

Classic Cover policy wording



WELCOME TO CLASSIC COVER INSURANCE

We would like to make sure you are aware of all your entitlements under this policy, so please read this document carefully. After you have read it, please contact us if you would like further information.

30-DAY MONEY BACK GUARANTEE

If **you** are not satisfied with the cover provided by the policy **you** may return the policy within 30 days of receiving it.

If **you** have not made any claims during that 30 days **you** will be given a full refund of any **premium** paid.

PRIVACY ACT AND THE INSURANCE CLAIMS REGISTER (ICR)

The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to you on the condition that you authorise us to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect. You also authorise us to obtain from ICR Ltd personal information about you that is (in our view) relevant to this policy or any claim made against it. You have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

DEFINITIONS

Definitions explain words frequently used in the policy. Defined words are shown in this **type style**.

Accessories means:

- fitted entertainment, communications and navigation systems;
- child restraints/seats;
- tools and breakdown equipment supplied by the manufacturer which would normally stay with **your vehicle** when sold;
- car seat covers;
- first aid kit, torch, fire extinguisher, maps.

Accident and **Accidental** mean a sudden and unforeseen event causing physical loss or damage that is not intended or expected by **you**.

Agreed value means the value of **your vehicle** that **you** and **we** have agreed at the time of insuring or at any renewal. This value will be inclusive of Goods & Services Tax.

In New Zealand means in New Zealand or in transit within New Zealand.

Market value means the reasonable value of the **vehicle** immediately prior to the loss or damage.

Period of cover means the "period" or "period of insurance" specified on the **schedule**.

Premium is the consideration for this contract. This may mean the first premium or any subsequent premium and includes any government levies and taxes.

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.

Schedule is the latest current policy schedule, expiry notice or insurance renewal issued to **you**.

Vehicle means any vehicle described on the **schedule** including equipment supplied and fitted by the manufacturer, and tools supplied by the manufacturer that would normally remain within the vehicle,

and **accessories**. For the purposes of the Exclusions, vehicle also means any other vehicle covered by this policy.

We, us or **our** means Lumley, a business division of IAG New Zealand Limited.

You or **your** means the insured person or persons named on the **schedule**, and their partner. Partner means a marriage partner, or de facto partner as defined in the Property (Relationships) Act 1976 (or any replacement Act) and any subsequent amendments.

DESCRIPTION OF USE

Your vehicle is covered while it is being used for social, domestic, and pleasure purposes or is let out on hire providing it is being driven by **you** or a nominated insured driver.

There is no cover if **your vehicle** is being used;

1. for the carrying, hauling or towing of goods or samples in connection with any trade or business; or
2. in connection with the motor trade or for business purposes by commission agents, sales or service persons, commercial travellers, insurance representatives, insurance assessors, motor driving instructors, stock, station or real estate agents,

unless Description of Use has been varied and this variation noted on the **schedule**.

Your claim may be declined if **your vehicle** is not suitably garaged and secured while not in use.

If **your vehicle** is a motorcycle no cover will apply unless the motorcycle(s) are securely locked when left unattended.

INTRODUCTION

We will provide the cover set out in this policy during the **period of cover** shown on the **schedule** provided **you** have paid the **premium** and subject to the policy's terms, limits, conditions and exclusions. **Your** insurance contract consists of three parts:

1. this pre-printed policy document;
2. the personalised **schedule** with details of the cover which applies to **you**, and
3. the information in the proposal, application or declaration.

WHAT YOU ARE INSURED FOR

We will insure **you** for **accidental** loss or damage to **your vehicle** anywhere **in New Zealand** during the **period of cover** with **us**.

WHAT WE WILL PAY – AT OUR OPTION

The cost to repair or replace **your vehicle** or make a payment up to the **market value** or **agreed value**.

As the **premium** is partly based on **your vehicle's** stated value, **you** should make sure that it is realistic and takes account of depreciation.

LIMITS ON WHAT WE WILL PAY FOR:

Sum insured – market value

The maximum amount **we** will pay will be the lesser of **market value** or the sum insured shown on the **schedule**.

Sum insured – agreed value

The maximum amount **we** will pay will be the **agreed value** shown on the **schedule** unless it is found to be more than 20% above the **market value**, in which case **we** will only pay the **market value**.

If **your vehicle** is 26 years old or older and it is insured for an **agreed value** as shown on the **schedule**, the maximum amount **we** will pay will be the **agreed value**.

PARTS AVAILABILITY

Should parts required to effect a repair, not be available *in New Zealand*, then **we** may at **our** option either pay:

1. the cost involved in air freighting the part to New Zealand; or
2. the cost of having a new part made *in New Zealand*.

However the maximum amount **we** will pay under this 'Parts availability' clause is:

- \$2,500 for any individual part, or
- \$10,000 in total for all claims resulting from one event.

ACCESSORIES

We will not pay more than \$1,500 in total for loss or damage to **accessories** unless such equipment is the manufacturer's standard fitting for the **vehicle** model, unless a higher amount is shown on the **schedule**.

REPAIRS

If **we** elect to repair **your vehicle**, **you** may use the repairer of **your** choice. If **you** choose one of **our** "Guaranteed Repairers" **we** will pay the cost of repairs and guarantee the work while **you** own the **vehicle**, otherwise **we** will not pay more than **our** appointed assessor's estimate of the cost of repairs.

If the repair makes a major improvement to the pre- **accident** condition or value of the **vehicle** then **you** may be required to make a contribution towards the cost of repairs.

SALVAGE

If **your vehicle** is deemed a total loss, **you** will have first rights to any salvage. The value of the salvage will be determined by advertising the **vehicle** for tender or valuation provided by a person qualified to supply a valuation for this type of **vehicle**.

ADDITIONAL BENEFITS

We will also pay for:

1. LEGAL LIABILITY

We will pay for **your** legal liability for damage to property arising from **accidents** caused by **your vehicle**. **We** will pay up to \$10,000,000 (plus legal costs and expenses incurred with **our** consent) in respect of any one **accident** or number of **accidents** arising out of one event.

We will extend this benefit to provide the same cover:

- a. for **accidents** caused by any other motor car being driven by **you** in person, provided it does not belong to **you** and is not hired to **you** under a hire purchase or lease arrangement. No cover is provided for damage to the car being driven. This extension does not apply where **your vehicle** is a motorcycle;
- b. for damage caused by any trailer or caravan while attached to **your vehicle**.

But **we** will not pay:

1. for damage to property (including motor **vehicles**) in **your** custody or control. However damage to a disabled **vehicle** being towed (other than for reward) is covered. Damage to the property of passengers is also covered;
2. if **you** are entitled to indemnity under any other policy or **you** fail to comply with the terms and conditions of this policy;
3. for any exemplary or punitive damages.

An excess will not apply to any liability covered under this benefit where **your vehicle** is comprehensively insured and **you** are not claiming for damage to **your vehicle** arising from the same incident.

If **you** have home, contents, motor or boat insurance with **us**, **you** can only claim this benefit under one policy.

2. REPARATION

We will pay for **your** legal liability to pay **reparation** to a victim who has suffered **accidental** loss of or damage to property or **accidental** bodily injury as a result of **your** committing an offence during the **period of cover** in connection with **your** use of a **vehicle in New Zealand**.

Provided that:

- a. **you** or any person entitled to cover under this benefit must tell **us** immediately if **you** or they are charged with an offence in connection with the use of a **vehicle**, which resulted in loss of or damage to 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 defence costs, court costs, levies or costs awarded for any offence.

3. OTHER PERSON'S LIABILITY

We will cover the legal liability, including legal liability to pay **reparation**, of any other person caused by through or in connection with their use of **your vehicle**, in the same manner as **we** cover **you**, provided:

- a. the use has **your** permission;
- b. their liability is not covered by any other insurance; and
- c. the person using **your vehicle** meets all the same terms of this policy that **you** must meet.

4. FOREST AND RURAL FIRES ACT

We will pay **you** up to a maximum of \$1,000,000 (plus legal costs and expenses incurred with **our** consent) for all sums that **you** shall become legally liable to pay, arising out of any one event and arising from **your** ownership of the **vehicle** insured under this policy, whether or not damage to property has occurred, in respect of:

- a. costs incurred and apportioned by the Fire Authority under the Forest and Rural Fires Act 1977, or any amendments or replacing Act;
- b. costs claimed by any other party in order to protect their property from fire.

We will not pay for:

- i. levies for expenditure under Sections 44, 45, 46 & 46A of the Forest and Rural Fires Act 1977;
- ii. fines or penalties;
- iii. gross negligence or deliberate damage caused by **you**;
- iv. fire intentionally lit by **you** that does not comply with the Forest and Rural Fires Act 1977 and its amendments or any other statutory or local body requirement governing the lighting of fires.

Any payment made under this additional benefit shall be cumulative on any payment that may be made under the Legal Liability benefit of this policy, and **our** combined payment for this benefit and that which is provided under the Legal Liability benefit will not exceed \$10,000,000 (plus legal costs and expenses incurred with **our** consent) for any one event.

If **you** have home, contents, or motor insurance with **us**, **you** can only claim this benefit under one policy.

5. GOODS AND SERVICES TAX – GST

Provided the GST is recoverable by **us**, the sum insured under this policy except for "**Agreed Value**" is exclusive of GST. This means that **we** will pay up to a maximum of the sum insured plus GST to a maximum of the current rate of GST applied to that sum insured.

All limits, amounts or excesses shown are GST inclusive.

6. VEHICLE SPARE PARTS

If **you** have motor **vehicle** spare parts or associated equipment that belong to but are not fitted to the **vehicle**, **we** will cover these up to \$5,000 in total. This cover is restricted to losses arising from fire, explosion, burglary from locked or secured building or **vehicle**, or **accidental** damage whilst being transported by **you**.

However, if **your vehicle** is a motorcycle the limit is \$2,500 and the cover is limited to those items not otherwise insured, whilst securely stored at **your** residence or other secured storage area.

An excess of \$250 applies to each and every claim.

If **you** have motor and contents insurance with **us**, **you** can only claim this benefit under one policy.

7. TRAILERS

We will cover any trailer owned by **you** which is specifically used for transporting **your vehicle**.

We will pay up to \$5,000 for any one event. An excess of \$100 applies to each and every claim.

The following additional benefits apply only when noted on the **schedule** in respect of a particular **vehicle** that “full comprehensive cover applies”, excluding Road/Race/Rally or dedicated competition use **vehicles**:

8. GLASS EXTENSION

If **your vehicle** is insured comprehensively **we** will pay for claims for breakage of windscreens, sun-roofs, windows, headlights and headlight protectors or tail lights sustained without other damage to **your vehicle** and will be free of excess and will not affect **your** no claim discount.

However this additional benefit does not apply to any of the types of cover under ‘Variations to the Cover’ section.

9. VEHICLE CHANGE

If **you** replace a **vehicle**, or buy an additional **vehicle** for **your** sole use, **we** will insure the replacement or additional **vehicle** for its **market value** but otherwise on the same terms that apply to the **vehicle** shown on the **schedule**, but only if:

- you** tell **us** within 30 days after buying the replacement or additional **vehicle** and provide full details; and
- you** pay any extra **premium** which **we** may require; and
- the **vehicle** purchased is valued at no more than \$75,000.

10. VEHICLE SERVICING AND EMERGENCY

If there are any driver restrictions on this policy **we** will not apply them when **your vehicle** is being driven:

- by a member of the motor trade who is professionally engaged in the overhaul, upkeep or repair of the **vehicle**; or
- to a medical facility in the event of a medical emergency.

11. CLEANING – VALET COSTS

Where **your vehicle** is broken into and damage occurs to the inside of the **vehicle**, and **you** have not made a claim under any other part of this policy, **we** will cover the cost of cleaning and valeting **your vehicle** to a maximum cost of \$250 without applying an excess and without reducing **your** no claim discount.

12. KEYS AND LOCKS

Where any key giving access to **your vehicle** is stolen or believed on reasonable grounds to have been duplicated without proper authority, this policy extends to include the costs reasonably incurred in altering or replacing locks or replacing the keys. Any payment will be limited to \$1,000 for any one event.

13. EMERGENCY COSTS

If **you** have an **accident** for which there is a valid claim under this policy, **we** will pay the reasonable costs of:

- having **your vehicle** removed to the nearest repairer or place of safety;
- essential repairs so **you** can get **your vehicle** to **your** destination or a repairer;

- returning **your vehicle** to **your** home following its repair, or if it was stolen, following its recovery. **We** will also pay the reasonable costs of accommodating and transporting **you** and **your** passengers to **your** home if **your vehicle** cannot be driven, to a maximum of \$500.

14. NEW CAR OPTION

If the cost of repairing **your vehicle** is greater than 60% of its **market value**, or it is stolen and not recovered, and it is less than one year old and it has travelled less than 15,000 kilometres, **we** will, at **your** option, replace it with a new **vehicle** of the same make, model and specification if it is available **in New Zealand**.

15. PERSONAL INJURY

If **you**, **your** spouse or any other family members suffer bodily injury by violent **accidental** external and visible means in direct connection with **your vehicle**, while restrained (as and when legally required):

- We** will pay the following amounts (up to a maximum of \$5,000 per person and \$15,000 any one event) arising out of any event, provided such injury is the sole cause of any of the following within three calendar months of injury:
 - death \$5,000;
 - total and irrecoverable loss of the sight of an eye \$2,500;
 - total and irrecoverable loss of the sight of both eyes \$5,000;
 - total and permanent loss of the use of one hand or one foot \$2,500, and
 - total and permanent loss of the use of both hands or both feet or of one hand together with one foot \$5,000; and
- We** will pay medical expenses incurred in connection with such injury up to the sum of \$200 per person per event. But **we** will not pay:
 - where death or bodily injury was caused by suicide or attempted suicide;
 - if the insureds named on the **schedule** are not individuals;
 - under more than one motor **vehicle** insurance policy held with **us**; or
 - where **your** cover is third party fire and theft;
 - costs which can be recovered under the provisions of the Accident Compensation Act 2001 and any subsequent amendments.

EXCLUSIONS – WE WILL NOT PAY FOR:

1. ANY EXCESS

You must contribute the amount(s) shown on the **schedule** under the heading “Excesses” as the first amount of any claim. There are various excesses that may show on the **schedule**. These are:

Standard excess

This excess applies to each and every claim.

Imposed excess

Any **vehicle** noted on the **schedule** under “Imposed Excess” is subject to the additional excess shown on the **schedule**.

Special excess

Any drivers of **your vehicle** who are noted on the **schedule** under “Special Excess” are subject to the additional excess shown on the **schedule**.

All excesses are cumulative.

The excess(es) will be refunded to **you** if:

- We** are satisfied that:
 - the driver of **your vehicle** was completely free of blame; and
 - the identity of the other party who caused the damage is established.
- Your** entire **vehicle** is stolen while fitted with an active electronic engine immobiliser approved by **us**.

Where a single event causes loss or damage to property or items insured by **you** with **us** under more than one insurance policy, only one policy excess shall apply. The amount of the excess shall be the highest excess that **we** could apply under any of the policies affected.

2. THE FOLLOWING TYPES OF DAMAGE:

- a. loss of use or consequential loss, depreciation, wear and tear, corrosion, existing defects or damage;
- b. damage to tyres by application of brakes or by punctures, cuts or bursts, or bursting unless the **vehicle** suffers other loss or damage in an **accident**, or the damage is deliberate and is caused by a person not insured by this policy;
- c. any damage to **your** "Off Road" motorcycle while it is moving under its own motive power.
- d. loss of or damage to the following parts of an insured **vehicle**:
 - i. engine and all engine parts,
 - ii. cooling systems, including but not limited to radiators, heat exchangers, cooling fans, pressure caps, water pumps, thermostats and hoses,
 - iii. hydraulic system, including but not limited to shock absorbers and suspension systems,
 - iv. transmission system, including but not limited to gearbox, drive shafts, axles, differentials, clutches, and wheel hubs,
 - v. fuel systems,
 - vi. braking systems,
 - vii. electrical/electronic systems, computer systems, and mechanical systems,
 - viii. pumping and vacuuming systems,
 - ix. any fixed plant machinery (including but not limited to food /drink preparation equipment),
 - x. underground exploratory devices.

However, this exclusion does not apply to loss or damage that is the direct result of:

- i. fire,
- ii. the insured **vehicle** or a conveying **vehicle** overturning,
- iii. the insured **vehicle** suffering an impact or collision with an external object,
- iv. the insured **vehicle** being partly or fully immersed in a body of water,
- v. the insured **vehicle** being stolen or converted,
- vi. the insured **vehicle** being maliciously damaged,
- vii. the insured **vehicle** being **accidentally** operated with the incorrect fuel type (e.g. diesel in a petrol engine or petrol in a diesel engine). This does not include operating the insured **vehicle** with fuel of the correct type which is contaminated,
- viii. hail, snow, storm or lightning,
- ix. natural disaster,
- x. animals.

3. LOSSES WHEN YOUR VEHICLE IS BEING:

- a. used other than in accordance with the Description of Use;
- b. used for hire or carrying of fare paying passengers other than as allowed under Description of Use;
- c. used anywhere for (or being tested in preparation for) racing of any kind, pace- making, trials, tests or demonstrations;
- d. driven on a racetrack whether sealed or not and whether in the presence of other **vehicles** or not unless as part of an organised non competitive training program and accompanied at all times by a suitably qualified instructor;
- e. used in the restricted area of a commercial airport

4. LOSSES WHEN YOUR VEHICLE IS BEING USED OR DRIVEN BY ANY PERSON WHO:

- a. does not have a licence which is in full force and effect to drive **your vehicle** at the time and place of the **accident**; or
- b. is not complying with the conditions of his/her licence; or
- c. is being driven by any person under the age of 25 years or if **your vehicle** is a motorcycle, under the age of 30 years or has not had their licence for over 2 years unless this person is named on the **schedule**;
- d. is excluded from the policy cover.

5. LOSSES WHEN YOUR VEHICLE IS BEING USED OR DRIVEN BY ANY PERSON WHO:

- a. at the time of the **accident** giving rise to a claim under this policy is under the influence of intoxicating liquor or a drug or who has a proportion of alcohol in their blood or breath higher than that allowed under New Zealand road traffic law.

If **your vehicle** is being used or driven by a person who at the time of the **accident** giving rise to a claim under this policy is under the influence of intoxicating liquor, cover will still apply if **you** can establish that the proportion of alcohol in the breath of the person is lower than that allowed under New Zealand road traffic law.

It will be assumed that the proportion of alcohol in the blood or breath at the time of the **accident** was no less than the proportion of alcohol in any subsequent blood sample or breath test carried out following the **accident**.

- b. following an **accident** giving rise to a claim under this policy refuses to undergo a breath test or provide a blood sample having been lawfully requested to do so or fails to stop or leaves the scene of the **accident** when it is an offence to do so.

6. LOSSES THAT ARISE FROM YOUR VEHICLE BEING IN AN UNSAFE OR DAMAGED CONDITION:

unless **you** can prove that such condition did not cause or contribute to the loss or damage. Cover will still apply if **you** can prove that **you** and the driver were unaware of such condition and had taken all reasonable steps to maintain **your vehicle** in a safe condition.

7. LOSS, DESTRUCTION, DAMAGE OR LIABILITY DIRECTLY OR INDIRECTLY CAUSED BY:

- a. war, invasion, act of foreign enemy, warlike operations (whether war be declared or not), civil war, rebellion, resolution, insurrection, military or usurped power or confiscation, destruction or acquisition by government or local authorities;
- b. nuclear weapons, ionising radiations or contamination by radioactivity from nuclear fuel or the combustion of waste from nuclear fuel;
- c. any act of terrorism including loss, destruction, damage or liability that arises from, is consequent upon or arises in connection with biological, chemical, radioactive, or nuclear:
 - pollution;
 - contamination; or
 - explosion.

An act of terrorism means an act, including but not limited to the use of force or violence or the threat thereof, 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 section of the public in fear;

- d. seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up) unless the seepage, pollution or contamination happens:
 - during the **period of cover**; and
 - is caused by a sudden **accidental** event that happens during the **period of cover**;
- e. any intentional or reckless act or omission by **you** or anyone else covered by this policy.

POLICY CONDITIONS

These conditions give **you** information about **your** and **our** obligations arising from this policy.

1. ASSIGNMENT

You must not assign or attempt to assign this policy or **your** interest in this policy to any other person or party without **our** written consent.

2. BREACH OF POLICY TERMS AND CONDITIONS

No claim shall be payable where any person entitled to indemnity under this policy breaches any of the policy terms and conditions. However, nothing in this policy affects **our** right to avoid the policy for non-disclosure.

3. CANCELLATION

We may cancel this policy at any time by sending a letter to this effect to **you** at **your** last known postal address. The cancellation will take effect at 4.00 pm on the 7th day after the letter has been sent. **We** will refund **your** paid **premium** based on the unused portion of the **period of cover**. **You** may cancel this policy by giving written notice to **us**. **We** will refund **your** paid **premium** based on the unused portion of the **period of cover** less any cancellation charge which may be applied.

4. CARE OF MOTOR VEHICLE

You must take all reasonable steps to prevent loss or damage and maintain **your vehicle** in good repair. **We** shall always have the right to examine **your vehicle**.

5. CLAIMS

- a. On the happening of any event that may give rise to a claim under this policy **you** must:
 - i. immediately notify **us** of such event;
 - ii. take all reasonable steps to minimise the extent of loss or damage;
 - iii. immediately send **us** any communications which **you** receive in relation to an event which may give rise to a claim;
 - iv. obtain **our** consent before proceeding with repairs (other than for replacement or repair of window glass);
 - v. make **your vehicle** available for inspection by **us**;
 - vi. provide all proofs, information and other evidence, and otherwise give all possible assistance that **we** may require; and
 - vii. in the case of loss by theft, burglary or vandalism advise the Police immediately.
- b. **You** shall not without **our** written consent incur any expense or negotiate, pay, settle, admit, repudiate or make any agreement in relation to any claim.
- c. **We** shall be entitled at **our** expense and in **your** name to take any proceedings necessary to obtain relief from any other party and to take over and conduct the defence and settlement of any claim. **You** must provide all reasonable assistance and co-operation.
- d. If **we** pay a total loss settlement on **your vehicle** then the cover is finished and no **premium** is refundable.

6. CORRECTNESS OF STATEMENTS AND FRAUD

The proposal, application or declaration form is the basis of this contract. All statements made by **you** or on **your** behalf either on the proposal form or otherwise in support of this policy or any claim must be complete and correct in all respects. If any claim under this policy is supported by any incorrect information or statement all benefits under this policy will be forfeited.

7. DUTY OF DISCLOSURE/CHANGE OF CIRCUMSTANCES

You must tell **us** everything that may be relevant to **our** decision to issue, renew or alter the policy and **you** must tell **us** of any changes to any circumstances relevant to this policy as soon as **you** know about them.

If **you** breach this duty, **we** may treat **your** policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

8. JOINT INSUREDS

Where this policy is issued in joint names, then this policy is a joint policy. This means that if one of **you** does or fails to do anything so that there is no cover, there will be no cover for any of **you** not just the person responsible.

9. JURISDICTION

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

10. MODIFICATIONS

You must tell **us** of any modifications which have been made to the manufacturers standard specifications for **your vehicle**.

11. OTHER INSURANCE

This policy does not cover loss or liability where cover is already provided by other insurance. **We** will not contribute towards any claim under any other policy.

12. OTHER INTERESTS

If **your vehicle** is mortgaged or secured by any other financial agreement, **we** may make payment for any loss direct to the interested party. This will meet **our** obligations under this policy.

VARIATIONS TO THE COVER

This policy sets out the standard cover for **your vehicle**. The cover may be varied by one or more of the following clauses being applied. The **schedule** will indicate which clauses if any apply and will note any other variations to the cover.

THIRD PARTY FIRE AND THEFT COVER

When noted on the **schedule** in respect of a particular **vehicle** that "third party fire and theft cover applies", cover on **your vehicle** is limited to loss or damage to **your vehicle**:

1. by fire, theft or illegal conversion; or
2. as a result of an **accident** caused by an uninsured third party. Cover will only apply if **we** are satisfied that:
 - a. the driver of **your vehicle** was completely free of blame; and
 - b. the identity of the other party who caused the damage is established; and
 - c. the other party did not have valid insurance. The maximum amount payable for any claim will be the **market value** of **your vehicle** or \$3,000 whichever is less, unless **your vehicle** is a motorcycle where the maximum amount payable will be \$1,000.

Additional Benefits clause 6 (Vehicle Spare Parts) and clause 7 (Trailers) do not apply.

STORAGE AND RESTORATION COVER

When noted on the **schedule** in respect of a particular **vehicle** that "storage and restoration cover applies", cover on **your vehicle** is limited to loss or damage to **your vehicle** by:

1. Fire;
2. Theft;
3. **Accidental** Damage;
4. Transit.

There will be no cover if the **vehicle** is moving under its own motive power and it must be garaged.

ROAD RACE RALLY COVER

When noted on the **schedule** in respect of a particular **vehicle** that "road race rally cover applies", cover is extended to include cover where **your vehicle** is being used during any touring stage of any lawful motorsport event. No cover will apply during special and or speed stages.

DEDICATED COMPETITION VEHICLE COVER

When noted on the *schedule* in respect of a particular *vehicle* that “dedicated competition *vehicle* cover applies”, cover on *your vehicle* is limited to loss or damage to *your vehicle* by:

1. Fire;
2. Theft;
3. **Accidental** Damage;
4. Transit.

There is no cover if the *vehicle*:

- a. is not adequately secured; or
- b. is in use (use is deemed to be from time of engine start-up to engine shut-down including whilst preparing for, practicing for or taking part in any competition event); or
- c. is moving under its own motive power; or
- d. is on any racetrack or drag strip for the purpose of taking part in any competition, event or demonstration.

KART COVER

When noted on the *schedule* in respect of a particular *vehicle* that “kart cover applies”, cover on *your* kart is limited to loss or damage to *your* kart by:

1. Fire;
2. Theft;
3. **Accidental** Damage;
4. Transit.

There is no cover if the kart:

- a. is not adequately secured; or
- b. is in use (use is deemed to be from time of engine start-up to engine shut-down including whilst preparing for, practicing for or taking part in any competition event); or
- c. is moving under its own motive power; or
- d. is on any racetrack for the purpose of taking part in any competition, event or demonstration.

There are 5 levels of cover provided:

1. Level 1 – up to \$5,000
2. Level 2 – up to \$7,500
3. Level 3 – up to \$10,000
4. Level 4 – up to \$15,000
5. Level 5 – up to \$20,000

The level of cover that applies to *your* kart(s) will be noted on the *schedule* and this is the maximum *we* will pay. The cover is **market value**.

MOTORCYCLE OFF ROAD COVER

When noted on the *schedule* in respect of a particular *vehicle* that “motorcycle off road cover applies”, cover on *your* motorcycle is limited to loss or damage to *your* motorcycle by:

1. Fire;
2. Theft;
3. **Accidental** Damage;
4. Transit.

There is no cover if the motorcycle:

- a. is not adequately secured; or
- b. is in use (use is deemed to be from time of engine start-up to engine shut-down including whilst preparing for, practicing for or taking part in any competition event); or
- c. is moving under its own motive power; or
- d. is on any racetrack, sealed or off-road for the purpose of taking part in any competition, event or demonstration.

LIMITED BUSINESS USE

When this clause is noted on the *schedule* against a particular *vehicle*, ‘Description of Use’ clause 2 is modified to allow for limited business and promotional use.

EXTENDED MILEAGE

When this clause is noted on the *schedule* against a particular *vehicle*, ‘Description of Use’ clause 3 is modified to allow for extended mileage up to the limit noted on the *schedule*.

COMPULSORY NAMED DRIVER WARRANTY

When this clause is noted on the *schedule* against a particular *vehicle*, no cover will apply while the *vehicle* is being driven by any person other than those listed on the *schedule*.