

Commercial Vehicle Tailored Protection Policy



This is your policy document.

Keep it in a safe place.

Commercial Vehicle
Tailored Protection Policy



TOWER

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Welcome

Thanks for choosing TOWER. You've made a smart choice by insuring your vehicle with us. We've been helping New Zealanders protect the things they value for over 140 years and look forward to doing the same for you.

This policy consists of this wording, proposal and declaration and the **certificate of insurance** completed on the basis of information which **you** have provided to **us**.

Please read this wording and the **certificate of insurance**. If there is an error of any sort, if **your** needs are not met or if **you** are in doubt then please call **us** on 0800 808 808.

Cover is only provided for the sections of the policy that **you** have selected as shown in the **certificate of insurance**.

The extra cover provided under the special benefits and Optional special benefits for each section is also subject to the general conditions, exclusions, obligations and limits of this policy. If **you** have cover with **us** under another policy or another section of this policy for any of the special benefits or Optional special benefits then **our** maximum combined liability is limited to the highest sum insured shown for that extension in this policy.

In this policy some words are in bold, e.g. **you**. This may indicate that the words have a special meaning. To find out the meaning, please refer to the section – Meanings of words on page 19.

Our guarantee

If **you** are not completely happy with **your** policy, please tell **us** within 30 days of its commencement date. **We** may agree to change the policy to suit **you**. If not, and **you** wish to cancel the policy, **you** can as long as **you** have not made any claims. **We** will then refund any premium **you** have paid and **we** will both regard this policy as never commencing.

Underwritten by TOWER Insurance Limited.

What you must tell us

We would like to point out some of the important obligations **you** have.

The correctness of all statements made in relation to this policy or any claim under this policy is essential before **we** have any liability under this policy or pay **your** claim. It is important **we** receive all relevant information.

This means that **we** need **you** to tell **us** everything **you** know, or could reasonably be expected to know, that may influence **our** decision to insure **you** or the terms on which **we** insure **you**.

If any circumstances change or may change during the time **we** provide **your** insurance it is important **you** tell **us**. This applies at inception and renewal of **your** policy and also during the term of **your** policy.

Examples of a change in circumstances or any other information may include:

- any **modifications** or changes to **your vehicle** that are different from the manufacturer's standard specifications
- if **you** or any person who may drive **your vehicle** is charged with, convicted of, or commits any criminal offence or traffic offence, other than parking infringements.

These examples are a guide only. If **you** are in any doubt **you** should disclose information, whether or not **we** have asked questions that relate to it.

We may change the terms on which **we** insure **you**, or the premium, to reflect the change in circumstances that **you** have disclosed to **us**.

If **you** do not comply with **your** obligations under this section 'What you must tell us', **we** have the option to decline any claim (and recover any claims payment already made). **We** may also cancel or avoid this **policy**. If **we** cancel **we** will give **you** 14 days' notice sent or emailed to **your** last known address on **our** records. If **we** do this, **we** will refund **your unused premium**.

If **we** avoid **your** policy, it will be treated as if it had never been taken out, and **you** may be required to refund any claims payments **we** have previously paid to **you** under **your** policy (if any). If **we** do this **we** will send notice or an email to **your** last known address on **our** records and **we** will refund **your** entire premium paid.

Some of your other important obligations

You and any person in charge of **your vehicle** with **your** permission must:

- allow **us** to complete all necessary documents and authorities in respect of any claims under this policy as **your** authorised agent
- allow **us** to inspect the damaged **vehicle** and deal with any salvage in a reasonable manner. No property may be abandoned to **us**
- allow **us** to take over for **our** own benefit and settle any legal right of recovery **you** may have and **you** must cooperate fully in any recovery action
- comply with all **our** requests relating to **your** claim including providing all cooperation, information and assistance
- ensure that **your vehicle** is securely locked when unattended
- establish that **you** have complied with all of **your** obligations under this policy and that none of the exclusions apply
- inform the Police if it appears that there has been arson, theft, burglary or malicious damage
- not cause or facilitate loss or damage to any property covered by this policy or incur liability by any unreasonable, reckless or wilful act or omission
- not discuss a claim made on **you** by another person with them. Instead, refer them to **us**
- not make a claim that is false or fraudulent in any way or make any false or incorrect statement in connection with any claim

- not start repairs to **your vehicle** without **our** prior approval
- provide **us** immediately with full particulars of any claim made against **you** by another person and all legal documents served on **you** and allow **us** to instruct a solicitor of **our** choice to conduct **your** defence. **You** must follow the recommendations of that solicitor as to the conduct or continuation of **your** defence. That solicitor shall be entitled to confer with **us** when necessary as to the details of the case and the conduct or continuation of **your** defence
- take all steps which **we** consider reasonable to prevent further loss or damage
- take reasonable care to protect **your vehicle**
- tell **us** if any lost or stolen property which was part of the claim is found or recovered and hand it over to **us** or at **our** option refund any money paid by **us** if **we** request it
- tell **us** if any person is ordered to make reparation to **you** for any loss or cost which was part of the claim and reimburse **us** for that payment as soon as **you** receive any reparation.

Otherwise **we** may decline **your** claim and recover any payment already made.

All premiums must be paid in full by the due date for payment of such premiums. If any premium payable by **you** remains unpaid 28 days following the due date for payment of that premium, **we** may cancel this policy (effective from the first day of the period to which the unpaid premium relates).

Policy options

Your **vehicle(s)** will be insured under one of the following policy options. The option that applies will be shown in the **certificate of insurance**.

If you have Tailored Cover
You have cover under:
Section 1: Damage to your vehicle
Section 2: Liability protection

If you have Third Party Cover
You have cover under:
Section 1: Liability protection
Section 2: Limited to only the 'No claims and no blame bonus special benefit'

Who may use the vehicle

This policy only covers the **vehicle** while it is being used by:

- **you**, or
- any person with **your** consent provided that the driver is legally allowed to operate the **vehicle**, holds a current licence to drive the **vehicle** and is not breaching any licence condition relating to that **vehicle**.

Section 1: Damage to your vehicle

What your vehicle is insured for

Under this cover, **your vehicle** is insured for sudden and accidental physical loss or sudden and accidental physical damage that occurs during the **period of insurance**, unless excluded by this policy.

What special benefits you are insured for

Additions and deletions

If **you** purchase an additional vehicle during the **period of insurance**, **we** will automatically insure the additional vehicle from the date of purchase as an addition, provided that **you** advise **us** within 30 days.

You must pay an additional premium if **we** request it. Each additional vehicle will be insured for its **market value**, up to \$100,000, unless **you** advise **us** differently at the time of purchase.

If **you** sell any **vehicle** during the **period of insurance**, it will be deleted from the **certificate of insurance**, provided **you** advise **us** within 30 days from the date it is sold. **We** will refund any **unused premium** (unless the refund is less than \$25 in which case no refund will apply).

Claims preparation costs

We will cover **you** for the reasonable costs incurred to prepare a claim for loss covered under Section 1 (but not costs incurred in disputing the claim if it is declined). **Our** liability under this extension is limited to \$5,000 in the aggregate for all **accidents** during the **period of insurance**.

Completion of journey

We will cover **you** for the reasonable costs of accommodation and / or travel to complete a journey or return home following an **accident**, involving **your vehicle** or where **your vehicle** is stolen for which a claim is accepted. In addition, **we** will pay to return **your vehicle** home after it has been repaired or recovered.

This benefit also extends to the driver, passengers and domestic pets travelling in **your vehicle** if they are not the insured.

Our liability under this extension is limited to \$5,000 in the aggregate for all **accidents** during the **period of insurance**.

Employees' vehicles

We will cover **your** employees for sudden and accidental physical loss or sudden and accidental physical damage that occurs during the **period of insurance** to vehicles owned by **your** employees provided that at the time of such loss or damage the vehicle is being used in connection with **your** business, and

- **your** employee has personal motor vehicle insurance insuring the vehicle, and
- the business use of their vehicle means that the employee's personal motor vehicle insurance no longer applies.

Under this extension, the most **we** will pay for any **event** is up to **market value** or \$50,000 whichever is less.

Fatal injury

If **you** or any driver authorised by **you** die as a direct result of an **accident** involving **your vehicle** for which a claim is accepted, **we** will pay:

- **your** legal representative(s) the amount of \$5,000 and
- funeral costs, up to a maximum of \$5,000.

Provided that the **accident** is covered under this policy and the death occurs within 12 months of the **accident**.

If more than one individual is entitled to this payment under this extension, through a single **event**, the amount payable will be divided equally among them.

Goods in transit

If **your vehicle** suffers loss directly caused by fire, collision, overturning or impact of the **vehicle** during the **period of insurance**, **we** will cover **you** for sudden and accidental physical loss or sudden and accidental physical damage to property owned by **you** carried in or on **your vehicle** at the time.

Our liability under this extension is limited to \$5,000 for any one **event**.

Hoists

We will cover **you** for mechanical breakdown or failure of hoists permanently attached to **your vehicle** during the **period of insurance**, provided it is not due to wear and tear.

Our liability under this extension will not exceed \$5,000 for any one **event**.

Load recovery

We will cover **you** for reasonable costs incurred in salvaging any load carried by **your vehicle** spilled onto a road, carriageway or parking area, following damage or loss for which a claim is accepted. This includes the reasonable costs of removing debris and reloading or trans-shipping the load to the nearest place of safety.

Our liability under this extension is limited to \$5,000 for any one **event**. This extension does not cover any fines or penalties payable by **you**.

No claims and no blame bonus

If **you** have not had any claims with **us** or with **your** previous insurer for the last year **you** will receive a no claims bonus.

In addition, **we** will not penalise **your** no claims bonus at renewal of **your** policy or impose **your excess** if **you** have been involved in an **accident** during the **period of insurance**, and:

- **you** have identified the party at fault (i.e. name, address, phone number, make, model, registered number of that other party's vehicle) and
- it is proven that the other party was more than 50% at fault.

Otherwise **your** no claim bonus will be reduced at the renewal following the claim. However, **we** will increase **your** no claims bonus again at the next renewal if no further claims are made.

Non-invalidation extension

Your policy coverage has been extended to include certain events that are normally excluded in the policy wording. This extension in cover has been applied by the removal of a number of specific exclusions as listed below.

This extension only applies if:

- a) the driving was without the knowledge or consent of **you**, and
- b) **you** have not waived any right of recovery against the driver, and

for the purposes of this extension where **you** is an entity this will include any person employed by **you** with the delegated authority of **you** to control the conduct of the driver or, if the driver is of such senior capacity that his / her knowledge and consent is effectively the knowledge and consent of the insured, the driver himself / herself.

For the purposes of this extension the following section as shown on page 16 of **your** policy wording are deleted and of no further effect:

What **your vehicle** can be used for:

We will insure **your vehicle** only while it is being used:

- in the course of **your** business or occupation **you** have disclosed to **us**,
- for private, social or domestic purposes,

But excluding:

- **Vehicles** being tested for or in preparation for or engaged in racing, sprinting, drag racing, pacemaking, hill climbing, off-roading, reliability or time trials, rallying, speed tests or any form of motorsport or high speed driver training.

For the purposes of this extension the following exclusions as shown on pages 12 and 13 of **your** policy wording are deleted and of no further effect:

What **you** are not insured for:

Any loss, damage or liability while **your vehicle** is:

- being driven by or in the charge of any person who:
 - does not have a licence which is in full force and effect to drive **your vehicle** at the time and place of the **accident**
 - following an **event** resulting in a claim under the policy fails or refuses to permit a specimen of blood or breath test to be taken after having been lawfully required to do so
 - has a proportion of alcohol in his or her blood or breath which exceeds the legal limit prescribed
 - is convicted of any alcohol or drug related offence arising out of the circumstances resulting in any claim under this policy
 - is not complying with the conditions of their licence
 - is under the influence of alcohol or drugs and where alcohol or drugs contribute in any way to the **accident**. This means **your** claim may be declined even if the driver of **your vehicle** is under the legal limit prescribed
 - leaves the scene of the **accident** when it is an offence to do so.

This exclusion does not apply to claims for loss or damage to **your vehicle** when the person who is in charge of **your vehicle** has stolen it.

- being tested for or in preparation for or engaged in racing, sprinting, drag racing, pacemaking, hill climbing, off-roading, reliability or time trials, rallying, speed tests or any form of motorsport or high speed driver training
- being used otherwise than that described in the section of **your** policy - 'What your vehicle can be used for', or not being used for the purpose it was designed or not as a vehicle as defined in the Transport Act 1998 or any amendments or any Act(s) in substitution of the Act
- in an unsafe or unroadworthy condition
- loaded or operated in excess of the manufacturer's recommended specifications, or loaded contrary to the law, or its ancillary plant or machinery being operated contrary to the law
- on hire
- outside New Zealand.

This extension is subject otherwise to the terms, conditions, limitations and exclusions of this policy.

Rewards

We will cover **you** for any reward **you** offer and pay, with **our** prior approval, in order to secure the return of **your vehicle** following its theft covered under this policy. **We** will pay up to \$5,000 for any one **event**.

Salvage and storage costs

If **your vehicle** is unable to be driven and **we** have accepted **your** claim, **we** will pay for the reasonable cost of removing it to the nearest repairer or place of safety.

We will also pay for the reasonable costs for the temporary storage of **your vehicle** up to a maximum of \$5,000 for any one **event** once **we** have accepted **your** claim.

Signwriting

We will pay up to \$1,000 for loss or damage to signwriting on **your vehicle** during the **period of insurance** or the sum insured for signwriting shown in the **certificate of insurance**.

Windscreen and window glass

If **your vehicle** suffers accidental breakage of its windscreen, window glass or sunroof during the **period of insurance** **we** will pay for their repair or replacement. **We** will not deduct any **excess** and **you** will not lose **your** No claims bonus. This benefit does not extend to lights, indicators, their covers, or mirrors.

Optional special benefits

Ingestion of foreign objects

If **you** have selected this benefit, **you** are insured for the loss connected with the accidental ingestion or entry of a foreign object into any agricultural implement or machine during the **period of insurance**.

Loss of use

If **you** have selected this benefit, **we** will cover **you** for the reasonable costs **you** incur to hire a substitute vehicle following a loss covered under this policy, provided that:

- the substitute vehicle is of a similar make, model and specification to **your vehicle**
- the repair of **your vehicle** is carried out as soon as possible.

This extension does not cover petrol, insurance or normal running costs. This extension does not apply if **you** have available a free substitute vehicle or purchase an additional vehicle.

Cover under this extension:

- begins when **your vehicle** is delivered to the repairer to start the repair, or
- from the date of the accident if **your vehicle** can no longer be driven, or
- from the date **your vehicle** was stolen, or
- from the date **your vehicle** is declared a total loss as agreed by **us** and ends when **your** repaired **vehicle** is returned to **you** or **we** have settled **your** claim, whichever occurs first.

Our liability under this extension is limited to:

- the daily limit payable as specified in the **certificate of insurance**, and
- a maximum period of 60 days inclusive of the excess period.

The excess which applies to this extension is the amount of the first seven days' rental costs.

Tyre damage

If **you** have selected this benefit, **we** will cover **you** for damage during the **period of insurance** to any tyre (including its inner tube) fitted to **your vehicle**, provided the **vehicle** is not primarily used for driving on public or private roads.

We may choose to indemnify **you** by:

- repairing the damage
- paying an amount equal to the reasonable cost of repair
- replacing the tyre
- paying an amount equal to the cost of the tyre immediately prior to the loss.

Our liability under this extension will not exceed \$3,000 for any one **event**.

Section 2: Liability protection

What you are insured for

We will cover **you** for up to \$2,000,000 for **your** liability for claims made against **you** for property damage as a result of **accidents** in New Zealand involving **your vehicle**, or any **vehicle** not owned by **you** that **you** are using with the owner's permission.

We will only pay for claims made during the **period of insurance** relating to **accidents** which happen during the **period of insurance**.

We will also cover **your** employees while their vehicle is being used for **your** business or any other person using **your vehicle** with **your** permission provided they:

- were not insured under another policy
- have not been refused vehicle insurance in the last five years
- have not had a policy cancelled or claim declined by any insurance company in the last five years.

If **you** have liability cover with **us** under any other policy **our** maximum combined liability under all policies is \$2,000,000.

What special benefits you are insured for under liability protection

The amounts payable under the special benefits under Liability protection are included within the Liability protection cover of \$2,000,000 and are not in addition to it.

Bodily injury

Liability protection is extended to cover **your** liability for up to \$500,000 arising from **bodily injury** out of any one **event** occurring in New Zealand during the **period of insurance**.

If **you** have this cover with **us** under any other policy then **our** maximum combined liability is \$500,000.

Cleaning up costs

We will cover **you** for costs lawfully charged by any local body or authority, the New Zealand Fire Service, ambulance service or any other entity for cleaning and restoring the site of an **accident** involving a **vehicle** which is covered under this policy.

Our total liability under this extension will not exceed \$20,000 for any one loss.

Exemplary damages

Liability protection is extended to cover exemplary damages for **bodily injury**, caused by, or in connection with the **vehicle**. **Our** total liability will not exceed \$500,000 for any one **event** and \$1,000,000 for all claims during the **period of insurance**. An additional **excess** of 10% of the exemplary damages, with a minimum of \$5,000 applies. There is

no indemnity for exemplary damages arising from any dishonest, fraudulent or malicious acts or omissions by **you** or anyone acting on behalf of **you**.

Hazardous substance emergency

We will cover **you** for any charge the New Zealand Fire Service is authorised to enforce on **you** under section 47C of the Fire Services Act 1975, for their attendance at a hazardous substance emergency involving **your vehicle**.

Our total liability under this extension will not exceed \$5,000 for any one **event**.

Legal expenses

If **you** are charged with manslaughter or dangerous driving causing death arising out of an **accident** involving **your vehicle** for which a claim is accepted **we** will pay **your** legal costs of defence up to \$2,000.

Marine ‘general average’

Liability protection is extended to cover any costs which **you** may become liable to pay as a result of deliberate loss or damage incurred in time of danger to prevent the loss of a ship and / or cargo while **your vehicle** is being carried by that ship between ports in New Zealand.

Towing

We will indemnify **you** for **your** liability while **your vehicle** is towing a disabled vehicle during the **period of insurance** provided that such disabled vehicle is not towed for reward or financial gain.

Weight damage

We will cover **your** liability for damage during the **period of insurance** to any property (including any road) caused by the weight of the load being carried by **your vehicle** and / or the weight of **your vehicle**.

Our liability under this extension is limited to \$500,000 for any one **event** and any claim under this extension is subject to an **excess** of \$2,500.

What you are not insured for

General exclusions

The **excess**.

Any loss, damage or liability while your vehicle is:

- being driven by or in the charge of any person who:
 - does not have a licence which is in full force and effect to drive **your vehicle** at the time and place of the **accident**
 - following an **event** resulting in a claim under the policy fails or refuses to permit a specimen of blood or breath test to be taken after having been lawfully required to do so
 - has a proportion of alcohol in his or her blood or breath which exceeds the legal limit prescribed
 - is convicted of any alcohol or drug related offence arising out of the circumstances resulting in any claim under this policy
 - is not complying with the conditions of their licence

- is under the influence of alcohol or drugs and where alcohol or drugs contribute in any way to the **accident**. This means **your** claim may be declined even if the driver of **your vehicle** is under the legal limit prescribed
- leaves the scene of the **accident** when it is an offence to do so.

This exclusion does not apply to claims for loss or damage to **your vehicle** when the person who is in charge of **your vehicle** has stolen it.

- being tested for or in preparation for or engaged in racing, sprinting, drag racing, pacemaking, hill climbing, off-roading, reliability or time trials, rallying, speed tests or any form of motorsport or high speed driver training
- being used otherwise than that described in the Section of this policy – ‘What your vehicle can be used for’, or not being used for the purpose it was designed or not as a vehicle as defined in the Transport Act 1998 or any amendments or any Act(s) in substitution of the Act
- in an unsafe or unroadworthy condition
- loaded or operated in excess of the manufacturer’s recommended specifications, or loaded contrary to the law, or its ancillary plant or machinery being operated contrary to the law
- on hire.

Any loss, damage or liability arising from, or claim for:

- aggravated, punitive or exemplary damages, fines and / or other penalties or reparation orders other than the cover provided under the ‘special benefit – Exemplary damages’
- any event outside New Zealand

- any time or date device or any item of which it forms a part (including the **vehicle** itself), arising from its failure to recognise any date, character or value as the correct date, character or value (e.g. Year 2000). However, **we** will pay for any loss or damage it causes to any other item
- any unreasonable, criminal, reckless or wilful act or omission by **you** or by anyone in charge of **your vehicle**. This exclusion does not apply to any person who is in charge of **your vehicle** after stealing it
- confiscation, nationalisation or requisition by an order of Government, Local Authority, the Courts or any public authority unless it is to prevent loss or damage covered by this policy
- subsidence, landslip, erosion or geothermal activity
- depreciation, wear and tear, rust or corrosion, action of sunlight or existing defects
- nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel, including any self-sustaining process of nuclear fission or fusion
- personal injury as defined in and / or for which cover is provided under the Accident Compensation Act 2001 or any amendments or any Act(s) in substitution of the Act
- any activity involving asbestos, asbestos products or asbestos contained in any products or materials
- airborne activities while being towed by **your vehicle**
- any object drawn, cast into or entangled in the **vehicle** by any means whatsoever unless **you** have chosen the ‘Optional special benefit – Ingestion of foreign objects’, but **you** are covered for sudden and accidental physical loss or sudden and accidental physical damage that occurs during the **period of insurance** by fire, collision or overturning resulting from such an occurrence

- any claim or potential claim already notified under any previous policy of insurance held by **you**
- the cost of defending any charge or charges relating to any continuing offence under any Act of Parliament
- the failure, breakage or breakdown of:
 - the engine, motor and/or its associated subsystems
 - the transmission
 - any electrical or electronic system or equipment
 - any cooling or lubricating system
 - any other mechanically or hydraulically operated system or equipment
 - the fuel system and / or its associated subsystems
 - the motors or electrical equipment of **your vehicle** caused by water ingestion unless it occurs as a result of other damage to **your vehicle** for which a claim is payable.
- loss of or damage to property belonging to or under the care, custody or control of **you** or **your** driver or liability arising from the transportation of a load to or from **your vehicle**. However, this exclusion does not apply to liability arising from the actual loading and unloading of the **vehicle**, nor does it apply while any disabled vehicle is being towed by **your vehicle** for no financial gain or reward
- loss or damage if **you** or **your** driver have agreed with any party to accept responsibility for any loss or damage for which the law would not otherwise hold **you** or **your** driver responsible
- loss or damage to property, including any bridge, viaduct, weighbridge or any road or any other surface upon which **your vehicle** may drive including the material beneath such surfaces or structures, where the damage arises from vibration caused by **your vehicle**, the weight of the load carried by **your vehicle** or the weight of **your vehicle**, or the combined weight of the load and **your vehicle**; other than the cover provided by the 'special benefit – Weight damage'

Any loss or damage to:

- any **accessory** or set of **accessories** that are not standard with the **vehicle** when new if their total value is over \$1,000 unless shown in the **certificate of insurance**
- caravan awnings or coverings caused by windstorm, hail or snow
- tyres, unless malicious, or the damage occurs at the same time as other damage to **your vehicle** for which a claim is payable or other than the cover provided by the 'Optional special benefit – Tyre damage'.

Liability for:

- **bodily injury** to **you** or any person who is in charge of **your vehicle**

- any **bodily injury** or loss or damage to property arising from the use of any plant or machinery attached to or forming part of **your vehicle**, other than the cover provided by the 'special benefit – Hoists'.

Loss, damage or liability arising directly or indirectly from or occasioned by or through or in consequence directly or indirectly of or claim for:

- war, invasion, act of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public local authority, or any act of any person or persons acting on behalf of or in connection with any organisation the objective of which includes the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means.

How to make a claim

It is important that **you** tell **us** when **you** become aware of any circumstances which may give rise to a claim.

You can call **us** on 0800 808 808 or go to tower.co.nz/claims to fill out an online claim form.

If **you** call **us** and **we** require **you** to complete a claim form, **we** must receive the completed claim form within 30 days.

How we will look after your claim

When **you** contact us to make a claim **we** will:

- process **your** claim within the terms of the policy
- explain how the claims process works
- explain what **we** need to go ahead with **your** claim
- if required, arrange for an assessor to inspect the damage and explain the procedure that will be followed
- keep **you** updated on **your** claim's progress
- give **you** all the information **you** need on how **we** will settle **your** claim
- if **we** decline **your** claim, **we** will clearly explain why.

How we will settle your claim

We will arrange for the repair, replacement or pay for the loss, once **your** claim has been accepted.

We may choose to repair the damage or pay the amount of the loss up to:

- an amount equal to the reasonable cost of repairs as assessed by **us**, or
- the **market value** of **your vehicle**, whichever is less.

If **your vehicle** is leased at the time of loss, **we** will pay the reasonable **market value** or residual value of **your vehicle**, whichever is the greater amount, up to an amount no greater than the **market value** of the **vehicle** plus 20%, provided that this does not include:

- penalties for early termination
- penalties for any additional distance travelled
- penalties resulting from lack of servicing or poor maintenance
- unpaid obligations under the lease at the time of the loss
- 'balloon' payments
- the amount by which the residual value of **your vehicle** exceeds 120% of its **market value**, where there is a guaranteed buy back agreement.

The residual value for the purpose of this clause means the **market value** of the **vehicle** or the final book value at the natural expiry date of the lease contract, as set out under the terms of that contract.

If **you** pay **your** premium by installments and **your vehicle** is a total loss **you** must pay the rest of the annual premium before **we** settle **your** claim.

We may make payment to an interested party (finance company, etc) if **you** have one registered on **your vehicle**. Their receipt will discharge **us** completely.

We will also pay for all costs and expenses incurred by **you** with **our** approval in defending claims under liability protection plus any costs and expenses awarded against **you**.

In all cases, **we** will not pay more than the **market value** or the sum insured shown in the **certificate of insurance**, whichever is less. This clause does not apply to leased vehicles, in which case **we** will pay in accordance with the provisions in this policy related to leased vehicles.

What your vehicle can be used for

We will insure **your vehicle** only while it is being used:

- in the course of **your** business or occupation **you** have disclosed to **us**
- for private, social or domestic purposes

But excluding:

- Vehicles being tested for or in preparation for or engaged in racing, sprinting, drag racing, pacemaking, hill climbing, off-roading, reliability or time trials, rallying, speed tests or any form of motorsport or high speed driver training.

Modifications to your vehicle

Unless shown in the **certificate of insurance** it is agreed by **you** that **your vehicle** complies with the maker's standard specifications for the model and year of manufacture and has not been **modified** in any way. A conversion of **your vehicle** to run on CNG, LPG or BioGas will not be a breach of this policy as long as the conversion complies with the appropriate New Zealand standard and has a current Certificate of Fitness.

Replacement parts

Under Section 1, **we** will pay for any part or **accessory** not currently available in New Zealand up to the last known price list in New Zealand, when the part or **accessory** was available, or for the part's or **accessory's** closest New Zealand equivalent whichever is the lesser.

Your vehicle is not covered for:

- freight and other costs to import parts or **accessories** from outside New Zealand
- any costs due to the inability to match existing paint
- costs to replace any part or **accessory** that has not suffered sudden and accidental physical loss or sudden and accidental physical damage.

Cancelling this policy

You may cancel this policy at any time by notifying **us** either by telephone, email or post.

We will refund 80% of **your unused premium** (unless the refund is less than \$25 in which case no refund will apply).

We may cancel or avoid this policy in accordance with the express rights of cancellation and / or avoidance set out under the headings 'What you must tell us' and 'Some of your other important obligations'.

If **you** make a claim that is false or fraudulent in any way or make any false statement to **us**, **we** may avoid **your** policy and any other policies **you** have with **us** or cancel them effective immediately from the date of the fraudulent act. If **we** do this **we** will refund **your unused premium**.

Your policy is automatically cancelled following settlement of a claim for a total loss of **your vehicle** and no refund of premium is given. However, **you** may apply to **us** to insure **your** replacement vehicle.

Making changes to this policy

You can have this policy altered at any time as long as **we** agree in writing to such alteration before it takes effect.

We can alter the terms of this policy by giving **you** at least 14 days' notice sent or emailed to **your** last known address on **our** records in any of the following circumstances:

- to reflect any material changes to relevant law
- to increase the level of existing cover, or add additional cover
- if **we** are no longer able to secure reinsurance protection for perils covered by this policy
- in order to allow for a material change in **your** (or **your** insured property's) risk profile
- in order to allow for a material change in the risk profile of a group of similar policy holders (or similar insured property) that will not be commercially sustainable for **us** under current policy terms.

If **you** do not agree to such alterations to the terms of **your** policy, **you** can cancel the policy (effective from the date of the proposed alteration) by notifying **us** either by telephone, email or post prior to the effective date of the proposed alterations. If **you** cancel on this basis, **we** will refund **your unused premium**.

Other insurance

This policy does not cover any loss, damage or liability if **you** are covered for that same loss, damage or liability to any extent under a policy with another insurer. **We** will not contribute towards any claim under any other policy with another insurer.

Automatic reinstatement

In the case of partial physical loss or partial physical damage to **your vehicle** **we** will pay the premium to reinstate **your** insurance after **we** meet any claim.

Jurisdiction

The laws of New Zealand apply to this policy. The Courts of New Zealand have exclusive jurisdiction in relation to legal proceedings about this policy.

Any compensation awarded or costs or expenses of litigation outside New Zealand are not covered.

Currency and taxes

All sums insured and policy limits are expressed in New Zealand currency and are exclusive of Goods and Services Tax (GST) and all other taxes. All claims will be paid in New Zealand currency.

If you have a concern

While **we** make every effort to get things right, problems may sometimes occur. **We** have a complaints procedure in place that is intended to resolve any problem quickly and fairly. In order to avoid delay in solving a problem to **your** satisfaction, please follow the steps below:

- In the first instance call:
TOWER Insurance Customer Services
Freephone: 0800 808 808
- If **we** are unable to resolve the problem, **you** may make a formal complaint to:
Manager – Complaints Investigation and Resolution
TOWER Insurance Limited
PO Box 90 347
AUCKLAND
Freephone: 0800 808 808
Facsimile: 09 369 0546
Email: insurance@tower.co.nz
- If the complaint has been through all the steps above and **you** are still dissatisfied, **you** may then ask the Insurance and Savings Ombudsman to arbitrate. Please see the ombudsman's website (iombudsman.org.nz) for disputes it can consider.

Meanings of words

Definition	Meaning
Accident	an event that is unexpected and unintended by you and anyone using the vehicle
Accessory, or accessories	an automotive part installed in or on your vehicle which is not supplied or fitted by the manufacturer of your vehicle as standard equipment for your make and model of vehicle
Bodily injury	bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury
Certificate of insurance	the certificate of insurance first issued to you or the current renewal certificate whichever applies and any endorsement certificates that have been added during the period of insurance
Event	any one event or series of events arising from one source or original cause
Excess	the amount of any claim which you must bear. The excess applies to each and every event that results in a claim. Where you discover damage caused on multiple occasions then an excess will be applied in relation to each occasion or event that occurred. Where a special benefit or Optional special benefit specifies an excess, that excess will apply over and above any other excess in your policy or in the certificate of insurance . The amounts are shown in the certificate of insurance and / or in this wording
Market value	the reasonable cost at which a vehicle of the same make, model, kilometres travelled, year and condition as your vehicle or your employee's vehicle could have been purchased on the retail market immediately prior to the loss or damage, as assessed by a valuer approved by us
Modifications or modified	changes or alterations to your vehicle from the manufacturer's standard specifications, including but not limited to engine, sound system, steering, suspension, tyres or wheels
Period of insurance	the period shown in the certificate of insurance
Unused premium	Premium for the days you have paid for, but will not be insured (calculated as at the effective date of cancellation)
Vehicle or vehicles	the vehicle or vehicles shown in the certificate of insurance including spare parts, attached equipment, accessories , tools and breakdown equipment supplied by the manufacturer
We, us or our	TOWER Insurance Limited
You or your	the person(s) or entity named in the certificate of insurance as the insured. Where you jointly own the vehicle , this policy insures you jointly

Call us on **0800 808 808** or visit **tower.co.nz**

GMW 03-15



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