss
  - (a) this Policy is automatically cancelled;
  - (b) we will not give any refund of premium;
  - (c) your Vehicle will become our property.

## Other Insurances

8. If any Event insured under this Policy is also insured under any other policy then we will only pay a rateable proportion of the claim.

This Condition will not apply to any payment under Paragraph 2 of 'You Are Insured For' under Section 2.

## Cancellation

9. To cancel this Policy
  - (a) you can tell us in writing.
  - (b) we can tell you in writing. We can either
    - (i) hand the notice to you in which case cancellation will take place at 4 p.m. seven days later, or
    - (ii) post the notice to you at your last known postal address in which case cancellation will take place at 4 p.m. on the seventh day after posting.

We will give you a refund of any premium which is due to you but if you cancel this Policy we may keep a minimum premium appropriate for the time insured.

## Change of Terms

10. We can change the terms of this Policy (including the Excess) by giving you fourteen working days notice at your last known address.

## Joint Insurance

11. If the Schedule names more than one person as the insured
  - (a) Sections 1 and 2 of this Policy insure all the named persons jointly and in respect of the application of all the terms provisions exceptions and conditions of the Policy such persons shall be deemed jointly to constitute one Insured and be deemed to have knowledge of all such terms provisions exceptions and conditions;
  - (b) we will treat a breach, whether express or implied, of any part of this Policy by any one of the named persons as a breach by all of them. Any such breach shall result in all benefit under this Policy being forfeited.